

Consumer protection in Mexico during the coronavirus

Is it allowed to increase the price of COVID-19 preventive sanitary products? What can consumers do in view of the need to cancel flights, hotel reservations or other similar events?

Currently, there is an important degree of attention given to preventive measures related to COVID-19, implemented at a governmental level, as well as those corresponding to work centers. However, measures applicable to other activities, such as those for businesses and consumers, are of special interest.

In particular, there are two issues of great relevance in terms of consumer protection: can traders raise prices for COVID-19 preventive hygiene products? And what can the consumer do in view of the need to cancel flights or hotel reservations or in case an event is canceled?

Increased demand for hygiene products and their prices.

Although hygiene products are “free priced”, in accordance with the Consumer Protection Law (art. 10 Bis), suppliers shall not unreasonably increase prices due to health contingencies. In the event that the Federal Consumer Protection Agency (PROFECO) detects said unjustified increase in prices, it may impose a sanction of up to \$ 3,157,358.71 Mexican pesos (US \$ 131K Approx.).

Recently, multiple complaints have been filed before PROFECO related to the increase in prices in various States of the Republic in hygiene products for the prevention of the virus (face masks and antibacterial gel, disinfectants, latex gloves, among others), which originated verification procedures by the authority. It is important to clarify that comments on social networks are not complaints; the latter can be filed by telephone call at the Consumer Line (55 5568 8722), or at PROFECO’s local offices. Complainants are not required to provide their personal data or evidence of the conduct of the trader; they should only briefly describe the situation, including the name of the supplier, the product or service, address or location and date.

Due to the relevance of these health inputs, PROFECO has urged the population for reasonable consumption of these products, i.e. not to buy more than the necessary amount (panic purchases).

Cancellation of trips and accommodation.

As part of the efforts to prevent the spread of the coronavirus, many consumers are deciding to cancel their planned trips. In solidarity with their clients and for the benefit of public health, most airlines have established flexibility conditions, so that passengers can reschedule or cancel their flights, considering the date on which they had purchased them.



Although the general position of the airlines has been of solidarity, PROFECO recommended reviewing the particular policies of the contracted airline and in case of having any problem, the consumer can report it both through the Consumer Line (55 5568 8722) or physically at the consumer protection modules in airports. Considering the saturation of call centers, airlines generally recommend using their internet portals to manage changes or cancellations.

Some of the current measures for the rescheduling and cancellation of flights of the airlines will be provided below (the hyperlink is provided at the name of each airline to facilitate its access):

- a) **Aeromexico.** It is prioritizing requests to the call center regarding flights in the next 72 hours to manage the demand for assistance deriving from the coronavirus emergency. The airline also incorporated to its website its ticket exchange and cancellation policies, considering the date of purchase of the ticket and destination of the flights.
- b) **Interjet.** Although it does not have direct flights to Asia or Europe, it will serve customers who have purchased flights from commercial partners who do fly to these destinations and will apply changes at no cost (some restrictions apply, including that the change must be requested with at least 24 hours of anticipation). Interjet said its aircraft have HEPA (High Efficiency Particulate Arrestors) air filters to reduce the spread of microorganisms on its flights.
- c) **VivaAerobus.** For national and international flights scheduled from March 17 to April 30, it will allow to change the date without additional charge (however, in case there is a difference in fare, the client must cover that fare). They also have HEPA filters on their flights.
- d) **Volaris.** With some exceptions (Costa Rica, Guatemala, El Salvador), it continues to operate flights normally between Mexico, the United States and Central America. It is important to consult their policies to determine what is appropriate in each case, e.g. flight cancellation due to external event, voluntary flight change prior to March 31, 2020, etc.

Likewise, hotel chains are making changes more flexible considering that the spread of the coronavirus is an unforeseeable circumstance and not attributable to their customers. It is important to verify the policies of each particular hotel regarding the modification or cancellation of reservations due to the coronavirus and the terms and conditions thereof, e.g. reservations prior to April 30, 2020 may have a different treatment than subsequent ones.

Cancellation of massive events

Regarding the cancellation of massive shows and events due to coronavirus, PROFECO communicated that the consumer is entitled to a refund of the ticket, which must be requested directly to the provider. In case the consumer experiences problems while requesting the refund, it can request the assistance of PROFECO.



General recommendations

1. Considering the importance of safeguarding the population, it is important that consumers are cautious when buying (e.g. avoiding panic buying).
2. Likewise, traders must prioritize the public interest in a national welfare situation and not abuse of the consumer's state of need. If they incur in abusive practices, they may be subject to complaints, verifications and sanctions.
3. In addition to denouncing unjustified price increases, the consumer must be vigilant to avoid consuming "miracle" products related to the prevention of coronavirus. Marketing a product through promising false effects (that is, those that are not properly verified and supported) is a conduct sanctioned by the Consumer Protection Law.
4. In the case of planned trips and accommodation, it is important to have at hand the documentation of the corresponding contract, review the applicable changes and cancellations policies. In case of considering that the accepted terms and conditions were not respected or if no response was received from the service provider, a claim procedure can be initiated with PROFECO.
5. With respect to massive events, it is important to identify if the event is being canceled or rescheduled and, in any case, contact the service provider to initiate the corresponding procedures. As in the previous case, in case of not receiving response or if the contracted terms and conditions are not being respected, a claim procedure can be initiated with PROFECO.

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