|  |  |
| --- | --- |
|  | **PRESS RELEASE** |

**More than 70% of inspected e-shops breached law in 2020**

*(Final report of 2020)*

***(Prague, 26 February 2021)* The Czech Trade Inspection Authority evaluated inspections aimed at the compliance with legal regulations on the supply and sale of goods over the Internet in 2020. In total, it carried out 1,144 inspections and detected violations in 809 cases, or 70.7%. *"The results of the 2020 inspections reaffirmed that the area of internet sales is one of those forms of trading in which consumer legislation is largely violated. Traders often use unfair and deceptive commercial practices and do not inform consumers about the conditions of claims and how to make a claim,"* says Mojmír Bezecný, CTIA Director, on the results of inspections.**

During 2020, the Czech Trade Inspection Authority carried out 1,144 inspections of e-shops. The aim was to inspect the compliance with obligations arising to the seller, in particular from Act No. 634/1992 Coll., on Consumer Protection, but also other legislation within the surveillance scope of the Czech Trade Inspection Authority. It identified deficiencies in 809 inspections, representing 70.7 % of the total number of inspections carried out.

In the past year, CTIA also responded to the increased interest of consumers in e-commerce, which was partly affected by the emergency situation caused by the covid-19 outbreak. A significant part of the ordinary stores were closed, so some retailers responded by transferring their business to new online stores.

With interest in buying over the Internet, the number of consumer complaints also increased, mainly relating to claims, withdrawal from the contract, as well as the quality of products as well as the delivery of products of a quality other than expected.

Shortcomings identified in the inspections of online shops consisted, in particular, in the non-disclosure of important information necessary for withdrawal from the purchase contract. Furthermore, non-information about the scope, conditions and method of making a complaint together with information about where the claim can be made. Internet retailers also failed to inform in many cases about the possibility of out-of-court settlement of consumer disputes. Some e-shops lacked proper information about products in terms of their declared characteristics and recommended safe use methods. Very often these are the same online shops that the CTIA had already inspected in the past, finding that they did not comply with the legal requirements.

For the targeting of the inspections, the CTIA uses numerous consumer suggestions and its own monitoring of e-shops, in which it selects sellers whose websites to inspect based on signs of possible infringements,.

|  |  |  |  |
| --- | --- | --- | --- |
| **Inspectorate** | **Number of inspections** | **Inspections with findings** | **Findings in %**  |
|
| Středočeský and Prague | 71 | 57 | 80.3% |
| Jihočeský and Vysočina | 68 | 46 | 67.7% |
| Plzeňský and Karlovarský | 90 | 59 | 65.6% |
| Ústecký and Liberecký | 103 | 60 | 58.3% |
| Královéhradecký and Pardubický | 188 | 101 | 53.7% |
| Jihomoravský and Zlínský | 361 | 247 | 68.4% |
| Olomoucký and Moravskoslezský | 263 | 239 | 90.9% |
| **Total** | **1,144** | **809** | **70.7%** |

**Detected findings**

CTIA officers most frequently detected breaches of the Act No. 634/1992 Coll. on Consumer Protection. Individual provisions were breached in the total of 1,634 cases, including:

* in 616 cases, a breach of the prohibition on the use of unfair commercial practices was qualified, including:
	+ in 343 cases, a breach of the provisions of Section 4 was detected following the provisions of Section 5 par. 1, 2, 3, relating to deceptive conduct
	+ in 262 cases, a breach of the provisions of Section 4 was found following the provisions of Section 5a par. 1, 2, addressing deceptive omissions
	+ in 10 cases, a breach of the provisions of Section 4 para. 1, 4
	+ in 1 case it was a breach of the provision of Section 5b, an aggressive commercial practice
* in 429 cases, the trader has breached the obligation to inform the consumer about the scope, conditions and way of making a claim together with details of where the complaint can be made (Section 13);
* in 389 cases, the trader did not inform the consumer about the out-of-court consumer dispute resolution entity (Section 14)

Violation of other provisions of Act No. 634/1992 Coll., on Consumer Protection was found to a lesser extent.

Furthermore, traders (in 18 cases) did not comply with Act No. 65/2017 Coll., on Health Protection from the Harmful Effects of Drugs. Most often, in 13 cases, the online seller did not rule out the sale of tobacco products, smoking equipment, herbal products intended for smoking and e-cigarettes to persons under the age of 18.

Other selected breaches of legal regulations:

* in 43 cases, a breach of Act No. 22/1997 Coll., on Technical Requirements for Products;
* in 32 cases, Act No. 255/2012 Coll., on Inspection, was violated because the seller did not allow the inspection authority to carry out the inspection, or did not provide the necessary cooperation or the measures imposed were not fulfilled from his side;
* in 51 cases, Regulation (EU) No 1007/2011 of the European Parliament and of the Council of 27 September 2011 on textile fibre names and related labelling and marking of the fibre composition of textile products and repealing Council Directive 73/44/EEC and Directives 96/73/EC and 2008/121/EC of the European Parliament and of the Council

**Imposed measures**

Based on the detected infringements during the reference period, the Czech Trade Inspection Authority imposed a total of 637 fines amounting to CZK 5,324,300.

In 2020, the CTIA imposed the highest fine, in the amount of CZK 200,000, for deficiencies identified during the inspection (started in 2018) with Deal Extreme Czech s.r.o., which committed, among other things, unfair commercial practices on its www.ttop.cz website. They provided substantial information about the right of withdrawal from the purchase contract in an unclear and ambiguous manner. The company also did not ensure that the product purchased through the www.ttop.cz website was accompanied by instructions on the use, maintenance and hazards in the Czech language, even though this was necessary for a particular product. Furthermore, for example, they did not properly inform consumers about the conditions and manner of exercising the rights from defective performance, i.e. the "complaint" of goods, and did not issue proof of purchase based on consumer's request.

The fine of CZK 100,000 was finally imposed on Turbado.cz s.r.o. operating the website www.czechcom.cz, among other things, for not providing the essential information that a rental contract and not a purchase contract is automatically concluded before the goods – an e-scooter for CZK 11,866 – was put into the shopping cart and before filling in the contact details, that the use of the "Genius free" service offered by this company (warranty extension for 27 months), i.e. the consumer only rents the product but does not buy it.

The same fine, i.e. CZK 100,000, which came into force in 2020, was imposed for violations detected during inspections carried out already in 2019 to the company Youuu s.r.o., which sold goods in the www.rajpradla.cz e-shop. They subsequently breached law by repeatedly not communicating with the body of out-of-court consumer disputes resolution by the Czech Trade Inspection Authority (consumers repeatedly turned to the out-of-court dispute resolution body after ordered and paid goods had not been delivered to them); although a refund was subsequently promised by the company, it didn‘t take place until the date of the consumer’s initiation of the out-of-court dispute resolution procedure. Furthermore, the company did not allow the consumer to place an order on its website www.rajpradla.sk based on consumer’s place of residence. This is geo-blocking (on July 4, 2019, the President signed an amendment to the Consumer Protection Act, which responds to the new European Regulation prohibiting blocking purchases based on buyer's country. The government bill regulates the law to meet the requirements of the EU regulation. It aims to ensure that consumers wishing to purchase goods and services in another EU country, whether online or in person, are not discriminated in terms of access to goods or services, price, conditions of sale or payment terms. Exceptions are cases where such conduct is justified for reasons such as VAT or certain legislation on the protection of the public interest).

**Risky websites**

In 2020, the Czech Trade Inspection Authority added one new website to the list of risky websites every day (a total of 366), which it warns consumers about mainly due to non-compliance with certain legal obligations and difficult enforcement of consumer rights.

More on [www.rizikove.cz](http://www.rizikove.cz)