Fines for Everest development 2 – decision of the President UOKiK

**• A developer from Poznań used prohibited contractual provisions.**

**• The questioned clauses oblige consumers to grant powers of attorney with an imprecise scope and not to question the developer’s actions.**

**• The President of UOKiK has imposed a fine of over PLN 1.1 million on Everest Development 2.**

**[Warsaw,8 April 2024]** Everest Development 2 based in Poznań has implemented such development projects as the Zielone Wzgórze estate in Gostyń, the Radosne estate in Grodzisk Wielkopolski, the Modern estate in Koło, ul. Mateckiego in Poznań, Puchalskiego Park in Śrem, the Leśny Zakątek housing estate in Wałcz and Słoneczna Polana in Zbrudzewo. The President of UOKiK raised doubts about the provisions of the standard contracts used by the developer.

**Examples of clauses questioned by UOKiK**

Everest Development 2 obliged consumers to grant powers of attorney the scope of which was not precisely defined. The clauses did not indicate what exactly consumers were authorising the attorney to do, what actions the attorney could take on their behalf and what the consequences of granting the power of attorney might be for consumers’ interests. The questioned provisions concern, among others:

* indefinite and free placement of any advertising installations, also by companies affiliated with the developer,
* representing consumers in administrative proceedings regarding investments on neighbouring plots owned by the developer and affiliated companies,
* representing consumers in matters related to the decommissioning of a power line and the construction of a new high-voltage power line.

The President of UOKiK also questioned the nature of the powers of attorney. Everest Development 2 stipulated that all powers of attorney granted were irrevocable and did not expire upon the death of the principal. This means that the consumer, and then their heirs, were deprived of the opportunity to decide when the attorney should stop representing them.

Moreover, the provisions of the Everest Development 2 standards oblige consumers not to raise any objections to the future plans of the company or its affiliated entities regarding the development of neighbouring plots, the liquidation of a power line or the construction of cable lines and power poles on common property. Such provisions deprive consumers of the right to resort to legal remedies that they could avail of as co-owners of a common property in relation to the development of neighbouring properties.

- We questioned numerous contractual clauses due to their abusive nature. Everest Development 2 took advantage of its position and imposed unfavourable conditions on consumers. Most of the prohibited provisions concerned irrevocable and non-expiring blank powers of attorney granted to the developer or its affiliated companies. Meanwhile, the subject and scope of the power of attorney granted should always be precisely defined so that the consumer can easily determine what they actually authorise the entrepreneur to do and what the consequences may be - says the President of UOKiK, Tomasz Chróstny.

Once the decision becomes final, the prohibited provisions should be treated as if they had not been included in the contracts at all.

All disputed clauses and their detailed description are included in the decision of the President of UOKiK. Everest Development 2 is to pay a fine of over PLN 1.1 million (PLN 1,185,481). The decision is not final and the company appealed to the court.

**Consumer support:**

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[Consumer ombudsman](https://uokik.gov.pl/pomoc.php) - in your town or district.