



# Expedia enforcement action

## Commitments obtained by the European Consumer Protection Cooperation (CPC) authorities

Factsheet | December 2020

Following dialogue between the European Commission and national consumer authorities, Expedia group committed to changes in the way it presents offers, discounts and prices to consumers. Here is an overview of the commitments that Expedia have implemented. The changes are applicable to Expedia's brands Expedia, Ebookers and hotels.com.

The implementation of the commitments and of any requested changes is monitored by each Member State authority - slight differences can exist in different language versions.

| Concerns raised by European Consumer Protection Cooperation (CPC) authorities  | Explanation   | Changed implemented by Expedia   |
|--|---|--|
| <b>Transparency on search results</b>  |   |  |
| Consumers did not realise that accommodation establishments that pay a specific fee to Expedia appear in a better position in the "preferred" search results.  | It must be clear for consumers that search results are influenced by fees paid by properties, as this is a commercial communication, which must be presented as so to consumers.                                  | Expedia clearly shows on the search results page when payments affect the ranking of accommodation. It added a link for further explanation.   |
| Consumers did not see clearly that some offers promoted as sponsored are offers for which accommodation providers pay more to appear amongst the first results in the ranking.                                   | It must be clear for consumers that some accommodations appear in higher in the search results due to the fact that accommodation providers pay additional fee. These offers should be clearly labelled.          | Expedia replaced the text "sponsored with 'Ad', 'Advert', 'Advertisement', or similar equivalent text in local language, and made this indications more prominent.   |
| <b>Comparison of prices in different circumstances and discounts</b>   |   |  |
| Expedia was presenting 'lower price available' on search results on Expedia and ebookers websites to highlight specific offers where a lower price is available to customers who sign up to a members programme. | It should be clear for consumers that the lower prices were only available to Members of different rewards programmes and that they need to subscribe to these programme to be able to benefit from these prices. | Expedia replaced the text "lower price available " by "member price available" on brand Expedia or 'insider prices available' on Ebookers which makes it clear that lower prices are available only to those who have subscribed to Membership programmes. |
| Expedia presented many properties as "discounted" referring to a standard price provided by the accommodation provider without indicating that this price is a real price applicable by the property.            | When showing a discount, it must represent a genuine saving for the consumer.   | Expedia improved the explanation regarding the standard price used and implemented an audit process on discounts across the EU / EEA sites.  |

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|--|--|---|
| <b>Displaying the total price</b>  |  |   |
| <p>Expedia did not always include all fixed charges (e.g. local taxes) in the prices that appear in the search results.</p>  | <p>A price quote must include all fixed charges and taxes. If they cannot be calculated in advance, consumers must be clearly informed of the possibility that extra charges may apply.</p>  | <p>Expedia has introduced a technical solution in order to display a total price that includes all mandatory (unavoidable) charges such as, sales taxes, city taxes, resort fees, cleaning fees, transfer fees. Expedia also sent communication to its providers asking them to ensure that their information is accurate.</p>                  |
| <b>Statements about number of visitors and limited availability</b>  |  |   |
| <p>Expedia made a number of statements about how many people are looking at the accommodation offer, or how many rooms are left to encourage consumers to book a certain property quickly.</p> | <p>Statements on number of visitors and availability must be clear and include the relevant qualifications, such as ‘limited rooms <b>on this website</b>’ or ‘for the <b>same stay dates</b>’.</p>  | <p>Expedia improved the clarity of the statements regarding the availability and popularity in order to include relevant qualifications. Now it indicates “we have x rooms left” next to specific room and rate plans on the accommodation details page.</p>  |
| <b>Differentiation private – professional host</b>   |  |   |
| <p>Search results on Expedia did not always distinguish between accommodation offers offered by professional and private hosts.</p>  | <p>Under EU consumer law, there cannot be any ambiguity about the business motives of a practice and the nature of the trader. This is because whether a trader is private or professional can affect consumers’ choice and their rights in case they are choosing a non-professional accommodation.</p> | <p>Expedia sent request to their accommodation providers to update their status. The status of new accommodation providers is automatically updated and Expedia will continue to seek a declaration from existing and new partners to update their status by April 2021.</p>  |
| <b>Terms and conditions</b>  |  |   |
| <p>A number of clauses limiting or totally excluding Expedia’s responsibility were present in Expedia’s terms and conditions.</p>  | <p>Under EU consumer law, providers cannot limit or totally exclude their liability in connection to the performance of any of their contractual obligations, while they impose a general and absolute obligation on the consumer to assume all possible risks.</p>                                      | <p>Expedia changes its terms and conditions to acknowledge consumers’ statutory rights in case of fraud, personal injury or death caused by Expedia, Inc.’s negligence. It has also introduced a provision to expressly acknowledge situations where Expedia has caused inaccuracies in information provided by travel partners to Expedia.</p> |