

NUSTAY

Nustay files EU complaint against Expedia and Booking.com

Danish hotel booking platform Nustay A/S (“Nustay”) is today notifying the Directorate-General for Competition that it has information that EAN.com LP (“Expedia”) and Booking Holdings (“Booking.com”) could be acting in breach of Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU).

In its complaint, Nustay alleges that evidence provided to Nustay suggests that Expedia and Booking.com are, in a systematic way, restricting competition in the market by apparently imposing serious commercial consequences on hotels if Nustay (or others) is able to offer more competitive prices for accommodation, and are thereby effectively enforcing wide price parity clauses that could prevent consumers from obtaining lower prices than would otherwise be available to them.

Nustay suggests that Expedia and Booking.com could be enforcing a new type of wide rate parity clause and are abusing their dominant position in the market to maintain artificially high price levels for hotel accommodation, potentially including artificially high levels of commission. Furthermore, Expedia and Booking.com seem to be punishing hotels commercially for exercising their rights to sell accommodation at lower prices to others, and are seeking to blacklist Nustay.

In the complaint, it is suggested that Expedia and Booking.com are, based on the documentation received by Nustay, effectively enforcing wide price parity, which could be a breach of Articles 101 and 102 of the TFEU, in the following ways:

- Expedia is apparently downgrading a hotel's ranking on Expedia's website if the hotel's accommodation prices are lower from another OTA, thereby punishing the hotel commercially by reducing its visibility on Expedia, which could reduce the hotel's booking prices.
- Booking.com is apparently downgrading a hotel's ranking and, in some cases, transferring a hotel to Booking.basic if the hotel's accommodation prices are lower from another OTA. This is less favourable for the hotel, as it gives poor or no visibility for the hotel, thereby punishing the hotel commercially.
- Evidence suggests that Expedia and Booking.com are actively pushing hotels and bed banks to exclude Nustay from certain parts of the OTA market by blacklisting Nustay in an attempt to avoid Nustay giving customers prices lower than Expedia's or Booking.com's prices.
- Expedia and Booking.com seem to be attempting to reduce increased price competition by Google Hotel Ads so that consumers are prevented from obtaining prices that are lower than Expedia's or Booking.com's prices.

Wide price parity clauses are illegal in France, Austria, Italy and Belgium. In other countries, including Sweden and Germany, Booking.com and Expedia are also subject to price parity regulations. Furthermore, Articles 101 and 102 of the Treaty on the Functioning of the European Union apply in all EU Member States.

Nustay has alternative inventory suppliers and is not dependent on either Expedia or Booking.com. In its complaint, Nustay has urged the Directorate-General for Competition to look into the matter in order to prevent any illegal practices from being continued or further developed.

Nustay is offering better prices to its customers thanks to the disruptive platform and digital integrations it has developed with hotel room suppliers, such as bed banks, and by charging low commissions.

Mathias Lundo Nielsen, Founder and CEO of Nustay, comments:

"From the evidence we have received, it seems that Booking.com and Expedia are attempting to restrict competition between hotel booking platforms by effectively enforcing Wide Price Parity clauses. If this is the case, it could be illegal, and Nustay cannot ignore this practice even if Nustay could earn more by marking up its prices to the level of Booking.com and Expedia. Our mission is to offer the lowest possible hotel prices to our customers."

For further information about Nustay, please contact:

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This information is information that Nustay A/S is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided by the contact person above for publication on 11th June 2019.

About Nustay:

Nustay is a Danish company within the hotel booking market that offers its customers a new booking concept. Nustay has a vision of becoming the best and most disruptively innovative hotel booking platform in the world, to the benefit of its customers. The company's innovative and advanced hotel booking platform is constantly fine-tuned, with the aim of handling customers from all over the globe. Nustay is an Online Travel Agency (OTA) that delivers bookable hotel rooms from a vast hotel room inventory as well as further discounts and personalised hotel deals for each registered user, depending on the user's preferences and the type of stay. Nustay distinguishes itself from its competitors by combining the best and most important aspects of existing online booking – a large hotel inventory, a great booking experience and prices that are often lower than those of its competitors.