CYPRUS ADVERTISING
REGULATION ORGANIZATION

DECISION

FIRST INSTANCE JURY

Our Reference	**EASA CBC Case 6970**
Complaint by	Consumer
EASA Cross Border Complaints System	Forwarded to CARO by the UK Advertising Standards Authority (ASA)
Advertiser	GTHW APP LIMITED / HE 395742
Decision issued	**Thursday 11 April 2024**

Issue / Complaint

"Price for 3 month subscription advertised at £14.99 with a time sensitive acceptance (10 mins). Subsequently charged £17.99 when purchased. Have attempted to cancel within first 14 days but no refund yet issued. Have not used the App."

Advertiser's Response

"We acknowledge receipt of your communication dated 20 February 2024, regarding the complaint raised by the Cyprus Advertising Regulation Organization about our price calculation for the HEADWAY app subscription. We welcome the opportunity to clarify our position and address the issues you have outlined.

At HEADWAY, we have built a relationship of trust with our customers over the last 5 years, based on honesty and transparency, which extends to the value of our product and the total price to be paid. HEADWAY app is accessible in various regions with differing tax rates, so our product page displays pricing information exclusive of VAT or any other similar applicable taxes (as shown in attached Screenshot 1). However, upon clicking the "Continue" button, users initiate the ordering process and are directed to the Checkout page, where prices, inclusive of VAT, are presented (as shown in attached Screenshot 2). This page specifies the exact amount of VAT applicable based on the user's jurisdiction, thus maintaining transparency, especially for those users who may have lack of experience or knowledge regarding making online purchases. We emphasize that the

Checkout page is the sole avenue through which subscriptions are purchased on our website, ensuring that users are fully informed of the total payable amount before any transaction.

Additionally, a disclaimer below the “Buy Now” button reiterates the total cost and provides information on subsequent subscription payments, including a link to our Subscription Policy.

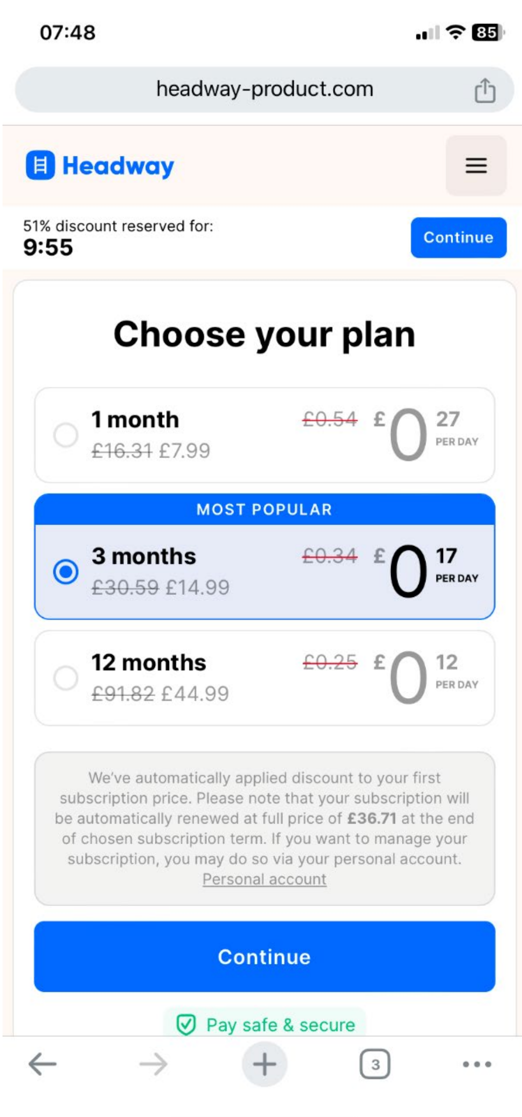
We believe our purchase process clearly and concisely communicates price information, aligning with the legal, decent, honest, and truthful communication standards as required by articles 1, 3, and 5 of the Cyprus Advertising Code, a copy of which you have kindly provided.

Also, please note that we provided a full refund to the complainant on 13 February 2024, underscoring our dedication to truthful and customer-oriented communication.

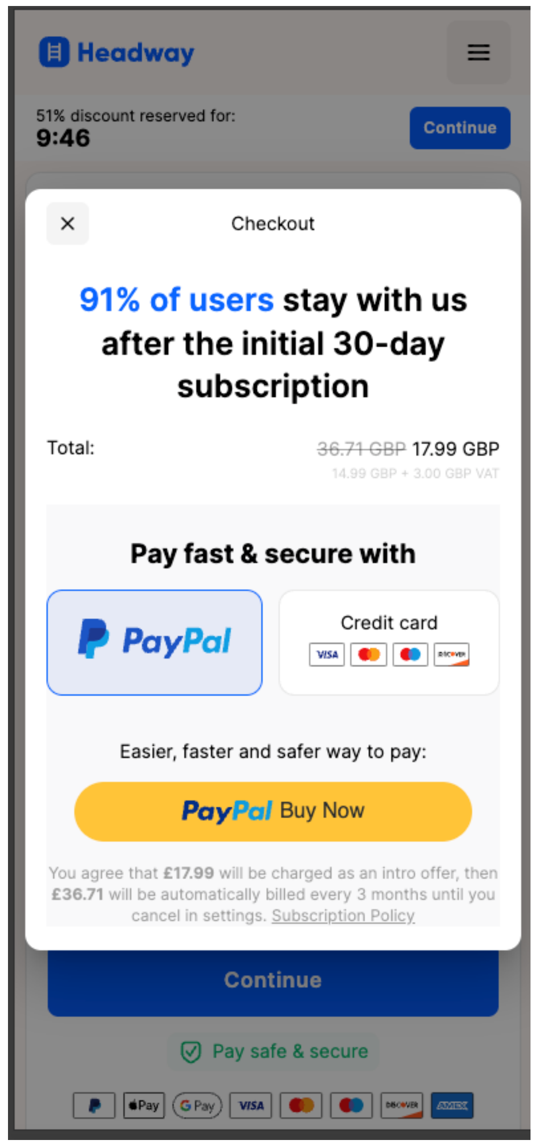
Should you require further clarification or wish to discuss this matter in more detail, please do not hesitate to contact us.

Thank you for your attention to this issue."

Screenshot1



Screenshot2



Jury Assessment:

1. The jury carefully considered all the information presented to them.

2. The jury notes the following:

In **Screenshot 1**, the price displayed for the 3-months subscription is **£14.99**, which is as explained by the advertiser, the price without VAT. However, at the bottom of screenshot 1, there is the following note: "We've automatically applied discount to your first subscription price. Please note that your subscription will be automatically renewed at full price of **£36.71** at the end of chosen subscription term.

3. The discount in Screenshot 1 is **51%**, as shown on the top left of the screen, **"51% discount reserved for: 9:55"**. Therefore, the discounted price is £17.99 (incl. of VAT), as is made clear in Screenshot2, where the price is fully analysed at **14.99 GBP + 3.00 GBP VAT**.

4. Although, we understand the argument that "HEADWAY app is accessible in various regions with differing tax rates, so our product page displays pricing information exclusive of VAT or any other similar applicable taxes (as shown in attached Screenshot 1)", the Jury notes that **in both Screenshot 1 and Screenshot 2** the **post intro offer price is £36.71**, so there seems to be knowledge of the VAT regime applicable even at the Screenshot 1 stage.

5. Having said that, the Jury believes that the consumer is in any case informed before the purchase of the full price, so no issue of price misleadingness arises per se.

Appeal to the Review Jury is provided for in the Regulations of the latter (Article 1). A review request is made in writing with reference to the initial complaint and the decision of the First Instance Jury, within 15 working days from the dispatch of the decision of the First Instance Jury to the parties involved.

Please note that filing an appeal does not suspend the decision of the First Instance Jury; the Review Jury will not discuss cases if there has been no compliance with the decision of the First Instance Jury by the party filing the appeal.