

Court of Justice of the European Union PRESS RELEASE No 49/20

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Press and Information

Judgment in Case C-28/19 Ryanair Ltd and Others v Autorità Garante della Concorrenza e del Mercato – Antitrust and Others

Air carriers must indicate, from the first time their price offers are published on the internet, the VAT on domestic flights and the fees charged for paying by credit card

They must also indicate the check-in fees payable where no method of checking-in free of charge is offered as an alternative

In 2011, Autorità Garante della Concorrenza e del Mercato – Antitrust (Competition and Market Authority, Italy)('the AGCM') criticised Ryanair for having published on the internet prices for air services that did not indicate, from the first time that they were shown, the following elements: (1) the amount of VAT on domestic flights, (2) the online check-in fees, and (3) the fees charged when paying by a credit card other than that approved by Ryanair. The AGCM considered that those price elements were unavoidable and foreseeable and that the consumer therefore had to be informed of them from the first time the price was indicated, that is to say before a booking process was commenced. The AGCM therefore imposed fines on Ryanair for an unfair commercial practice.

Ryanair brought an action before the Italian administrative courts for the annulment of the AGCM's decision. Since its action was rejected at first instance, Ryanair appealed to the Consiglio di Stato (Council of State, Italy). That court asks the Court of Justice, in essence, whether, in the light of the regulation¹ on the operation of air services, the price elements in question are unavoidable and foreseeable and must, therefore, be included in the initial price offer published.

By today's judgment, the Court recalls its case-law² according to which an air carrier, such as Ryanair, is obliged to indicate in its online offers, from the first time that the price is shown (i.e. in the initial offer), the air fare and, separately, the taxes, charges, surcharges and fees that are unavoidable and foreseeable. By contrast, it is required to indicate the optional price supplements in a clear, transparent and unambiguous way only at the start of the booking process.

As regards, first of all, **online check-in fees**, the Court held that, **where there is at least one option to check-in free of charge** (such as physical check-in at the airport), those fees must be classified as an optional price supplement and do not, therefore, necessarily have to be indicated in the initial offer. However, if the air carrier offers one or several methods of checking-in that are to be paid for to the exclusion of any method of checking-in free of charge, those online check-in fees must be regarded as price elements that are unavoidable and foreseeable and must be shown in the initial offer.

As regards, next, the **VAT applied to optional supplements relating to domestic flights**, the Court held that that **is an optional price supplement**, by contrast with VAT applied to the air fare for domestic flights, which must be indicated in the initial offer.

Lastly, the Court held that the fees charged if payment is made by means of a credit card other than that approved by the air carrier, are unavoidable and foreseeable and must

¹ Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (OJ 2008 L 293, p. 3).

² Cases: <u>C-290/16</u>, Air Berlin Press Release No <u>75/17</u>, <u>C-487/12</u>, Vueling Airlines Press Release No <u>127/14</u>, and <u>C-112/11</u>, ebookers.com Deutschland Press Release No <u>105/12</u>.

therefore be shown in the initial price offer. The foreseeability of those fees results from the air carrier's policy itself as regards the method of payment. They are also unavoidable since the apparent choice for the consumer (whether or not to use a credit card approved by the air carrier) in reality depends on a condition imposed by the carrier itself, which means that the free service is reserved for the benefit of a restricted class of privileged consumers, the other consumers being required either to refuse the service that is free of charge or not to proceed with their purchase immediately and to undertake steps that may entail costs in order to satisfy the condition required, at the risk, once those steps have been completed, of no longer being able to benefit from the offer or of no longer being able to benefit from the price originally indicated.

NOTE: A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of European Union law or the validity of a European Union act. The Court of Justice does not decide the dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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