Retail in Romania: How must prices be communicated to consumers?

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Consumer protection is a current and frequently discussed topic throughout Europe. The focus of attention is usually on contracts for the sale of goods to end consumers and the associated consumer rights that arise or exist before the respective contract is concluded.

An essential component of every consumer contract is, of course, the price; in practice, it is often the subject of disputes and is frequently subject to inspections by the consumer protection authority. The following explains important provisions of Romanian law concerning price indication in the retail sector.

Benchmark: the "*average consumer*"

Consumer protection always focuses on the consumer. However, there are naturally significant differences between end consumers in terms of education, experience, age, language skills, etc. Legally, this discrepancy has also been addressed in Romania by introducing the concept of the *average consumer* (Romanian „*consumatorul mediu*"). A seller's consumer protection obligations are deemed to have been complied with if an average consumer who is reasonably well informed, attentive and thoughtful can make the decision to purchase consumer goods.

Compliance with consumer protection obligations is therefore not assessed according to a subjective standard (based on the individual characteristics of an actual consumer). Rather, the relevant standard is that of an objective, abstract, *average consumer*.

This is intended to protect all buyers. Although authorities and courts can interpret this concept (which in practice often leads to disputes), in our opinion this is preferable to a regulation that dispenses with this concept.

How must prices be presented to consumers?

Romanian consumers have the right to be fully and clearly informed about the purchase price of goods and services. The following basic rules apply in this regard:

1. Prices must be clear (explicit), legible, and easy to identify;
2. They must be stated in RON. Even if other currencies (e.g. euros) are used, the price in RON must be clear and easy to recognize;
3. Prices must include all taxes, fees, etc.; consumers must be able to see and easily recognize the amount that has to be paid at the end (e.g. at checkout);
4. The prices must be visible without any further inquiries (e.g. from sales staff);
5. Prices must appear on the individual goods, next to these goods, on the shelves, or be accessible to consumers by means of price lists or catalogues.

Strict obligations for sellers when reducing prices

Since significant scope for unfair practices can arise with price reductions, strict rules must be observed in this area.

In the case of reductions, sellers are required to state the prices in absolute terms: both the original price (usually crossed out) and the reduced price must be stated in compliance with the above-mentioned conditions. This also applies to percentage-based reductions: Romanian consumers must know the final amount to be paid at the checkout.

The reasons for price reductions are also strictly regulated. Thus, stock clearance sales may only take place between January 15 and April 15 as well as between August 1 and October 31. Prices of goods intended for a specific event (sports championships, holidays, etc.) may only be reduced after the event. The relocation or cessation of the seller's activity is always a reason for a closing-down sale.

In some cases of reductions, the price may also be lowered below the purchase price, but in the case of general price reductions, the reduced price may not be below the purchase price (prohibition of dumping prices).

Any reduction must take into account the lowest price that was applied for at least 30 days at the same sales premises. The reduced price must therefore be below the lowest price of the last 30 days.

Naturally, the seller must keep evidence of compliance with all these conditions and present it to the authorities upon request.

Conclusion

The obligations to state purchase prices are described in detail under Romanian law. This article is limited to the essential obligations of a retailer. Depending on the type of goods or sale (e.g. distance selling), however, further obligations may apply.

The principle always remains unchanged: consumers must be fully and correctly informed so that they can make a purchasing decision based on clear information.

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