

## **PRESS RELEASE**

### **21 March 2022**

#### **PCC orders Grab to release ‘unclaimed’ P19.3M refund to users**

The Philippine Competition Commission (PCC) is ordering Grab Holdings, Inc. and MyTaxi.PH, Inc. (collectively Grab) to immediately release the remaining P19.3-million refund to eligible users after finding the ride-hailing app’s low disbursement of the refunds from previous fines.

After reviewing the compliance reports for previous penalties, the PCC found that only 24.1% of the total refund has been claimed from Grab by eligible passengers as of 15 June 2021, or P6.15 million out of the total P25.45 million penalty required by the PCC to be returned to Grab users.

The ride-hailing app required additional steps for passengers to claim the refund, contributing to the low uptake. The PCC is giving Grab until April 22 to refund the remaining amounts to eligible users, noting that the refund should be immediately credited via GrabPay Wallet without requiring any act from the users to claim the amount.

“The penalties are in the form of a refund to remind Grab that every pricing or booking violation committed against passengers shall be paid back to passengers. Grab should immediately release the refunds and continue to adhere to its commitments,” said PCC Chair Arsenio M. Balisacan.

The antitrust agency penalized Grab a total of P63.7 million since 2018 for violations of its price and service quality commitments. It was in late 2019 when the Commission imposed on Grab the penalty to return portion of its commissions to Grab’s passengers for violating its price monitoring commitment.

The PCC has since ordered Grab to issue refunds in the amounts of P5.05 million in November 2019, P14.15 million in December 2019, and P6.25 million in October 2020.

To recall, Grab’s takeover of Uber in 2018 raised competition concerns and was subjected to a PCC Decision committing the merged entity to a standard as if it had a rival. Part of its voluntary commitments was ensuring it will not undertake unreasonably different pricing behaviors pre- and post-transaction. During the monitoring period, PCC found that the ride-hailing company committed extraordinary pricing deviations, which resulted in the three sets of penalties.

“The PCC remains steadfast in monitoring Grab’s commitments to temper the firm’s dominance in the ride-hailing market. These measures are in place to prevent Grab from exercising monopolistic behavior due to its unchallenged market power,” Balisacan said.



Following its acquisition of Uber, Grab's commitments were first issued in 2018, subject to a one-year monitoring period. The commitments were updated and monitoring was extended until 2023 due to the remaining competition concerns. PCC underscores that the penalty shall be paid by Grab and shall not be passed on to its drivers or passengers.

"Through the years, the commitment measures are meant to be temporary in disciplining Grab while waiting for the market to mature with new major players. A more permanent pro-competition solution here is to open the market to more Transport Network Companies that can truly rival Grab on the same level," Balisacan added.

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