

TRIVAGO FINED FOR PROVIDING FALSE BOOKING INFORMATION



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The hotel sector is going through a very interesting time in legal terms. In recent months, we have seen several news articles related to fines. On the one hand, the privacy of users has been called into question through the Digital Markets Act and caused heavy penalties for hotels. On the other hand, Booking has had to pay 15 million to Russia for violating competition law. Now it is Trivago's

In this case, the online travel company belonging to Expedia Group has been accused of misleading consumers through false booking information. Specifically, in regard to the room rates of different accommodations. **At least, that is the view of the Australian court, which has fined the U.S. company for A\$44.7 million.**

This is equivalent to about 33 million US dollars, so it is quite a considerable pain. In addition, this is one of the largest fines that the country has requested for infringing consumer legislation. We will have to wait to see if other actions are taken along these lines in Australia or elsewhere in the world.

Late last month, the Federal Court of Australia issued the fine after finding that Trivago was providing false booking information. This is because they were presenting certain hotel rooms as the cheapest available when it was not true. The reality is that they were promoting rooms from paid advertisers first.

Based on this, they considered that they were misleading consumers. Above all, the algorithm encouraged tourists to pay the highest rate per click instead of having the possibility of accessing cheaper rates within the same hotel. Because of that, the Australian Competition and Consumer Commission (ACCC) claimed that the Australian Consumer Law has been breached.

Not only that, they also consider that there have been "considerable losses" for guests. **In fact, they claim that the damages caused were caused by the fact that Trivago has taken advantage of consumers' desire to access the best deals.** Therefore, the OTAs' strategies could be affected on the basis of this criminal decision.

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