Markedsrådet revoked the fine against Lager 157

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The infringement fine of NOK. 450.000 against Lager 157 has been revoked - barely 5 months after it was imposed.

On September 25, 2024, the Consumer Authority decided on a breach of the Transparency Act and imposed on infringement fee of NOK 450,000 on the Swedish clothing brand Lager 157. 450 000. The incident marked the first time the Consumer Authority sanctioned under the Transparency Act. Lager 157 appealed the decision on October 14, 2024, and 4 months after the appeal, on February 12, 2025, the Market Council decided to overturn the Consumer Authority's decision.

The Consumer Authority's basis for the infringement fine was that Lager 157 had breached their duty to provide information in accordance with The Transparency Act. The Act requires all businesses within its scope to respond to an information requirement on how they handle actual and potential negative consequences on human rights and decent working conditions within 3 weeks. An infringement fee can be imposed for "repeated" violations of this obligation.

On November 1, 2023, the Consumer Authority received the first complaint about a breach of the duty to provide information from *Framtiden i våre hender* (Future in our hands). Upon being ordered to provide information by the Authority, Lager 157 acknowledged that it had not adequately fulfilled its obligations under the Transparency Act and submitted documentation showing that measures had been taken to comply. The Consumer Authority then closed the case.

On April 24, 2024, the Authority received a new tip about a breach of the duty of disclosure, this time from a private individual. The Consumer Authority considered the two separate complaints to be covered by the term "repeated" in the Transparency Act and thus imposed the infringement fee.

The Market Council decision to cancel the infringement fee is based on two factors. Firstly, they conclude that the wording "repeated" can mean either (i) at least two times or (ii) more than one *repetition*. This linguistic ambiguity must, in their opinion, fall in favor of the party on whom the infringement fee is imposed due to its punitive nature. Secondly, the Market Council emphasizes that the infringement fee is intended to be a subsidiary remedy when the Consumer Authority fails in enforcing the rules by other means, or if the violations are qualified. This was not the case for Lager 157.

The Consumer Authority cannot have the Market Council's decision reviewed.