

HUNGARY

1. Consumer policy institutions	2
1.1. MINISTRY RESPONSIBLE FOR CONSUMER POLICY	2
1.2. PUBLIC AGENCIES	3
1.3. NATIONAL CONSUMER ORGANISATIONS	8
1.4. NATIONAL COUNCILS/ASSEMBLIES	10
1.5. CONSUMER MEDIA.....	10
1.6. REDRESS BODIES: COURTS AND ADRS	11
1.6.1. Courts	11
1.6.2. Alternative Dispute Resolution	
1.1.6.2.1. Arbitration Boards.....	11
1.6.2.2. Hungarian Financial Arbitration Board.....	13
1.7. EUROPEAN CONSUMER CENTRE.....	14
2. Consumer policies.....	15
2.1. CONSUMER PROTECTION LEGISLATION.....	15
2.1.1. The main elements of national consumer protection legislation outside the scope of the acquis.....	15
2.1.2. Penalties for non-compliance with consumer protection legislation.....	18
2.1.3. Criminal law and offences regulation.....	18
2.1.4. The general website for legislative texts	19
2.2. STATE FINACIAL SUPPORT OF CONSUMER ORGANISATIONS.....	19
2.3. ENFORCEMENT/REDRESS.....	19
2.4. INFORMATION AND EDUCATION	21

1. Consumer policy institutions

1.1. MINISTRY RESPONSIBLE FOR CONSUMER POLICY

Ministry for Innovation and Technology (Deputy State Secretariat for Consumer Protection)

Head Office: HU 1011 Budapest, Fő utca 44-50.

Postal address: 1011 Budapest, Fő utca 44-50.

Phone: 06-1-795-1700

Fax: 06-1-795-0697

E-mail address of the customer service: ugyfelszolgalat@itm.gov.hu

Website: <http://www.kormany.hu/en/ministry-of-national-development>

In Hungary the operation of the consumer protection inspection system and the market surveillance system is strongly intertwined. Therefore, the Deputy State Secretariat for Consumer Protection of the Ministry for Innovation and Technology has the overall responsibility for shaping and implementing both the consumer policy and the market surveillance policy in Hungary. It has a special coordinating role. Its competence includes the national consumer protection legislation and implementation of EU consumer legislation in consumer affairs, the operation of the Market Surveillance Working Group, and the Consumer Protection Council. The Ministry for Innovation and Technology manages the RAPEX system and frames up the National Market Surveillance Program. The Ministry also organizes training courses for the inspection authorities.

It is responsible for EU and national legislation in the field of General Product Safety.

Ministry of Human Capacities

Head office: 1054 Budapest, Akadémia u. 3.

Postal address: H-1054 Budapest, Akadémia u. 3. *Phone:*

+36-1-795-1200

Fax: +36-1-795-0151

E-mail of the customer service: ugyfelszolgalat@emmi.gov.hu

Website: <http://www.kormany.hu/en/ministry-of-human-resources>

The Ministry of Human Capacities is responsible for the EU and national legislation in the field of medicinal products for human use (labeling, representation and advertising).

Ministry of Justice

Head office: 1055 Budapest, Kossuth Lajos tér 2-4.

Postal address: 1357 Budapest, Pf.: 2.

Phone: +36-1-795-6411 *Fax:* +36-1-795-0002

E-mail of the customer service: lakossag@im.gov.hu

Website: <http://www.kormany.hu/en/ministry-of-justice>

The Ministry of Justice has an overall responsibility for the coordination of the transposition of the EU legislation and its integration into the national legal system. Responsible for the regulation of consumers' economic interests as far as it concerns contract law, competition law or procedural law.

Prime Minister's Office

Postal address: Arany János u. 25.

Phone: +36-1-896-2405

E-mail: euat@me.gov.hu

Website: <http://www.kormany.hu/hu/miniszterelnokseg>

The Prime Minister's Office provides governmental coordination of EU policies such as consumer

protection, assists in the development and the coordination of the Hungarian position and its representation, participates in the preparation of the government tasks of the related of EU policy field and the implementation and monitoring thereof.

Ministry of Agriculture

Head office: 1055 Budapest, Kossuth Lajos tér 11. Postal address:
Phone: +36-1-795-2000
Fax: +36-1-795-0200
E-mail: info@fm.gov.hu

The Ministry of Agriculture has full responsibility on food safety issues involving national legislation and the implementation of EU legislatives.

1.2. PUBLIC AGENCIES

Government Offices - Consumer Protection Departments

<http://www.kormanyhivatal.hu/hu>

The Government Offices have specialized departments acting as first instance authority in consumer protection procedures.

The government offices examine goods and services in order to ensure that they are safe and they are in conformity with the applicable rules. The government offices also check if consumers are properly informed about the product and service they buy or intended to use. The government offices also ensure that the right for warranty, guarantee is properly implemented. In addition, the government offices are also responsible for the examination of unfair commercial practices and misleading commercial behavior.

The government offices control and check the content of advertisements in order to ensure that they are not harmful. Advertisements can't be dangerous on children's physical, mental, emotional or moral development especially focusing on content relating to sexuality, weapons, ammunition alcohol and tobacco. The government offices also check the information published on websites in order to filter out the possible harmful or misleading content.

Hungarian Competition Authority

Address: 1054 Budapest, V., Alkotmány u. 5.
Postal Address: 1391, Budapest 62. Pf. 211. *Phone:* +36 1 472 8900
Phone Consumer Section: +36 1 472 8912
Fax: +36 1 472 8905
E-mail: ugyfelszolgalat@gvh.hu
Website: <http://www.gvh.hu>

Besides its primary competence, the Hungarian Competition Authority (HCA) acts in the field of consumer protection as well. It is responsible – amongst others – for the implementation of Directive 2006/114/EC on misleading and comparative advertising, and Directive 2005/29/EC on unfair commercial practices. In certain instances, it has a shared competence with the HACF.

National Media and Infocommunications Authority

Address: Ostrom u. 23-25, HU-1015 Budapest *Postal*

Address: Pf. 75, HU-1525 Budapest *Phone:* +36 1 457 7100

Fax: +36 1 356 5520

E-mail: info@nmhh.hu

Website: [http:// www.nmhh.hu](http://www.nmhh.hu)

The National Media and Infocommunications Authority (NMHH) is an autonomous entity of public administration. Its main organizational units are the President, the Media Council and the Office of the NMHH. The legal status of the NMHH is defined in the Electronic Communications Act (Act C of 2003) and the Media Services Mass Communication Act (CLXXXV of 2010)

The Authority is responsible for encouraging and supporting the smooth and successful operation and development of the electronic communications, postal and related IT markets. The Authority protects the interests of both service providers and users. Its duties are to establish and maintain fair and efficient competition and to supervise compliance by the service providers with the provisions of the law. The Authority also registers and supervises audio visual, radio and on demand media services providers, publishers of press publications as well as operators of terrestrial digital broadcasting services. Its tasks include management of numbering resources and radio frequencies both for civilian and non-civilian use.

The Authority participates in the activities of international organizations dealing with electronic communications, the media, post and informatics and establishes and maintains relations with regulatory authorities and organizations in and outside Europe. The Authority performs its duties as an independent, autonomous organization, in accordance with the provisions of the law and the decisions of Government. The Authority is an

independent central budgetary entity with its own budget and uses contributions from the national budget as well as its own revenues to cover the costs incurred in relation with the performance of its duties.

It is responsible for the enforcement of Directive 2010/13/EU (Audiovisual Media Services Directive) and for the enforcement of rules related to unsolicited commercial communication under Directive 2000/31/EC (e-commerce).

National Institute of Pharmacy and Nutrition

Address: HU-1051 Budapest, Zrínyi u. 3.

Postal address: HU-1372 P.O. Box 450.

Phone: +36 1 886 9300

Fax: +36 1 886 9460

E-mail: ogyei@ogyei.gov.hu

Website: https://www.ogyei.gov.hu/main_page/

The National Institute of Pharmacy and Nutrition (OGYÉI) are established by the 28/2015. (II. 25.) Government Decree as a licensing authority for pharmaceutical and public administrative matters. The main activity of OGYÉI is to provide the public with safe, effective and quality medicines in accordance with the regulations. OGYÉI is the national organization of official drug controlling tasks and it is also the methodical and research institute of Hungary.

OGYÉI examines the notifications on the quality of medicinal products and adverse drug reaction alongside to the tasks pertaining to the authorization of medicinal products and ensuring withdrawal from the market of the defective batches posing a threat to human health. Additionally, it is also OGYÉI's task to authorize the manufacture, distribution of

medicinal products and the activity of parallel import according to strict considerations and to

September 2020

continuously control good manufacturing-, distribution-, clinical- as well as laboratory practice concerning the development of medicinal products, and also the pharmacovigilance related activity of the marketing authorization holders. The obligation of authorizing and supervising clinical trials on investigational medicinal products, off- label indication, individual demand for medicinal product and dispensing of medicinal products are also under the competence of OGYÉI. Activities relating to gene technology and establishments carrying out such experiments in the field of human medical sector are authorized by OGYÉI, as well.

Ministry for Innovation and Technology - National Transport Authority (NTA)

Address: 1138 Budapest, Váci út 188.

Postal address: HU-1389 Budapest 62 Postafiók 102

Phone: +36 1 373 1442

Fax: +36 1 332 6532

E-mail: office@nkh.gov.hu; ugyfelszolgalat@itm.gov.hu

Website: <http://www.nkh.gov.hu/en/>

The National Transport Authority (NTA) is budgetary institution operated and managed independently under the direction of the minister responsible for transport. The Authority is responsible to handle the issues concerning passenger rights related to carriage of passengers.

The core activity of the Authority is public administration, by carrying out the first and second instance level tasks assigned to its competence by law in the following fields: road transport, civil, state aviation, railways management of shipping, others.

In the Authority is the sole entity executing all administrative and supervision activities related to transport. The National Transport Authority as the central institution of transport administration that supervises and monitors the market participants' activity and operation.

The main objective of the Authority is to enhance and maintain a high level of transport safety in accordance with the targets set by the European Union in this field. For the NTA, the transport safety is a strategic area that is influenced and its efficiency is increased through the instruments of transport administration and enforcement on a daily basis.

The vision of the NTA is to establish an integrated transport authority that is quick, efficient and customer-friendly. The laws regulating its activities are clear, transparent, complying with each other as well as with the international regulations.

In accordance with Regulation (EC) No 1371/2007 on rail passengers' rights and obligations, the NTA is responsible for the protection of rail passengers' rights. It monitors the observance of the Regulation of passengers' rights together with the general terms and conditions of carriage by rail service providers. The NTA is also responsible for handling passengers' complaints concerning an alleged infringement of the Regulation, the relevant national law or the general terms and conditions of carriage of the rail operators.

In accordance with Regulation (EC) No 1177/2010 on sea and inland waterway passenger rights, the NTA has been designated as NEB in case of complaints related to accessibility to ports. Submission of complaints can be filed directly to the NEB (not necessary to submit it first to the port terminal operator).

National Public Health Center (NPHC)

Address: H-1097 Budapest, Albert Flórián út 2-6. *Postal*

Address: Pf. 777, HU-1437 Budapest

Phone: +36 1 476 1100

Fax: +36 1 476 6428

E-mail: tisztifoorvos@nnk.gov.hu, kozegeszseg@nnk.gov.hu

September 2020

Website: <https://www.nnk.gov.hu/>

The National Public Health Center (NPHC) functions as a central budgetary authority being a central agency under the direction of the Minister responsible for public health. The NPHC has national competence within its scope of activities.

In order to fulfil the public health goals, set out in the legislation, NPHC performs managing, coordinating and supervising activities related to public health. In accordance with legal regulations and the deed of foundation, the government offices of the capital city and of the counties; the sub regional (or district) offices acting in their public health function.

The NPHC also acts as the authority carrying out market surveillance and, in that capacity, coordinates the supervision of both cosmetics and chemicals.

Major European legislation falling under the competence of the NPHC:

- Regulation 1223/2009/EK (cosmetics)
- Regulation 528/2012/EU (biocides)
- CLP Regulation 1272/2008/EK (chemicals)
- REACH Regulation 1907/2006/EC (chemicals)

Ministry of Interior-National Directorate General for Disaster Management (NDGDM)

Address: 43 Mogyoródi út

Postal Address, H-1149 Budapest, Hungary

Phone: +36-1-469-4112 - Fax: +36-1-469-4387

E-mail: okf.megelozes@katved.gov.hu –

website: www.katasztrofavedelem.hu

The National Directorate General for Disaster Management (NDGDM) is a national competence organ in fire protection, civil protection, industrial safety, water management and water protection. In the frame of its market surveillance competence, after changes in legislation in 1 July 2016, carries out fire safety related market surveillance activities in connection to the following products:

- construction products,
- construction structures,
- fire or explosion dangerous devices, machines, equipment,
- firefighting-technical products,
- devices for the detection of carbon-monoxide generated during operation of open combustion chamber.

The market surveillance activities of NDGDM relating to the following community legislation:

- Construction products – Regulation EU 305/2011
- Machinery – Directive 2006/42/EC
- Equipment and protective systems intended for use in potentially explosive atmospheres – Directive 1994/9/EC

Ministry for Innovation and Technology Department of Labour Inspection

Address: Kálmán Imre u. 2, HU-1054 Budapest

Phone: +36 1 896 3002

Fax: +36 1 795 0884

E-mail: munkafelugyeleti-foo@itm.gov.hu

Website: <https://www.kormany.hu/hu/innovacios-es-technologiai-miniszterium/foglalkoztataspolitikaert-felelos-allamtitkarsag>

According to Government Decree 320/2014. (XII. 13.) on the designation of the public employment

body and labor safety authority, and the official and further tasks of these authorities, the minister in charge of employment and labor [Ministry for Innovation and Technology Department of Labour Inspection (OSH) in practice] and the capital/county- level government office as first instance authority dealing with occupational safety and health perform market surveillance activities relating to personal protective equipment (PPE) and machinery (as work equipment).

The first instance OSH authority exercises its discretion to examine compliance with safety rules and product conformity of PPE's and work equipment's (Directive 89/686/EEC and Directive 2006/42/EC) during OSH inspection of workplaces.

In case of non-conformity of a PPE or machinery, findings and measures of the authority can be interpreted only in relations with work equipment and the employer (labour inspectorates make actions), and authority only checks the existence of certificate of conformity. The labour inspectorates can take measures in proceedings against the employer.

Central Bank of Hungary

Address: 1054 Budapest, Szabadság tér 9., Customer service: 1013 Budapest, Krisztina krt. 39.

Postal Address: Magyar Nemzeti Bank, 1850, Budapest

Phone: (+36 1) 428 2600, Customer service: (+36 80) 203-776

Fax: (+36 1) 429 8000

E-mail: info@mnb.hu, Customer service: ugyfelszolgalat@mnb.hu

Website: <http://www.mnb.hu/felugyelet>

In financial services the MNB is the responsible organization for consumer protection.

Consumer protection is part of the MNB's financial supervisory functions, which relies on the purpose of strengthening public trust in the financial intermediary system.

The financial consumer protection requirements, which are examined during the consumer protection supervisory activities of the MNB, are stated in EU regulations and directives, Hungarian acts, the relating government decrees and MNB decrees. Mainly, the consumer protection provisions of the different sectoral legislation are in the focus of supervision, but there are many general, cross-sectoral legal provisions (e.g.: act on the prohibition of unfair business-to-consumer commercial practices, act on basic requirements and certain restrictions of commercial advertising activities, act on distance marketing, the rules of complaints handling) which are also considered during the supervision. Besides, there are 'Hungarian originated' consumer protection regulations such as the MNB decree on payment-to-income ratio and loan-to-value ratio, or the government decree on the calculation of the annual percentage rate of charge, or the rules of the applicable interest rates and interest rate margins in consumer credit agreements.

As a competent authority, the MNB has the role of supervision of the financial intermediary system in the frame of consumer protection directives, e.g.:

Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014;

- Article 14 of Directive 2002/65/EC of the European Parliament and of the Council of 23 September 2002 concerning the distance marketing of consumer financial services and amending Council Directive 90/619/EEC and Directives 97/7/EC and 98/27/EC;

- Directive 2005/29/EC - Unfair commercial practices Directive,

- Directive 2006/114/EC concerning misleading and comparative advertising,

- Directive 2000/31/EC – Directive on electronic commerce,

- Directive 2014/92/EU on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features

- Directive 2014/49/EU on deposit guarantee schemes

- Regulation (EC) No 924/2009 on cross-border payments in the Community

Beside the above mentioned directives, the MNB, as a competent authority for consumer protection, shall enforce the application of rules of EU regulations governing the financial services area (e.g.

Directive 2008/48/EC on consumer credit, Directive 2014/17/EU on mortgage credit, Directive 2014/92/EU – Payment Account Directive –, Regulation 1286/2014/EU on key information documents for packaged retail and insurance-based investment products (PRIIPs).

Investigations are the basis of consumer protection work and inspections must be conducted by the MNB in case of the infringement of law without any discretion. One type of the investigations is thematic (ex officio) investigations which are partly yearly planned, but most of them are ad-hoc-based and triggered by the actual market situation raising consumer protection risks.

The other type of investigations is launched upon consumer's claim, but only in those cases if previously a complaint had been filed directly to the institution by the consumer, but the consumer was not satisfied with the complaints handling of it. Although the principle is that the problem could be solved with the utmost efficiency directly on the level of in-house complaints handling of the financial institution, there are numerous cases when MNB's inspections must be launched to solve the problem.

In consumer protection related matters – besides investigations – in the frame of its continuing supervisory activity, typically where undesirable but not unlawful market practices are found, soft law tools are issued by MNB (e.g. recommendations).

In the framework of proactivity, the so-called Certified Consumer-Friendly Housing Loan (MFL) was introduced by MNB in 2017, which is a unique consumer loan product in Europe, fulfilling the aim of the enhancement of competition and transparency. Triggered by both consumer protection and macro-prudential related matters, it created a qualification system for credit institutions, distributing MFL products by the fulfilment of special requirements laid down in a Product Concept. In 2019 and 2020 other certified products (e.g. Certified Consumer-Friendly Personal Loan) were launched by MNB.

Within the MNB the Financial Navigator Network is available, which is an advisory network for customers operating in every county. It provides consumers comprehensive and easily understandable information about the products and processes in the financial sector, and handles consumer claims.

1.3. NATIONAL CONSUMER ORGANIZATIONS

Association for the Protection of Rights of Consumers and Patients

(Fogyasztói és Betegjogi Érdekvédelmi Szövetség) FÉBÉSZ Address:

HU - 5100 Jászberény Lehel vezér tér 15.

Phone.: +36 57 401 888; +3670 515 4452

E-mail: febesz@febesz.eu

Website: www.febesz.eu

The Consumer and Patient Rights Association contribute to the conscious purchase of consumers via service and product tests. The Association publishes overviews and articles over financial and other topics in order to promote the conscious purchase. The Association also publishes useful information and advice on its webpage. On their webpage they manage a trademark and quality label database and they publish the Ökotest magazine.

Hungarian Association of Consumer Protectors (Fogyasztóvédők

Magyarországi Egyesülete) FOME

Address: Henszlmann Imre str. 9. HU- 1053

Budapest Central administration: Piac str 77. II/9 HU-4025

Debrecen Phone/fax: +36 52 504 328

E-mail: info@fome.hu, info@fogyasztovedok.hu

Websites: www.fome.hu

The FOME was established in 2003 with the purpose to protect and represent consumers' general and special economic interests, and enlighten their access to legal remedies. In order to reach these goals, they offer many services and are active on many fields of the consumer protection.

Their mission is to offer handy information and advice to all consumers before concluding a contract but they are also helpful if a complaint has occurred. They run two consumer advice network in Hungary: the one is dealing with only financial services and consumer complaints supported by the Central Bank of Hungary, the other is dealing with general consumer complaints and unfair competition acts.

Parallel they also support the research activity and PhD studies of their members, they educate consumer protection subjects at Universities in Hungary.

Association of Conscious Consumers

(Tudatos Vásárlók Egyesülete)

Address: Bem rakpart 30. II/19, HU-1027 Budapest

Phone: +36 1 225 8136 +36 1 225 8137

Fax: + 36 1 225 8136

E-mail: tve@tve.hu

Website: www.tudatosvasarlo.hu, www.tve.hu

The Association of Conscious Consumers (ACC) aims to represent and stand for the long-term interests of consumers. ACC works towards developing proactive communities of individuals to base their consumer decisions with increased awareness, supplementing the usual price-quality considerations with other considerations, such as the environmental and social performance of the manufacturer of a given product, the ecological features thereof or the health related to its consumption. In order to fulfill its mission, ACC provides various services including publication activities („Tudatos Vásárló” print quarterly, TudatosVásárló.hu online magazine, books, leaflets, posters, etc.); product tests; the development of information databases (e.g. „Cégmérce” corporate critic database and the Green Map of Hungary); a public and multi-channel advocacy service; information and education campaigns (e.g. Hungarian edition of Europa Diary), and many more.

National Federation of Associations for Consumer Protection in Hungary (NFACPH)

(Fogyasztóvédelmi Egyesületek Országos Szövetsége)

Address: Logodi u. 22-24, HU-1012 Budapest

Phone.: +36-30-400-4477, +36-70-316-1213

E-mail: feosz@feosz.hu

Website: <http://www.feosz.hu/>

NFACPH is a civil organization. It is an independent organisation and, it is supported neither by political parties nor by the government. Members of NFACPH can exclusively be non-governmental organizations. The NFACP is an umbrella organization that collecting organizations for consumer protection NFACPH develops cultural and professional training about civil consumer protection. It promotes the interests of civil organizations for consumer protection in order to realize a uniform attitude in common with organizations of the same interest.

Members:

1. Társadalmi Egyesülések Országos Szövetsége (TEOSZ) (National Federation of Social Associations)
2. INDRA Biztosítottak Országos Érdekvédő Egyesülete (National Association for Protection of Insulant's' Interests INDRA)
3. Lakásszövetkezetek és Társasházak Érdekképviseleti Szakmai Szövetsége (LÉTÉSZ) (Professional Federation of Housing Co-operatives and Blocks of Freehold Flats for Representing the Communities' Interests)
4. Lakásszövetkezetek és Társasházak Országos Szövetsége (LOSZ) (National Federation of Housing

Co-operatives and Blocks of Freehold Flats)

5. Magyar Autóklub (Hungarian Automobile Club)

6. Magyar Energiafogyasztók Szövetsége (Federation of Hungarian Energy-Consumers)

7. Mozgássérültek Budapesti Egyesülete (Budapest Association of Handicapped People)

8. Országos Fogyasztóvédelmi Egyesület (OFE) (National Association for Consumer Protection in Hungary).

9. Közép-Magyarországi Fogyasztóvédelmi Egyesület (KÖFE) (Association for Consumer Protection of Central Hungarian)

10. Fogyasztóvédők Országos Egyesülete (FOE) (National Association of Consumer Protectors)

1.4. NATIONAL COUNCILS/ASSEMBLIES OF CONSUMER ORGANIZATIONS

Consumer Protection Council

The Consumer Protection Council (hereinafter: Council) is a consultative, opinion-giving, proposing and conciliation forum preparing the decisions of the Government related to consumer protection. It was established by the Government Decision 1259/2011 (VII.27.). The Council main aim is to channel in the consumer protection aspects into the government's policy and to enforce special professional consideration more effectively. At the Council's meeting all the interested party is represented: the consumer protection organizations, the authorities, the chamber of commerce and industry and the conciliation bodies (general consumer protection conciliation bodies and the financial conciliation bodies). The Council shall meet as occasion requires but at least once a year.

Market Surveillance Working Group

The Market Surveillance Working Group is a consultative and coordinative forum preparing the government decisions related to market surveillance. The Market Surveillance Working Group was established by the Government Decision 1044/2014 (II.7.). The Working Group contributes to the national control and inspection programs' coordination related to market surveillance actions. The market surveillance policy is in synergy with the consumer policy. Therefore, the market surveillance working group gives advice and opinion about government's consumer protection policy with the emphasis on market surveillance. The Working Group also discusses and addresses the authorities' market surveillance activities. The members of the Working Group are governmental bodies, authorities and institutions however the civil organizations take part at the meetings with consultative capacity. The Working Group shall meet as occasion requires but at least once a year.

1.5. CONSUMER MEDIA

General overview:

Ökoteszt online magazine

This is an online magazine for consumers to promote the ecological consciousness

Website: <https://febesz.eu/>

Tudatos Vásárló Egyesület (Conscious Consumer Association)

The Association's main aim is to support the fulfillment of sustainable development. The Association carries out tests about different product types (e.g. vehicle child seats, microwave ovens, air conditioning equipment). The test results are available on their webpage.

Website: <https://tudatosvasarlo.hu/kik-vagyunk-tudatos-vasarlok-egyesulete/>

Mindennapi Fogyasztóvédelem (Every Day Consumer Protection)

Budapest Arbitration Board publishes this quarterly printed newspaper which contains news

concerning experience of arbitration activities.

Website: www.bekeltet.hu

For the financial sector:

The Central Bank of Hungary (Magyar Nemzeti Bank – MNB) has issued booklets – called “Navigator booklets” – on different topics that raise awareness or provide information for consumers. The booklets are distributed through different financial service providers, the Financial Information Offices, the Financial Consumer Service Center but they are also available on the webpage of the Bank:

<https://www.mnb.hu/fogyasztovedelem/penzugyi-navigator-fuzetek>

1.6. REDRESS BODIES: COURTS AND ADRS

1.6.1. Courts

The hearing of consumer cases does not differ from other disputes in civil law matter;

District courts shall have material jurisdiction over property disputes, if the value of the subject matter of the action does not exceed thirty million forints or the value of the claim based on a property right cannot be determined. If a claim exceeds this amount regional courts are the first instance. Generally – according to section 25 of Act CXXX of 2016 on the Code of Civil Procedure – the court in the territory of which the defendant resides shall be competent Court to conduct the dispute. In consumer disputes however – as these relate to the trade, business or profession of an economic organization – the competency may be established by the location of the transaction or by the location of the performance of the contract as well [section 28 (1) of Act CXXX of 2016].

Legal actions are to be submitted in written form, but actions presented orally are recorded by the courts. In general, legal representation is not required in the course of the procedure. Low- income clients are exempted from the procedural costs if they prove that they are not able to pay them.

The judge informs the party not represented by a lawyer about his or her procedural rights and obligations. The public prosecutor enjoys a significant power in representing collective interest: he or she can initiate legal proceedings before the courts if this is required to protect the public interest or the rights of the citizens.

Appeals lodged against the decisions of the county courts are reviewed by the regional courts. Appeal against the decision of a regional court as first instance may be lodged at the regional courts of appeal or in special cases at the Curia of Hungary. In small cases appeals are permitted only in case of serious breach of the procedural rules or in case of improper application of the law.

Website on the Hungarian judicial structure:

<https://birosag.hu/en/information>

The Hungarian text of the Act on Civil Procedure (Act CXXX of 2016) can be found under:

<http://net.jogtar.hu>

1.6.2. Alternative dispute resolution

1.6.2.1. Arbitration Boards

The Act CLV of 1997 on Consumer Protection (Sections 18-37/A) established the Arbitration Board. The competence of the arbitration board shall cover the settlement of consumer disputes out of court. To this end, the arbitration board’s responsibilities shall include to attempt to reach a conciliation

agreement for the settlement of the dispute or, failing this, to adopt a decision in the case to enforce consumer rights simply, efficiently, practically. The board shall take into account the principle of cost efficiency.

<https://mkik.hu/a-bekelteto-testuletek-teruleti-honlapjai>

Structure, independence

The arbitration board functions as a professionally independent body operated by the county chambers of industry and commerce. The State allocates financial resources to the arbitration board from the annual budget. (section 18 paragraph 3).

The arbitration board is comprised of a chairman and, if necessary, a deputy chairman and members. Arbitration board members are selected by the way of tender conducted by the chamber with territorial competence. Once the tender procedure is completed arbitration board members shall be selected from the applicants by the minister in charge of consumer protection. (Section 21 paragraph (1)-(3)).

Arbitration board members shall carry out their activity under personal service contract. The chairman of the arbitration board can also be an employee of the chamber of commerce and industry (section 21 paragraph (7)). The arbitration board members must be independent and unbiased; they may not act as representatives of the parties and involved and may not take instructions during proceedings (Section 24/A).

Competence

The arbitration boards are organized on a regional basis by county and from the capital (arbitration boards of the 19 counties and the capital). The boards have general competence: their scope of authority includes the out-of-court settlement of business-to-consumer (and business to business cases, where one business party is considered as a consumer) dispute arising from issues related to the quality and safety of goods and services, the application of rules on product liability, and the conclusion and performance of contracts. In principle, this scope of authority is able to cover all kinds of problems the consumers may face, except financial and insurance cases.

The provisions related to the jurisdiction do not exclude the possibility that a consumer from another Member State should initiate the procedure, so the boards are competent to deal with cross-border disputes as well.

Efficiency and Contradictory procedure

The precondition for initiating the procedure is an attempt on behalf of the consumer to contact the trader concerned and to try to settle the dispute with him directly (Section 27). Arbitration board proceedings are opened upon the consumer's request. The request shall be submitted in written form to the chairmen (section 28 (1)-(2)). In the event that the board's jurisdiction and competence is established the chairmen shall set a hearing date for the parties within sixty days (Section 29 (3)). The business entity affected shall be informed about the proceeding where he is requested to file a written statement. In the statement the business entity shall indicate the facts and evidence in support of his position (section 29 (8)). In arbitration proceedings the business entity is obliged to cooperate. In the event of breaching the obligation to cooperate the arbitration board shall notify the consumer protection authority of competence (section 29 (11) – (12)). The arbitration board with jurisdiction for the consumer's permanent or temporary residence shall be responsible for the proceedings. If the consumer does not have a domestic residence, jurisdiction shall be determined by the economic organization involved in the complaint or the organ acting as the representative of such economic organization. Upon the consumer's request, the petition may also be filed with the arbitration board

having jurisdiction over the location where the contract was concluded or at seat of the economic organization involved, instead of the competent body. If the consumer does not have a domestic residence, upon his request, the petition may also be filed with the arbitration board having jurisdiction over the location where the contract was implemented (section 20). **The trader does not have the right to refuse the participation in the proceeding.**

The nature of the decision taken

The procedure of the arbitration board primarily aims at reaching a consensual agreement between the parties to the dispute. Therefore, the tribunal tries to mediate between the trader and the consumer. If their agreement is in conformity with the law, the tribunal approves the agreement by its resolution. If these efforts fail to bring result, the tribunal takes decision. (section 30 paragraph (1))

The trader can declare that he will consider the final decision of the tribunal binding. The decision of the tribunal cannot be appealed; only an annulment of the decision by the court can be requested, if the arbitration board was not competent in the case or if there was a major breach of the rules related to the composition of the tribunal or the procedure (section 34 paragraph (2)).

If the trader does not submit himself to the final decision of the tribunal, the tribunal's decision is considered only as a recommendation (section 32 point b)). Despite this fact, the trader is motivated to comply with the recommendations as well, because the regional chamber of commerce and the competent regional inspectorate for consumer protection shall supervise the compliance with the recommendations of the arbitration board. If the trader fails to comply with the recommendation, the chamber or the inspectorate is entitled to publish the complaint and the recommendation.

Enforcement of the decision/agreement

If the trader accepts the tribunal's decision as binding, but does not fulfil it within the deadline fixed in the decision, it may be enforced through a written order of execution issued by a regular court. The same rule applies to the agreement of the parties approved by the tribunal (section 36 paragraph (3)).

Website: <https://bekeltetes.hu/>

1.6.2.2. Hungarian Financial Arbitration Board

The Hungarian Financial Arbitration Board operates in accordance with Section 96-130 of the act CXXXIX on the Hungarian National Bank (MNB Act) and in line with the 98/257/EC Commission Recommendation. As a main rule the decisions of the Board shall be taken by three member panels, however in cases involving an amount of less than HUF 50000 or in ex aequo et bono procedures a single Board member conducts the case .

To initiate a procedure the use of a form is required; therefore the complainant must fill out a special form to launch a procedure. There are different forms for different procedures depending on the subject matter of the procedure: there is a general form for financial consumer disputes, separate forms for settlement procedures, and a form for equity procedures. In cross border cases the form introduced by FIN-NET shall be used. Since 16th of February, 2016 the Hungarian Financial Arbitration Board has been ready to handle online financial consumer disputes arising from online financial consumer contracts and to receive petitions via the Online Dispute Resolution Platform (ODR Platform) both in domestic and cross border cases. The Board exercises its activity along the following principles:

1. Independence

The Board operates within the organizational framework of the Hungarian National Bank however it is professionally independent. The Board, its members and the Chairman cannot be instructed. The Chairman is appointed for six years. (Section 96 paragraph (2) section 97 paragraph (2) section 100 paragraph (1), (2), (4) section 101 paragraph (4) of the MNB Act)

2. Transparency

The Board keeps the public informed via its website. It is also obliged to present an annual report, it provides information on its activity and the rules applicable to its operation on its website on a continuous basis, and the Board even provides information upon individual request. (Section 99, 115 and 129-130 of the MNB Act).

3. Adversary procedure

Based on the rule of procedure a personal hearing is ensured for the conflicting parties. They can elaborate their opinion both verbally and in a written form. It is also important to underline that the financial service providers involved are obliged to cooperate during the procedure. (Section 108 of the MNB Act)

4. Efficiency

The procedure is speedy. The first hearing takes place within 75 days from the date of the submission of the complete application. The procedure shall be concluded within 90 days. This deadline can be prolonged only once with 30 days. The procedure is free of charge for both parties. However, the parties must bear their own costs. (Section 106 paragraph (3) and section 112 paragraph (5) of the MNB Act).

5. Lawfulness

All members and the chairman of the Board are appropriately qualified and experienced experts, lawyers, economists. Members are employees of the National Bank. Both the chairman and the members are independent and impartial. (Section 97 paragraph (1) and (3) and section 98 paragraph (4)-(7) of the MNB Act)

6. Freedom

The decision of the Board is without prejudice to the right of the consumer to apply to the courts for legal remedy. Judicial review is available against the binding resolutions and recommendations of the Board. (Section 116-117 of the MNB Act).

7. Possibility of Representation

At the hearings of the Board both the personal appearance and the representation via an authorized representative is possible (Section 110 of the MNB Act).

Website: <https://www.mnb.hu/bekeltetes>

1.7. EUROPEAN CONSUMER CENTRE

According to governmental decision, the Ministry for Innovation and Technology hosts the European Consumer Centre (ECC) in Hungary from the 1st of January, 2017.

Postal Address: PO box 1., HU-1044 Budapest

Phone: +36 1 896 77 47 *Fax:* +36 1 210 2538

E-mail: info@magyarefk.hu

Website : <https://www.magyarefk.hu/hu/>

The ECC as national member of the European Consumer Centre's Network (ECC-Net) which is an EU-wide online network that provides information and help to consumers when traveling, shopping etc. inside the European Union and where the economic operator resides outside their own country. Within its scope of activity the ECC – among others –

- assists in the resolution of cross-border consumer complaints;
- provides information on both EU and national consumer protection rules;
- gives advice to consumers facing a cross-border related consumer claim and helps them reach an amicable solution;
- informs consumers on alternative ways to deal with the complaints if they cannot be solved amicably with the trader, e.g. ADR or a Court, using the European Small Claims Procedure;
- Fulfills its task as national online dispute resolution contact point in the field of online dispute resolution.

Consumer policies

2.1. CONSUMER PROTECTION LEGISLATION

2.1.1. The main elements of national consumer protection legislation

Act CLV of 1997 on Consumer Protection

The act has laid down the bases for the governmental policy, institutional development and enforcement proceedings in the field of consumer protection. It defines the fundamental provisions along the five basic consumer rights. http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99700155.TV

The structure of the Act:

I. Part One: General Provisions and Consumer Protection Provisions

Chapter I General Provisions

Chapter II (Repealed)

Chapter III (Repealed)

Chapter IV Specific Requirements Relating to the Supply of Goods and Services

Chapter IV/A Specific Requirements Relating to Protection of Children and Juveniles

Chapter IV/B Prohibition of Organizing Consumer Groups

Chapter V Consumer education,

Chapter VI Enforcement of consumer rights

- Costumer Assistance and Complaint Handling sections 17/A – 17/C

- Consumer Relations Officer section 17/D

- Arbitration board, sections 18-37/A

- Consumer Protection Platform for Household Overhead Section 37/B

- Legal recourse in the Public Interest Section 38

- Bringing Action in the Public Interest Section 39

II. Part Two: Consumer Protection Schemes Sponsored by the state, local governments and non-governmental organizations

Chapter VII Government Scheme for the Protection of Consumers Interests

Chapter VIII The role of local governments, and communities

Chapter IX Associations for the Protection of Consumers

Chapter X Proceedings of the Consumer Protection Authority

III. Part three: Closing provisions

Act LXXXVIII of 2012 on market surveillance of products

<http://net.jogtar.hu/jr/gen/getdoc2.cgi?dbnum=1&docid=A1200088.TV>

The act on market surveillance applies to the distributor, importer manufacturer, authorized representative and as from 16 of July 2021 to the fulfilment service provider. The act also covers those products that are marketed in connection with the purchased service. The main aim of the act is to ensure the safety of products and the conformity with the European rules. Based on the new European regulation on market surveillance (Regulation (EU) 2019/1020 of the European Parliament and the Council of June 20 2019 on market surveillance and compliance of products and amending Directive 2004/42/EC and Regulations (EC) No 765/2008 and (EU) No 305/2011) the Hungarian national legislation on market surveillance had to be changed as well.

With the new European regulation, the market surveillance authorities have the right to carry out examination not only at the distributor's, importer's or manufacturer's establishment but also at the establishment of the fulfilment service provider (e.g. the house of a webshop operator). This is an extension of the scope therefore the legislative text had to get harmonized with the new European regulation and establish the adequate powers for the authority.

The new European regulation introduces new institutions. The authority is entitled to eliminate serious risk in Article 14. point 4 (k) in relation to online sales. To realize this in practice the legislator had to establish a firm legal basis to ensure the cooperation between the market surveillance authority and the National Media and Communications Authority.

The amendments of the act also ensure the proper functioning of the ICSMS and the cooperation of the market surveillance authority and the customs authority.

Act XLVIII of 2008 on Essential Conditions of and Certain Limitations to Business Advertising Activity

The act lays down the legal framework for the general advertising activity as well as the prohibitions and restrictions related to advertising for certain goods. It defines the advertising control proceedings. <https://net.jogtar.hu/jogszabaly?docid=a0800048.tv>

Act XLVII of 2008 on the Prohibition of Unfair Commercial Practices against Consumers

The act determines the requirements for commercial practices followed in regard to consumers before, during and after a commercial transaction in relation to goods and for the codes of conduct applied to such commercial practices by prohibiting the application of misleading or aggressive commercial practices against consumers. <https://net.jogtar.hu/jogszabaly?docid=a0800047.tv>

Act CLXIV of 2005 on Trade

The act lays down the conditions and the control of commercial activity, contributing to the protection of the consumers' interests. <https://net.jogtar.hu/jogszabaly?docid=a0500164.tv>

Government Decree 45/2014 (II. 26.) on the Detailed Rules of Contracts Concluded Between Consumers and Businesses <https://net.jogtar.hu/jogszabaly?docid=a1400045.kor>

Government Decree Government Decree 6/2013 (I.18.) on the detailed rules governing market surveillance activities <https://net.jogtar.hu/jogszabaly?docid=a1300006.kor>

Government Decree 181/2003. (XI. 5.) on compulsory guarantee on construction of apartments <https://net.jogtar.hu/jogszabaly?docid=a0300181.kor>

Government Decree 151/2003. (IX. 22.) on compulsory guarantee on certain consumer goods designated for long-term use <https://net.jogtar.hu/jogszabaly?docid=a0300151.kor>

As from 1st of January 2021 Hungary introduces the progressive guarantee system that is applicable for durable products: as the value of the product increases the period of the guarantee prolongs. With coming into force of the new legislation the electronic guarantee document will replace the paper-based guarantee documents.

The guarantee brackets will be formed by the following thresholds:

1. Below the value of 10000 HUF there will be no compulsory guarantee established,
2. Between 10000 and 100000 HUF the guarantee shall be one year
3. Above 100000 and below 250000 HUF the guarantee period is set out in two years
4. The All products above the value limit 250.000 HUF shall be accompanied with three years of guarantee.

With the new legislation the list of the durable products are also extended: among others doors and windows, alarm systems and solar systems that are more expensive than 10,000 HUF will be qualified as durable products.

There will be new information obligation introduced if the product fails and repair is needed. Regarding the repair period it's in the consumers' legitimate interest to know when the purchased product will be usable again. According to the applicable rules the economic operator strives to carry out the repair within 15 days. The amended regulation clarifies this rule: if the product cannot be repaired within 15 days, the consumer must be informed. And if it cannot be repaired within 30 days, or if the product fails for the fourth time after three repairs, the company will be obliged to replace it.

In parallel with the new legislation on guarantee the power of the consumer protection authority will also be strengthened. With the change of the act on consumer protection the authority will have extended powers. If a wide range of consumer is affected with the damage caused by a product the authority can even have an investigation in private homes operating as webstores. However, such investigation can only be carried out if the public prosecutor gave a prior authorization. Based on the claim of the consumer the authority is entitled to perform examination through the whole supply chain. In the past, the retailer was also liable to the end user for the fault of the service or wholesaler. As from august 2020 the service and the wholesaler can be directly investigated by the consumer authority. These extended powers are only applicable if the purchaser was a natural person.

The change of the law is based on the number of the consumer claims on guarantee. More than 40% of the claims relate to the guarantee rights.

Government Decree 249/2004. (VIII. 27.) on compulsory guarantee on certain repairing services
<https://net.jogtar.hu/jogszabaly?docid=a0400249.kor>

Decree of the Minister of National Economy 19/2014. (IV. 29.) on the procedural rules of guarantee and warranty claims concerning goods sold under contracts between the consumer and the undertaking
<https://net.jogtar.hu/jogszabaly?docid=a1400019.ngm>

These pieces of legislation provide for, based on former tradition, compulsory legislative guarantee for certain type of goods and services. This type of legislative guarantee can be distinguished from warranty primarily as to the burden of proof: the guarantor shall only be released from the liability during the guarantee period if he/she is able to prove that the cause of the defect occurred after performance.

Regulation in the financial sector:

Most of the consumer protection legislation of the financial sector is based on the *acquis communautaire*. However, the essential acts applicable to financial service providers have general rules that contain consumer protection provisions mainly in connection with the correct and reliable information providing to the consumers.

The main legislative background is listed below:

Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1300237.TV

Act CXX of 2001 on the Capital Market

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0100120.TV

Act LXXXVIII of 2014 on Insurance Activity

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1400088.TV

Act CXXXVIII of 2007 on Investment Firms

<https://net.jogtar.hu/jogszabaly?docid=a0700138.tv>

Act CCXXXV of 2013 on Payment Service Providers

<https://net.jogtar.hu/jogszabaly?docid=a1300235.tv>

Act LXXXV of 2009 on the Pursuit of the Business of Payment Services

<https://net.jogtar.hu/jogszabaly?docid=a0900085.tv>

Act CLXII of 2009 on Consumer Credit

Act XXX of 1997 on Mortgage Loan Companies and on Mortgage Bonds

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99700030.TV

Act CLXII of 2009 on Consumer Credit

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0900162.TV

2.1.2 Penalties for non-compliance with consumer protection legislation

The Government Offices at territorial level shall monitor compliance with laws affecting consumer protection. The Government Offices, upon establishing a violation of consumer protection regulations may:

- require the cessation of the infringement,
- prohibit continuation of the illegal conduct,
- order the undertaking to repair the good
- prohibit or condition the marketing of goods
- order the goods imposing hazards to the life, health or physical safety of consumers to be removed from the market and destroyed when applicable,
- order a business establishment to be closed in the event of sales conditions endangering the life or health of consumers or of economic activities in violation of the provisions on the prohibition of unfair market practices affecting a wide range of consumers and/or causing substantial damages.

In the event of a violation of consumer protection regulations, the acting authority may impose a fine by resolution. In the event of multiple infringement fines, may be imposed cumulatively. The amount of the fines shall be established, taking into consideration all circumstances, with particular emphasis on the sphere and gravity of damages caused to the consumers, the duration of the violation and repeated offence, and on the advantage gained by such violation.

2.1.3. Criminal law and offences regulation

Act C of 2012 on the Criminal Code (Chapter XLII)

The main crimes in this field are: marketing of substandard products, false attestation of quality, false marking of goods, and deception of consumers. Consumer protection felonies are punishable by imprisonment for up to three years; misdemeanors for up to two years, community service work or a fine.

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1200100.TV

Act II of 2012 on offences, the procedure in relation to offences and the offence record system (Chapter XXIX)

According to the Act on Offences, acts or omissions prohibited by Acts of Parliament that are

dangerous to society shall qualify as offences. These offences do not qualify as criminal offences but as minor misdemeanors. It is only Acts of Parliament that may prescribe certain conduct as offences, while decrees of the government or municipalities may not.

The Act on offences punishes principally the infringements committed in pursuance of commercial activity. Offences affecting the consumers directly are: defrauding consumers, malpractice in settling qualitative excuses. http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1200002.TV

2.1.4. The general website for legislative texts

<http://www.njt.hu/>

2.2. STATE FINANCIAL SUPPORT OF CONSUMER ORGANIZATIONS

In order to support the civil activity of promoting consumer protection the Act CLV of 1997 on Consumer Protection the section 2 point *e*) as a special rule introduced the definition of "an association for the protection of consumers' interests:

"it shall mean an association established under Act on the Right of Association, whose objective specified in the statutes is the protection of consumer interests, that has been operating for at least two years and has at least fifty members who are natural persons, including the alliances of such associations;" It is important to note that only association are entitled for state support but e.g. foundations are out of the scope of the act.

The recital of the act CLV of 1997 on consumer protection emphasizes the role of the consumer protection association and the importance of education.

According to section 45 paragraph 3 of the act on consumer protection the State provides financial support for the consumer protection's associations defined in section 2. point e).

Therefore, when it comes to NGOs, we need to make a distinction between those who apply for state support and between those who find their recourses elsewhere.

To receive state support NGOs need to apply for a relevant tender. The tenders are organized around specific professional duties related to the promotion of consumer consciousness.

The supported organizations are divided into two groups: non-governmental organizations mainly focusing on consumer protection and other non-governmental organization who carry out activities related to consumer protection. The support received by non-government organizations mainly focusing on consumer protection can be used for the following activities: launch a public interest action, organize a consumer protection week, a communication campaign and produce a printed press product. The support received by other NGOs can be used in the frame of the so called "Consumer Awareness School Program." This program is created by the Ministry for Innovation and Technology. The program is established for schools to promote consumer consciousness among students where the successful applicant gains a certificate and the title of "Consumer Awareness Raising School". Related to this program NGOs cooperating with schools can apply for financial resources.

Consumer protection organizations are supported through the State budget. The grants are distributed by the Ministry for Innovation and Technology.

Besides that, there are other possibilities available, i.e. the National Cooperation Fund. The Act CLXXV of 2011 on Right of Association, Non-profit Status, and the Operation and Funding of Civil Society Organizations aims at strengthening the operation of civil society organizations and the development of the third sector through granting supports on the basis of various projects.

2.3. ENFORCEMENT/REDRESS

Enforcement bodies

According to the Act on Consumer Protection the Government Offices shall monitor compliance with laws affecting consumer protection. The powers of these authorities are described in detail in point 2.1.

Other authorities enforcing consumer protection legislation are:

- The Hungarian Competition Authority
 - The Central Bank of Hungary
 - The National Media and Infocommunications Authority
 - The National Institute of Pharmacy and Nutrition
 - The National Transport Authority
- (See in point 1.2.)

Consumer redress

Consumer claims can be addressed via litigious or non-litigious proceedings. However there is special proceeding is available for consumer claims. The dispute amount helps to take decision to decide this question.

For a maximum of three-million-forint dispute amount claims the so-called *payment injunction ordering* is available only if the dispute amount claim is receivable. This procedure can be used till the maximum of thirty-million-forint dispute amount. This procedure is a non-litigious procedure and can be launched at the notary on a standardized form. To launch such procedure both the claimant and the respondent need to have a Hungarian postal address. Without it, the notary rejects the application. If the respondent contradicts to *the payment injunction ordering* the procedure can turn into a normal civil contentious proceeding.

As regards the out-of-court proceedings, consumers can have resort to the proceedings before the arbitration boards (see under point 1.6). Mediation provided expressly for business-to consumer disputes does not exist.

Collective actions

The Act CLV of 1997 on Consumer Protection provides the possibility to bring action in the public interest. Section 39 says “where the illegal actions of a business entity affect a wide range – personally unknown – consumers whose general identity, however, can be established relying on the circumstances of the infringement, or causing substantial harm, and the case falls within the jurisdiction of the court, the public prosecutor or the associations for the protection of consumers’ interest shall have the right to bring action. This action may be filed within one year of the occurrence of the illegal action. In its resolution the court may authorize the party enforcing the claim to publish the resolution at the cost of the party in violation of the law. The condemned party shall fulfil the claims of the injured consumer in accordance with the resolution. This does not affect the right of the consumer to have his claims enforced against the party in violation of the law in accordance with the provisions of civil law.

Chapter XIII/A of the Act LVII of 1996 on the Prohibition of Unfair Trading Practices and Unfair Competition rules the Action in Public Interest. According Section 85/A (1) the Hungarian Competition Authority may bring civil action in the public interest on behalf of consumers against a business entity engaged in any infringement falling within the competence of the Authority where such illegal action results in a grievance that affects a wide range of consumer that can established relying on the circumstances of the infringement..

According to the Act CXXXIX of 2013 on the National Bank of Hungary the MNB is entitled to take collective actions. Pursuant to Section 164 (1) within the framework of its responsibilities, as the supervisor of the financial intermediary system, the National Bank of Hungary may, in order to enforce the claims of consumers, bring civil action on behalf of consumers against a person or organization

engaged in any violation of the provisions of the acts listed under Section 39 (list of legal entities where the National Bank of Hungary has supervisory powers) , and the legislation adopted for the implementation of such acts or the provisions of Paragraph *b*) of Subsection (1) of Section 81 (prohibition of unfair commercial practices), furthermore, against those whose activity raises concerns about unfair standard contract terms, as covered by the Civil Code, where such breach of law affects a wide range of consumers whose identity can be established relying on the circumstances of the infringement.

Under section 164 (9) the National Bank of Hungary may bring action in the public interest for the annulment of an unfair contract term that has been incorporated into a contract between a consumer and a body or person covered by the acts listed in Section 39..

Act V of 2013 on the Civil Code (Section 6:105) establishes the rules of public-interest proceedings in connection with unfair standard contract terms in a consumer contract.

An action for the annulment of an unfair contract term that has been incorporated into a consumer contract may be brought by:

- a) The public prosecutor;
- b) The minister, the government offices, the director of government agencies;
- c) The director of the Budapest and county government offices;
- d) Economic and trade interest-representation bodies; and
- e) Associations for the protection of consumers' interests within the scope of consumer interests they protect, and organizations set up for the protection of consumers' interests under the laws of any Member State of the European Economic Area.

The court shall establish the annulment of an unfair contract term in respect of all of parties against whom the business applied the unfair contract term, and shall order the party who applied the contract term in question to take measures for having a public notice on declaring the contract term unfair published at his own cost. The public notice shall contain the precise description of the contract term in question, an indication that it was found unfair, including the reasons why it was declared unfair. Having the term declared null and void by the court shall not affect the contracts that had already been performed prior to the date on which the action was filed.

2.4. INFORMATION AND EDUCATION

Governmental website to give up-to-date information about consumer protection:

The website below gives up to date information about the news in the field of consumer protection and market surveillance. Beside the everyday news it provides an overall and in-depth information about the governmental administration system and the conciliation bodies. It also makes reference to the European Consumer Center.

<https://www.fogyasztovedelem.kormany.hu/#/nyitolap>

Consumer education within and out of the school system

According to section 17 of the act CLV of 1997 on consumer protection the consumers shall be educated within and without the school system in respect of the legal regulations governing enforcement of their right. Providing consumer protection education is primarily a responsibility of the State. In this respect the associations opinion on consumer protection shall be obtain when elaborating the National Master Curriculum.

Tender for schools to increase consumer consciousness:

The Consumer Awareness School Program evaluates the measures taken by schools to increase students' knowledge about consumer protection. The aim of the program is to enhance their conscious consumer behavior. It also evaluates school measures that can develop consumer-friendly entrepreneurial attitude among students. The tender does not allot direct financial support but provides a certificate of acknowledgment to the winning candidate.

The act on consumer protection in section 17 paragraph (2) says that consumer protection education is primarily a responsibility of the state and it is included in the National Master Curriculum. By elaborating the curriculum, the opinion of the associations shall be obtained. When attending his duties in consumer protection education the state shall cooperate with the educational institutions, the consumer protection authority and the associations.

Community service

According to the Act CXC of 2011 on National Public Education the issue of the secondary- school leaving certificate shall also be subject to proving the performance of fifty hours of community service. Certification of the decision of the community service required for issuing secondary school leaving examination certificates shall be required for the first time in the case of secondary school leaving examination started after 1 January 2016. For student's community service shall be performed proportionally during classes of 9-11. Students performing community service could provide assistance for the operation of consumer protection NGOs. During this period consumer protection knowledge shall be easily transferred to them.