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|  | **PRESS RELEASE** |

**Inspections of energy intermediaries again demonstrated unfair commercial practices**

*(Final report 2020)*

***(Prague, 5 March 2021)* The Czech Trade Inspection Authority also focused on the activities of intermediaries of energy supply contracts in 2020. It carried out 39 inspections and detected infringements in 34 cases where a larger proportion of the inspected traders used unfair and deceptive practices.**

In 2020, the Czech Trade Inspection Authority carried out an inspection action focused on the offer and provision of services related to the intermediation and conclusion of energy supply contracts. In total, it carried out 39 inspections and detected infringements in 34 cases (87.2%).

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| **Inspectorate** | **Number of inspections** | **Inspection with findings** | **Findigns in %** |
|
| Středočeský and Prague | 33 | 29 | 87.9% |
| Jihočeský and Vysočina | 0 | 0 | 0% |
| Plzeňský and Karlovarský | 3 | 2 | 66.7% |
| Ústecký and Liberecký | 1 | 1 | 100% |
| Královéhradecký and Pardubický | 1 | 1 | 100% |
| Jihomoravský and Zlínský | 1 | 1 | 100% |
| Olomoucký a Moravskoslezský | 0 | 0 | 0% |
| **Total** | **39** | **34** |  **87.2%** |

**Deficiencies**

The Czech Trade Inspection Authority found a breach of the provisions of Act No. 634/1992, on consumer protection, in 42 cases that involved unfair commercial practices (several different forms of unfair commercial practices may also be identified in one inspection):

* in 25 cases, traders used deceptive practices that are considered misleading if the consist of factually incorrect information which is therefore false, which leads or may lead consumers to a purchase decision that they would not make otherwise (Section 4 following Section 5 par. 1);
* in 14 cases, the use of unfair commercial practices, i.e. practices that are contrary to the requirements of professional care and substantially disrupt or are capable of substantially disrupting the economic behaviour of the consumer to whom they are addressed (section 4 par. 1, par. 4);
* in 1 case, the sellers used aggressive commercial practices towards the consumer. An aggressive commercial practice shall be deemed to be a commercial practice which, in its factual context and with regard to all its features and circumstances, significantly impairs or is likely to impair the consumer's freedom of choice or conduct in relation to the product or service by harassing, forcing, including the use of physical force or undue influence, thereby causing or likely to cause the consumer to make a decision regarding the purchase which he would not make otherwise (Section 4 following Section 5b par. 1);
* in 1 case, the trader used a misleading commercial practice, containing true information, but which was provided in a way that misled the consumer as to the existence and substance of the product, main characteristics of the product or service, the extent of the seller's obligation, price or method of calculating the price, etc., and led or could have led the consumer to decide on a purchase which he would not do otherwise (Section 4 following Section 5 par. 2);
* in 1 case, a deceptive omission was used; this is when the seller conceals the essential information or provides it in an unclear, incomprehensible or ambiguous manner or at an inconvenient time due to existing circumstances relating to the restriction of the media to which the essential information is provided, or does not state the commercial intent of the commercial practice, if it is not evident from the context, and where this leads or may lead the consumer to make a decision on the purchase which he would not make otherwise (§ 4 following Section 5a par. 2).

Further infringements of the Act No 634/1992 on Consumer Protection were found in the following cases:

• in 20 cases, the consumer was not properly informed about the scope, conditions and method of exercising the right to claim the goods, together with details of where to make the complaint (Section 13);

• in 6 cases, when selling or providing services outside a notified establishment, sellers failed to provide information relating in particular to the name and address of the seller, or information where the consumer can make a claim even after the termination of such sale or provision of services (Section 19 para. 4);

• in 4 cases, sellers breached their obligation to inform consumers about the entity of out-of-court settlement of consumer disputes, including a website if they operate one (Section 14 para. 1);

• in 1 case, the consumer was not familiar with the price of the offered service in accordance with pricing regulations (Section 12);

• in 1 case, the seller did not properly inform the consumer about the characteristics of the products or services sold (Section 9(1).

**Measures imposed**

In 2020, the Czech Trade Inspection Authority lawfully imposed 21 fines totalling CZK 5,535,000.

The highest final fine in 2020, in the amount of CZK 1,200,000, was imposed on Česká aukční energetická s.r.o. for, among other things, the fact that in a number of inspected contracts with consumers they used unfair commercial practices. They used contracts containing an illegal article that, under a contractual penalty of CZK 3,000, prevented clients from withdrawing from the contract within legal deadlines. In addition, information on the new price was given in an unclear manner, prices were excluding VAT, etc.

The second highest final fine of CZK 1,000,000 was imposed on Česká aukce s.r.o., among other things, for having engaged in unfair commercial practices. They used contracts containing an illegal article that, under a contractual penalty, prevented clients from withdrawing from the contract within the statutory deadlines.