

LEGAL ALERT

Polish Competition Authority has announced inspections in retail chains

The Polish Competition Authority (PCA) has announced that in 2019 it will carry out inspections in retail chains. One of the underlying reasons for the planned actions are reports reaching the PCA on irregularities in informing consumers about prices for products offered by retail stores.

In connection with the announced inspections, the operators of the retail chains should pay attention to the way in which they inform consumers about prices, in particular the prices offered during promotions. The communication on prices needs to be clear, precise and cannot in any way mislead consumers. Otherwise, the PCA may consider the pertinent communication as prohibited practice which infringes consumers' collective interests.

We have presented below certain examples of the incorrect presentation of the prices of products which may be considered by the PCA as misleading and as a result as infringing consumers' collective interests:

- informing consumers about the promotional price and the "previous price" (which is usually crossed out), when the "previous price" was not applied and is higher than the actual price of the product before the promotion;
- informing consumers about a promotional price which is in fact the same as the regular price applied before the promotion;
- informing consumers about the existence of a specific price advantage related to the purchase of so-called multi-packs when in fact the price advantage does not exist (e.g. offering a promotion such as: "buy 1, get 1 free", when the price of the multi-pack during the promotion is higher than the price which the consumer had to pay for one pack of the product before the promotion);
- informing consumers that the promotion applies for a defined period of time (e.g. "We remind you that the promotion will end today") when the promotion applies also at times other than those mentioned in the marketing materials.

If the PCA finds out that the conduct of an undertaking constitutes an infringement of the consumers' collective interests, the PCA is authorized to impose on such undertaking a fine of up to 10% of its turnover generated in the financial year preceding the year in which the fine is imposed. In addition, as of 15 December 2018, the PCA may impose a fine (up to PLN 2 million) on manager who – when exercising his or her duties when the infringement has been in place – intentionally allowed (by action or omission), the undertaking to infringe the collective interests of consumers.



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