



New obligations for companies starting 1 February 2016

Starting from 1 February 2016, all companies entering into purchase contracts with consumers or providing services to consumers have certain new obligations as a result of an amendment to the consumer protection act, in particular, the obligation to inform consumers of the possibility to settle any disputes out of court and provide information about the relevant entity to contact.

Companies are obliged to publish this information on their websites, in their general business terms and conditions, and other documents intended for consumers (e.g. complaint procedures).

In most cases, the Czech Trade Inspection Authority (ČOI) will settle any consumer disputes, while disputes in specific industries will be handled by other entities (for example, the Energy Regulatory Office for the energy industry). Companies also need to list the Internet address of the entity that will settle any disputes (i.e. <http://www.coi.cz> in most cases). Should a company operate an e-shop, the company must also publish a link to the European Commission's site for online dispute settlement (i.e. <https://webgate.ec.europa.eu/odr/main/?event=main.home.show>).

In the event of a dispute, companies must fully cooperate with ČOI (or the relevant entity) to ensure an efficient out-of-court settlement. In addition, companies are obliged to inform consumers of the possibility of out-of-court dispute settlement, as well as the relevant entity, either via an individual letter or e-mail. Should companies fail to comply with either obligation, the Czech Trade Inspection Authority (or other relevant entity) may impose a fine of up to CZK 1,000,000.

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