

NJORD Lithuania: Increased fines for unfair commercial practice in Lithuania

On 1 September 2019, new amendments to the Law on the Prohibition of Unfair Business-to-Consumer Commercial Practices (hereinafter – the Law) entered into force in Lithuania. Fines on traders for unfair commercial practice have been significantly increased. The State Consumer Rights Protection Authority (hereinafter – the Authority) supervises the compliance with the provisions of the Law.

Until 1 September, fines for unfair commercial practice were set to specific amounts. This meant that the maximum fine for unfair commercial practice could be up to 8.688 EUR or up to 34.754 EUR for a second infringement within a year.

The amendments to the Law will change fines set to specific amounts. From now on, fines will be related to the annual income of companies:

- A fine of up to 3% of the annual income of the trader (however this fine cannot exceed 100.000 EUR) will be imposed on the trader for the first infringement of fair business-to-consumer commercial practice.
- If a second infringement of fair business-to-consumer commercial practice occurs, a fine of up to 6% of the annual income of the trader will be imposed on the trader (however this fine cannot exceed 200.000 EUR).

The goal of the amendments of the Law is to ensure adequate liability for infringements of fair business-to-consumer commercial practice and to discourage companies from acting in this manner. The goal is also to ensure stronger protection of consumer's rights.

It is argued that the fines for infringements of fair business-to-consumer commercial practice have not been sufficiently discouraging why some companies would be prone to commit the above-mentioned infringements repeatedly.