PRESS RELEASE

**Czech Trade Inspection Authority inspected the obligations of sellers providing discounts on product prices**

*(Final report for 2024)*

(Prague, 3 April 2025) **During the past year, the Czech Trade Inspection Authority focused on the fulfilment of obligations arising from Act No. 634/1992 Coll., on Consumer Protection as imposed on vendors offering and selling goods in relation to the provision of discounts.** **Within the inspection action, it carried out a total of 1,755 inspections, and infringements of legal regulations were detected in 796 cases, i.e. 45.36% of the total number of inspections carried out.**

The inspections were aimed at sellers throughout the market, including e-shops, in the period from 2 January to 31 December 2024. The objective of the inspection action was to see if sellers, when providing discounts on product prices, inform consumers of the lowest price at which the product was offered before the discount was granted and whether this information is provided in compliance with the requirements of the legislation. The inspection results also showed whether the price reductions are calculated correctly and whether the products are also sold for the prices so determined.

**The most frequent finding was the violation of Section 12a of** the Act on Consumer Protection, consisting in the failure to provide information or the provision of incorrect information **on the lowest price at which the product was sold or offered in the 30 days period before the discount was provided.** This obligation, relating to the correct information about the discount, was breached in a total of **370 cases**. The second most frequent finding was the breach of Section 3 of the Act on Consumer Protection, which regulates the **fairness of sale of products and the provision of services, in 170 cases**. Of these, **in 154 cases** CTIA **officers found the breach of Section 3(1)(c), where incorrect charging for the products sold occurred.** Another frequently breached provision of the Consumer Protection Act was **Section 12**, governing the seller's obligation to **inform, in compliance with price regulations, the price of the products sold or services provided**. These shortcomings were **found in 140 cases.**

**The use of unfair commercial practices** which may distort the consumer's economic behaviour and may lead the consumer to make purchasing decisions that they would not make otherwise (Sections 4, 5 and 5a of the Consumer Protection Act) **was found in 207 cases in total**.

**Breaches of other legal provisions within the CTIA's surveillance scope were found in 308 cases.** These included infringements of the Civil Code, the Act on Inspection, the Act on Technical Requirements for Products, etc.

Based on the violations of legal regulations within the surveillance scope of the Czech Trade Inspection Authority detected within the inspection action, **a total of 385 fines in the total amount of CZK 17,561,500 came into force in the period from 1 January 2024 to 31 December 2024.**

The aforementioned calculation has also included the results of **two extraordinary inspection actions,** carried out after the judgment of the Court of Justice of the European Union confirming that the discount must be derived from the lowest price at which the goods were sold in the last 30 days prior to their discounting, which were specifically aimed at controlling the provisions of Section 12a of the Consumer Protection Act, in particular the disclosure of information on the percentage discount on product prices. **The first action** was aimed at **chain stores and e-shops that repeatedly and intensively use discount campaigns and promotions with food, electric, drugstore, textile and cosmetics products**. A total of 250 inspections were carried out between 14 October and 31 October within the extraordinary inspection action. Infringements of Section 12a of the Consumer Protection Act were found in 91 cases and violations of unfair commercial practices in relation to pricing were found in 37 cases. In the **second** extraordinary inspection **action**, which ran from 11 November to 6 December, the CTIA **focused mainly on sales called "Black Friday" and "Cyber Monday" at non-food chains and online shops**. A total of 172 inspections were carried out, of which 71 were found to be in breach of legislation. Infringements of Section 12a of the Act on Consumer Protection were found in 29 cases.

As a marketing tool, discounts influence consumer behaviour and purchases-related decision-making. Despite repeated inspections, sellers still breach their legal obligations.

**An important milestone was the judgment of the Court of Justice of the European Union confirming that the discount must be derived from the lowest price at which the goods were sold in the 30 days prior to the discount.** **This dispelled the last doubts about the interpretation of Article 6a(1) and (2) of Directive 98/6/EC of the European Parliament and of the Council on the protection of consumers in the indication of the prices of products offered to consumers, and the CTIA, although it had been interpreting this provision in accordance with the judgment of the CJEU since the legislation came into force, followed-up the ruling by carrying out two extraordinary inspection actions and significantly increasing the fines imposed for breaches of this obligation.** **Fines imposed for the infringements detected during the extraordinary inspections exceeding CZK 20 million did not become lawful until 2025 and are therefore have not been included in the list of final fines for 2024.**

The CTIA will keep paying increased attention to the inspection of the sellers' compliance with the obligations when providing discounts on the prices of products in 2025.