WRITTEN QUESTION P-2889/06 by Henrik Kristensen (PSE) to the Commission

Subject: Directive on unfair commercial practices and the 'Habbo Hotel' website

Directive 2005/29/EC¹ prohibits unfair commercial practices, one of which is defined in Annex I as advertising which directly exhorts children to buy the products advertised.

On the Habbo Hotel website at www.habbo.com, which is owned by the Sulake Corporation Ltd., children can take part in a virtual chat with other children. The website is aimed at several EU Member States - Denmark, Finland, France, Germany, Italy, the Netherlands, Spain, Sweden and the UK. The website says that 'Habbo is a virtual hotel where you can make new friends, design your own hotel room and have fun!' Children buy various items of virtual furniture with which to decorate their rooms for payment. As regards payment, the website says 'Habbo Coins are the currency of Habbo Hotel, they are kept in your Habbo Purse and can be used for a wide variety of things. Habbo Coins allow you to decorate your room with Habbo Furni, buy a pet, buy gifts for your friends ... Habbo coins can be bought in a variety of ways. Click here to find the best method for you!' If a child clicks on 'pets', for example, the site says 'Every home needs a pet and a Habbo home is no exception! For only 20 Habbo credits you can buy yourself a loveable cat or dog from the catalogue! And 'Buying a pet is easy: Open the Catalogue to the pets page. Here you can see a large selection of pets. Choose whether you want a dog or a cat, what type/colour, name it and click to buy.' At the Habbo Hotel, one method children can use to pay is via SMS (Denmark) or SMS/landline telephone (e.g. in the UK) and the payment is charged to the telephone bill; the children are not required actually to be in possession of the money.

In the Commission's view, to what extent can this practice be regarded as an unfair commercial practice and therefore illegal under the directive when it enters into force in the Member States? Does the practice in this context meet the definition of a direct exhortation to buy and thereby constitute an aggressive commercial practice? Can a practice where children - as weak consumers - are urged to buy without being in possession of the money be regarded as unfair in that it is 'likely to materially distort the economic behaviour only of a clearly identifiable group of consumers who are particularly vulnerable to the practice' (Article 5, paragraph 3 of Directive 2005/29/EC)?

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<sup>&</sup>lt;sup>1</sup> OJ L 149, 11.6.2005, p. 22.