

## **PRESS RELEASE**

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### **PCC slaps fresh P9-million fine on Grab amid refund delay**

The Philippine Competition Commission (PCC) has slapped a fresh nine-million peso fine on Grab Philippines amid its failure to fully refund its customers more than three years after the PCC first ordered the reimbursement.

The latest fine is on top of the P63.7 million in penalties that the PCC had imposed on Grab over the years since it acquired the Philippine operations of then lone rival Uber in 2018. To recall, the PCC cleared the acquisition at the time after Grab committed to addressing several competition concerns raised by the Commission.

Under the Philippine Competition Act, the PCC has the power to review a merger between or among businesses to ensure their transaction does not restrict competition in the market where the merged entity will operate. The law forbids anti-competitive mergers, which ultimately harm consumer welfare.

#### **Violation of refund orders**

In a Resolution dated February 2, 2023, the PCC imposed a six-million peso fine on Grab for violating three separate Commission orders for the company to return a combined P25.45 million to its customers. The refund orders were issued after Grab failed to deliver on its Price Monitoring Commitment.

The earliest Commission order was issued in November 2019, followed by a second order a month later, and a third in October 2020. On each occasion, Grab was given a 60-day deadline to complete the refund from receipt of each order.

Under Section 29 (b) of the Philippine Competition Act, an entity which fails or refuses to comply with a ruling, order, or decision issued by the PCC shall pay a penalty of not less than P50,000 up to two million pesos for each violation.

#### **Providing incorrect information**

In the same Commission Resolution, the PCC also imposed a three-million peso fine on Grab for providing incorrect and misleading information in the compliance reports that the company submitted with respect to the refund orders. In those reports, Grab claimed that it had completed the refund.

However, PCC's review found that only 24.16% of the total amount had been returned to Grab's customers as of June 2021, or more than five months after the deadline for the Commission's third refund order. It was only after the PCC issued a show-cause order in January 2022 when compliance to the refund order shot up to 73.80% as of April last year, but still short of the full refund that Grab had claimed.

Under Section 29 (c ) of the Philippine Competition Act, the PCC may impose upon any entity fines of up to one million pesos where, intentionally or negligently, such entity supplies incorrect or misleading information in any document, application or other paper filed with or submitted to the Commission.

**Alternative refund mechanism**

Lastly, the Commission, in the same Resolution, directed Grab to put in place an Alternative Refund Mechanism that would allow its customers to claim remaining refunds, barring which the company was ordered to convey the amount to PCC for remittance to the National Treasury.

To ensure higher take-up of the refund, the PCC instructed Grab to exhaust different platforms to inform customers about the pending reimbursement. ###

**REFERENCE:**

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