President of UOKiK takes a closer look at companies organising product demonstrations

* **Last year, UOKiK audited 27 demonstrations taking place all over Poland, during which companies offered their products to consumers.**
* **In the case of eight audited companies, notifications were filed to the public prosecutor’s office.**
* **Three companies and their management boards were fined for a total amount of over PLN 3.6 million for misleading consumers and violating new consumer protection regulations.**

**[Warsaw, 27 August 2024]** At the initiative of the President of UOKiK, in the last two years new regulations were introduced with the aim to enhance consumer protection in relations with enterprises conducting direct sales. These changes were necessary due to the high number of complaints lodged by individuals who fell victim of unfair sellers.

“Older consumers are especially exposed to unfair practices during sales conducted at product demonstrations. Unfair sellers often take advantage of their health problems. Seniors are invited to meetings under a false pretence, such as free eyesight or lung function tests. This was the case for companies against which we have been conducting proceedings in recent times. The majority of contracts are concluded with consumers above the age of 60,” said Tomasz Chróstny, President of UOKiK.

More strict regulations, including regulations concerning product demonstrations during which sales are conducted, have been in force as of January 2023. Companies offering products and services outside their registered offices, store chains, booths and marketplaces cannot:

* Accept payments before the expiry of the period for withdrawal from the contract.
* Enter into contracts for financial services, such as a consumer loan (related most often to hire purchases), with consumers during a demonstration or an excursion. A contract concluded in such circumstances is invalid by virtue of law and has no effect for the consumer.

After the aforementioned regulations entered into force, the President of UOKiK decided to examine whether and how companies conducting direct sales have complied with the new regulations.

**Product demonstration audits all over the country**

UOKiK auditors, with support provided by Trade Inspection Authority employees, have audited 27 product demonstrations. Auditors attended 20 of them incognito – as the so-called mystery shoppers.

Practices applied by the representatives of audited companies often not only constituted a violation of collective interests of consumers, but may have been criminal in nature. Thus far, the President of UOKiK has filed 8 notifications to the public prosecutor’s office, as it identified the activities pursued by the audited entities as fraud, including financial fraud. In two cases, the notifications concerned the suspected participation of sellers in organised crime groups. As at the present moment, three of the proceedings have concluded with decisions imposing fines for the violation of collective interests of consumers. The total amount of these fines exceeds PLN 3.6 million and includes fines for board members. In addition, CEOs of two companies investigated by the President of UOKiK face financial liability for impeding the audit process.

**Redice**

A company operating under the name Redice, based in Kórnik (currently, its registered office is located in Toruń), offering white goods, wool products, cookware and knives, is the offender with the longest list of prohibited practices and the subject of the highest fines. Telemarketers acting on its behalf have been inviting consumers to attend free lung function tests, concealing the sales nature of the meetings. On site, representatives of the company suggested that the option to purchase the products being presented is a special offer, available at a bargain exclusively to the lucky few to be selected. Company representatives also suggested that by taking advantage of the promotional offer, buyers can no longer exercise the right to withdraw from the contract.

“If a contract is concluded outside the registered office of the company, e.g. during a product demonstration, the consumer may withdraw from that contract without any consequences within 14 days, as in the case of any other form of remote sale, e.g. online. If the contract is signed during an excursion or an unscheduled visit to the consumer’s home, the period for withdrawal from the contract is extended to 30 days,” pointed out the President of UOKiK.

Individuals who got tempted by “bargain purchases” were encouraged to sign consumer loan agreements, which is prohibited for this type of sales. The last allegation is accepting payments from customers prior to the expiry of the statutory time limit for withdrawal from the contract, which is prohibited by law.

Fines imposed on the company for the aforementioned practices totalled more than PLN 1.8 million and a fine of PLN 325 thous. was imposed on its CEO.

**Healthy Life**

The second decision concerned the company operating under the name Healthy Life, based in Przeźmierowo. During its product demonstrations, the company sold white goods, creams and wool products – entered into the register kept by the President of the Office for the Registration of Medicinal Products as medical devices. It is prohibited to sell such goods outside the business premises of the company. Consumers were encouraged to make a purchase by false information suggesting that they will have an opportunity to purchase products at prices significantly below list prices. Meanwhile, in reality the company never sold the offered products at prices that could be described as list prices. Similarly as in the case of Redice, the representatives of Healthy Life encouraged their customers to sign consumer loan agreements and accepted payments from them before the statutory time limit for withdrawal from the contract expired.

The President of UOKiK imposed a fine in the amount of PLN 100 thous. on the CEO of Healthy Life and a fine of nearly PLN 550 thous. on the company.

**Better Life Technology**

The third decision of the President of UOKiK concerns prohibited practices used by a company operating under the name Better Life Technology. The findings of UOKiK show that the Poznań-based company entered into contracts of sale (for medical devices, for instance) with consumers during product demonstrations. Similarly as the two companies mentioned above, Better Life Technology encouraged participants to sign consumer loan agreements with individuals attending the product demonstrations and accepted payments from them before the time limit for withdrawal from the contract expired.

For engaging in practices described above, the President of UOKiK imposed a fine in the amount of PLN 400 thous. on the company and a fine of PLN 375 thous. on its board members.

**Immediate enforceability**

The decisions are not final and may be appealed to the court. All decisions are subject to immediate enforceability in the part concerning prohibited practices. This means that the businesses must cease engaging in the contested activities even before the decision becomes final.

**Consumer Support:**

Consumer helpline: 801 440 220 or 222 66 76 76
contact form: [poradydlakonsumentow.pl](https://poradydlakonsumentow.pl/)
[Consumer Ombudsmen](https://uokik.gov.pl/pomoc.php) – in your town or district

[Trade Inspection Authority](https://uokik.gov.pl/kontakt-inspekcja-handlowa) – in your province