

Trivago hit with \$45m fine

EXPEDIA offshoot Trivago has been ordered by the Federal Court to pay a whopping \$44.7m in penalties for making misleading representations about hotel room rates on its website and via marketing campaigns.

The fine is only half of what the company could have been slugged with however, after the Australian Competition & Consumer Commission (ACCC) recommended to the government that Trivago be hit with a more severe \$90 million fine during court proceedings in Oct last year (**TD** 19 Oct 2021).

In Jan 2020, the Federal Court found that Trivago had breached Australian Consumer Law by using an algorithm which placed

significant weight on hotel listings that paid Trivago the highest cost-per-click fee, and not the cheapest rates on offer for consumers as claimed by the company (**TD** 21 Jan 2020).

Trivago admitted during proceedings that between Dec 2016 and Sep 2019, the business had earned approximately \$58 million in cost-per-click fees from offers that were not the cheapest available for a given hotel, representing around \$38 million in overpaid bookings by its customers as a result.

"Trivago's conduct took advantage of consumers' desire to find the best deal, and the Court's decision to order such a significant penalty reflects the seriousness of Trivago's conduct," the ACCC said.

CemAir enlists GSA