UOKiK activity in 2020

* **More than 1,000 decisions in the area of competition and consumer protection and over PLN 30 billion in the imposed fines.**
* **We invite you to read the report on UOKiK activities in 2020.**

**[Warsaw, 31 June 2021]** *"2020 was supposed to be a special year for UOKiK because of its 30th anniversary. We wanted to discuss the future of UOKiK during this special time, setting the direction of activities for the next decade. However, it quickly became apparent that this year would become special because of something that would affect nearly everyone in the world – the COVID-19 pandemic. The new reality required us to undertake rather uncommon actions. We immediately joined new challenges, including the government's work on the anti-crisis legislation. It was a very active year, which strengthened UOKiK and showed that together we can achieve a lot for the benefit of Polish consumers, undertakings and the whole economy,"* saysTomasz Chróstny, President of UOKiK.

**Anti-crisis shields**

Thanks to UOKiK's initiative, legislation was enacted to limit the non-interest cost of consumer credit. The solution was adopted to protect consumers who lost income due to the pandemic from the trap of excessive debt. With people in difficult financial situations in mind, legislation was also enacted to introduce the so-called credit holidays, which allowed the borrowers to suspend instalment repayment for three months if they lost their main source of income as a result of the pandemic.

The new powers revolve around the investment control. The President of UOKiK may block the acquisition of strategic Polish businesses by investors from outside the European Union, the European Economic Area and the Organisation for Economic Cooperation and Development.

**COMPETITION PROTECTION**

**Competition-restricting practices**

In 2020, the President of UOKiK **initiated 64 explanatory proceedings and 7 antitrust proceedings**. Furthermore, 63 soft calls in relation to undertakings, which consisted of requesting them to change or eliminate prohibited activities, were taken.

**In 2020, President of UOKiK Tomasz Chróstny issued 15 decisions concerning competition-restricting practices**, of which 14 concerned illegal agreements and one involved the abuse of a dominant position**. The total resulting financial penalties amounted to PLN 187.2 million.** In four cases, sanctions were reduced due to [the leniency programme](https://www.uokik.gov.pl/leniency_programme.php). In 2020, undertakings submitted three applications to take part in this programme.

For the first time, the President of UOKiK issued decisions **imposing financial sanctions on managers** personally responsible for concluding illegal agreements. The first ruling concerned [market sharing, price-fixing and tender collusion in the Warsaw heat energy market](https://www.uokik.gov.pl/news.php?news_id=17001). The total resulting fines amounted to nearly PLN 120 million and were imposed on companies from the Veolia Group and the managing person in Veolia Energia Warszawa. Entities from the PGNiG Group, which decided to cooperate with UOKiK under the leniency programme, avoided financial penalties*.* The second decision, involving penalties for managers, concerned collusion between [leading fitness chains in Poland.](https://www.uokik.gov.pl/news.php?news_id=17147) Parties to the illegal arrangements comprised of 16 entrepreneurs and 6 managers. The total resulting sanctions imposed on companies by the President of UOKiK amounted to over PLN 32 million, while on managers – nearly PLN 800 thousand.

**Concentration control**

Antitrust is also about controlling the concentration. In 2020, the President of UOKiK **initiated 264 proceedings** to inspect whether mergers and acquisitions would have a negative effect on competition, as well as **issued 243 transaction approvals**, including **a conditional one**.

In 2020, the President of UOKiK also issued two decisions related to the construction of the Nord Stream 2 gas pipeline. The first one involved a fine of [PLN 212.9 million imposed on Gazprom](https://www.uokik.gov.pl/news.php?news_id=16649) for failing to provide information in the ongoing proceedings. The second was related to [penalties for constructing a gas pipeline without the required approval of the President of UOKiK](https://www.uokik.gov.pl/news.php?news_id=16818). The President of UOKiK imposed a fine of over PLN 29 billion on Gazprom and over PLN 234 million on five other companies involved in the venture.

**State aid**

*"State aid is an interference of the state in the mechanisms of the free market and therefore used to a limited extent. UOKiK initially evaluates individual aid and aid programmes. On an unprecedented scale,* *the Office assisted other ministries in the development of 20 government draft aid programmes providing for conditions for state aid in connection with the COVID-19 pandemic. By the end of 2020, assistance was provided more than 8.5 million times, of which more than 7.5 million were cases related to the coronavirus crisis,"* claims Tomasz Chróstny, President of UOKiK*.*

In 2020, a total of **52 projects to provide state aid were notified to the Commission via the President of the Office**, including 47 projects concerning aid programmes and 5 concerning individual aid. **The EC approved 38 aid projects.**

**Contractual advantage**

*"Based on the contractual advantage laws, we checked whether the 100 largest players in the agri-food industry paid their trading partners on time and whether* *they have changed their trade policies towards suppliers to more negative ones. Thanks to this intervention, most undertakings paid their arrears and withdrew from contractual changes that were unfavourable to their counterparties. The suppliers received over half a billion zlotys of overdue receivables, which would not have been possible without our involvement,"* says Tomasz Chróstny, President of UOKiK.

In 2020, the President of UOKiK issued five decisions on unfair use of contractual advantage in trade in agricultural and food products. He initiated **36 explanatory proceedings** and **6 proceedings on practices unfairly using contractual advantage**. Furthermore, **10 soft calls** in relation to undertakings were taken.

The total penalties for unfair use of contractual advantage amounted to PLN 725.1 million. The largest one – over PLN 723 million – [was imposed on Jeronimo Martins Polska](https://www.uokik.gov.pl/news.php?news_id=17030). The company applied unfair discounts towards the suppliers of products, primarily fruits and vegetables.

**Payment gridlocks**

On 1 January 2020, a package of regulations limiting payment gridlocks came into force, which granted the President of UOKiK the authority to conduct proceedings in the new field. According to the impact assessment concerning these regulations, 50 proceedings against payment gridlocks were planned to be carried out in the first year of application of the new law. Meanwhile, in 2020, the President of UOKiK initiated [100 proceedings in these cases.](https://www.uokik.gov.pl/news.php?news_id=17106)

**CONSUMER PROTECTION**

**Protection of collective consumer interests and prohibited clauses in model contracts**

**The President of UOKiK initiated 49 proceedings** concerning practices that infringe collective consumer interests and revolving around declaring clauses in model contracts as prohibited, as well as 88 explanatory proceedings. **He issued 76 decisions, thus imposing a total of PLN 444.3 million in financial sanctions.** UOKiK undertook numerous soft measures: **360 soft calls to change their practices were issued to undertakings**. Additionally, in 561 cases, a significant view was issued for those fighting for their rights in court.

In 2020, the President of UOKiK, Tomasz Chróstny, increased the number of actions undertaken against those who promote the pyramid-type incentive schemes. He issued the first decision imposing [a financial penalty of nearly PLN 450 thousand on the so-called "solicitor"](https://www.uokik.gov.pl/news.php?news_id=17179) – the person who encouraged participation in the illegal system.

UOKiK was also active in the financial market. This resulted in issuing decisions against banks regarding, among other things, prohibited clauses on foreign currencies in mortgage loan agreements. The Office challenged the provisions that imprecisely and ambiguously defined rules for calculating foreign exchange rates based on which banks recalculated loan instalments. In 2020, The President of UOKiK issued 6 decisions in such cases, in which he declared the clauses of model contracts as unfair and prohibited their use.

Apart from the ongoing proceedings and decisions issued, it is also worth noting the launch of a project concerning the use of artificial intelligence. The project aims to develop and implement a tool based on artificial intelligence to support the work of UOKiK and increase the efficiency of detecting violations of consumer rights.

**Product safety and market surveillance**

Consumer protection also includes product safety. UOKiK analyses the results of controls performed by the Trade Inspection and incoming signals, in particular consumer complaints and notifications from the supervisory authorities of other EU member states within the EU RAPEX system.

In 2020, the President of UOKiK initiated **133 cases in the area of general product safety**, including 82 explanatory proceedings and 51 administrative proceedings. These activities most often involved furniture, baby carriages, and sports scooters.

In 2020, UOKiK received **319 voluntary notifications** from undertakings about products posing a risk to consumers, of which nearly 90 percent involved motor vehicles.

Furthermore, the President of UOKiK initiated **316 cases in the scope of product compliance with EU requirements**, including 96 explanatory proceedings and 220 administrative proceedings. These activities mostly involved toys and electrical equipment.

**Trade Inspection**

*"The President of UOKiK cares about product safety in Poland also by supervising the Trade Inspection. The Office plans, coordinates and monitors controls conducted by the Voivodeship Trade Inspection Inspectorates (WIIH), as well as analyses their results. In 2020,* ***the Trade Inspection conducted a total of over 11.8 thousand controls.*** *Inspections were performed on textile products, toys, solid fuel boilers, as well as the legality and reliability of stores and catering establishments – all these activities were carried out with one overriding objective in mind, which is to ensure the safety of products and services for Polish consumers," says* Tomasz Chróstny, President of UOKiK*.*

2020 has also entailed an important change in the product quality control system in Poland. On 1 July, the Agricultural and Food Quality Inspection Authority (IJHARS) took over the [competencies of the Trade Inspection in the area of food products.](https://www.uokik.gov.pl/news.php?news_id=16592)

**Fuel quality**

UOKiK is also responsible for managing the fuel quality monitoring and control system. In terms of **liquid fuels**, in 2020, the Trade Inspection checked a total of **1,392 petrol stations and 24 petrol wholesalers, manufacturers and storage facilities**. The quality requirements were not met by 1,88 percent of the 1,491 laboratory-tested samples. Irregularities were much more common in diesel fuel than petrol. The Trade Inspection checked a total of **352 stations offering LPG and 4 LPG wholesalers**. A total of 0,84 percent of the 356 laboratory-tested samples did not meet the quality requirements.

**Laboratories**

Laboratory testing is used to eliminate products that do not meet requirements or pose a risk to consumers from the market. The year 2020 entailed organisational changes to UOKiK laboratory system. Since 1 July 2020, 5 laboratories were incorporated into the Agricultural and Food Quality Inspection Authority (IJHARS). **Three laboratories performing tests on liquid fuels, toys, textile products, and other non-food items remained within UOKiK structures**. In 2020, **UOKiK laboratories** examined a total of 1,977 samples in which 23,931 parameters were checked.

**Legislation**

As a central administrative authority, the President of UOKiK is also involved in creating effective legal regulations. In 2020, UOKiK analysed **nearly 1,000 government acts** to provide its opinion on their potential impact on competition and consumers.

**Education**

The education of consumers and underatkings is also an important element of UOKiK activities. In this context, it is worth mentioning our "[Check, read, ask](https://www.uokik.gov.pl/news.php?news_id=16629)" campaign, which warned consumers against such things as investing in the pyramid-type incentive schemes and the so-called alternative investment projects. We also began a series called "UOKiK tests”. Our laboratories examined and compared the quality of various products of everyday use. Their results allow consumers to make more conscious purchases.

*"Decisions, proceedings and legislative activity are communicated to the public on an ongoing basis. What happens at UOKiK itself is also vital. In 2020, we began rebuilding the institution to better meet the challenges of the coming decade, make its organisation more efficient and improve its effectiveness. In 2020, the structure of UOKiK was changed, while the competencies and staff were further developed. It was a very active year, which strengthened UOKiK and showed that together, we can achieve a lot for the benefit of Polish consumers, undertakings and the whole economy. I invite you to read the report available at uokik.gov.pl to learn more about what we accomplished together in the difficult year of 2020,"* states Tomasz Chróstny, President of UOKiK.