Price fixing in the sale of KIA cars – decision of the President of UOKiK

* **The President of UOKiK imposed fines totalling more than PLN 405 million on KIA Polska and 11 dealers of the company’s cars. Businesses colluded on car prices and divided the market among themselves.**
* **As a result of price fixing,** **buyers lost the opportunity to purchase KIA vehicles from dealers of their choice at competitive prices.**
* **Fines totalling more than PLN 1.5 million were also imposed on 5 individuals directly responsible for making the prohibited arrangements.**

**[Warsaw, 1 October 2024]** – The investigation has shown that **KIA Polska engaged in price fixing and divided the market together with the dealers of its cars. Due to the terms of the price fixing agreement, for a period of at least eight years, from 2013 to 2021, buyers of KIA cars could only buy a vehicle from a pre-determined dealer, with no possibility of receiving a cheaper offer from another dealer. In consequence, they might have paid for vehicles more than they might have in conditions of fair competition, said President of UOKiK Tomasz Chróstny.**

**Price fixing**

Businesses fixed the prices of KIA cars among themselves. The importer provided price lists to distributors and informed them of the maximum discounts they could give. The dealers of KIA Polska accepted these arrangements and refused to provide potential customers with an offer that was competitive relative to the one presented at another dealership.

KIA Polska kept a close eye on compliance with the unauthorised arrangements and, during regular visits to dealerships as well as by e-mail, admonished dealers who sold vehicles at prices lower than those agreed upon. The dealers themselves also informed KIA Polska and each other if any of them failed to comply with the illegally concluded agreement.

**Market sharing**

**According to the agreement concluded,** distributors were to sell cars only to customers who reside or pursue business activity in a location closest to their dealership.When a potential customer from another region came to a dealer, they were referred to a competitive distributor, in some cases they were even given their contact details directly. Dealers informed each other and KIA Polska about compliance with the agreement. They also lodged complaints with the importer if any of the distributors did not comply with the agreed terms. KIA Polska itself also monitored the activities of dealers and disciplined those who wanted to sell cars to customers in an area that was not assigned to them.

In addition, since 2017, KIA Polska and its distributors have divided the market for vehicles offered to driver training centres. This consisted in KIA Polska supporting the sale of driver training cars exclusively to dealers who won a tender procedure for the delivery of vehicles to voivodeship driver training centres in a given voivodeship. This way, driver training schools in these voivodeships also had a limited opportunity to receive a competitive offer from another KIA distributor.

**Fines imposed**

**In the issued decision, the President of UOKiK imposed fines totalling more than PLN 405 million on KIA Polska and 11 dealers**. The highest fine – more than PLN 331 million – was imposed on KIA Polska. Fines were also imposed of five executives in four companies: KIA Polska (two individuals), Wrobud, Landcar and Marvel. The collected evidence showed that their actions led directly to the violation of applicable regulations.

Fines imposed on individual businesses:

KIA Polska - PLN 331,021,284.64

Marvel - PLN 27,263,871.67

AS Motors Classic - PLN 11,617,847.67

Wadowscy - PLN 8,148,931.36

Gam - PLN 6,880,036.14

Wrobud - PLN 6,687,061.81

Marek Patecki PHU M.Patecki Marek Patecki (a partner in Auto-Centrum I.M. Patecki) - PLN 4,257,688.04

Landcar - PLN 3,661,176.51

Łukasz Patecki Lukas Auto-Park (a partner in Autocentrum Patecki) - PLN 2,068,717.05

Projekt Wola Barbara Patecki (a partner in Autocentrum Patecki) - PLN 1,878,814.93

Autotechnika Jacek Woźniak - PLN 1,443,346.52

Irena Patecka IMP Group (a partner in Auto-Centrum I.M. Patecki) - PLN 1,032,903.49  
  
Fines imposed on individual managers:

Leszek Sukiennik (KIA Polska) - PLN 437,500

Wojciech Szyszko (KIA Polska) - PLN 433,100

Paweł Białkowski (Marvel) - PLN 420,000

Michał Krzewiński (Landcar) - PLN 225,000

Agnieszka Adrjan (Wrobud) - PLN 137,800

In addition, the President of UOKiK issued two decisions imposing a total of PLN 70,000 in fines on the partners in Autocentrum Patecki and a total of PLN 93,000 in fines on the partners in Auto-Centrum I.M. Patecki for failure to provide information during the investigation. These businesses failed to provide documents concerning the amount of their revenue, among other things, requested by the President of UOKiK. The maximum penalty for failure to provide information requested by the antitrust authority is 3 percent of the annual revenue generated by the business.

**You can seek redress**

**Anyone who has suffered a loss as a result of a breach of competition law may file a civil lawsuit against any of the entities that have broken the law.** Claims for compensation may be pursued under the [Act](https://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU20170001132/T/D20171132L.pdf) on Private Enforcement, which came into force in 2017. The President of UOKiK has prepared and published a special [study](https://archiwum.uokik.gov.pl/download.php?plik=26041) in which he provides a closer look at the regulations on these issues.

**Notify UOKiK**

Businesses and managers involved in anti-competitive agreements are reminded that they can avoid severe fines through the [leniency programme](https://uokik.gov.pl/public/program-lagodzenia-kar). Please call the special phone number for details: 22 55 60 555. UOKiK lawyers will answer all of your questions related to the leniency programme, including those asked anonymously.

UOKiK also operates a programme to acquire information from anonymous whistleblowers. Visit <https://uokik.whiblo.pl/> and fill out a simple form. The pan-European system we rely on guarantees full anonymity, including from UOKiK.