

Press Release

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CECRA welcomes landmark decision by Austrian Cartel Court against Peugeot Austria

CECRA, the European Council for Motor Trades and Repairs, representing the Austrian dealers and repairers association and the European Peugeot Dealers Association, strongly welcomes the Austrian Cartel Court's ruling against Peugeot Austria (PSA) for abuse of market power. This decision marks a significant victory for automotive dealers and sets an important precedent in addressing unfair manufacturer practices across Europe.

The case, brought forward by Austrian Peugeot dealer Büchl, highlighted unfair demands and economically harmful practices imposed by PSA, which put excessive pressure on its authorized dealers. The court ruled that several of Peugeot's practices, such as inflating sales targets and tying dealer bonuses to customer satisfaction surveys, violated both Austrian and EU competition laws.

Key Rulings:

- 1. New Car Sales:** Peugeot is prohibited from forcing dealers to participate in sales promotions, restricting their freedom to set prices. The court also barred PSA from linking dealer bonus payments to customer satisfaction surveys and inflating sales targets to reduce dealer margins. PSA's practice of competing with dealers through their own operations by offering subsidized vehicle prices was also ruled illegal.
- 2. Workshop Operations:** The court banned Peugeot's costly inspection system and hourly rates that fail to cover operational costs, making warranty work financially unviable. Furthermore, PSA can no longer pass on the costs of its mystery shopping and audit systems to dealers.

While CECRA views this ruling as a groundbreaking step towards achieving greater fairness in the automotive industry, there remain critical concerns. Despite the court's decision, the €15 million is a fine imposed on PSA and will of course not be paid to Mr. Büchl who must now, as all dealers who have suffered the same damage, take further legal action to claim for compensation. This after already several years of procedure.

"We are encouraged by this decision, which highlights the need for a balanced and fair approach to dealership operations. This decision will not only safeguard Austrian dealerships but also inspire broader changes across Europe. CECRA will continue to advocate for the rights of dealers across Europe," said Bernard Lycke, Director General of CECRA.

For more information

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