

Eateries accused of hiking prices after ban on charges

Readers call for action to prevent the practice

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Dubai/Abu Dhabi: Service charges might be off the menu but residents complain that some restaurants have hiked their prices to circumvent the rule.

Many readers wrote to Gulf News claiming they have noticed 10 to 15 per cent price increase in the menu after the food outlets were forced by the Ministry of Economy to scrap service charges.

The practice of inflating the food bill by imposing a service charge ranging from 5 to 20 per cent on food bills ended yesterday as the deadline for restaurants to comply was February 10.

Charging more

While most eateries have abided by the new rule, some have apparently increased their prices or have started charging for side dishes like pickles, poppadoms and salad, which were dished out free before.

Residents fear that scrapping service charges would not make any difference to customers if restaurants are allowed arbitrarily to hike their prices.

"I don't know if many of you have realised that some restaurants have removed the service charge, but increased the prices on their menu. There should have been a proper implementation to prevent restaurants from playing such bad games. There are restaurants that have stopped providing vegetables and olives for free after they withdrew the service charge," said George, a reader from Dubai.

Another resident who wished to remain anonymous, said a restaurant in Bur Dubai where he dined has introduced a municipality tax in the place of service charge and he had to cough up an extra 10 per cent on his bill.

Murad Tardi, another Dubai resident said authorities should stop outlets from increasing their prices because it will again hurt the customers' pocket. "They are increasing the prices to compensate for the service charges they have lost," he said.

Denied

However the restaurants that Gulf News contacted denied there was any hike in prices and said they cannot afford to be more expensive as they will lose customers.

An official from Paul, a restaurant chain, said though its staff has lost 40 per cent of their income because it stopped the service charge, the chain has not increased its prices.

In Abu Dhabi, many restaurants said they are still taking service charges from customers as they have not received any instructions from authorities in this regard. Some restaurants said they have stopped taking service charges recently while others said they never charged it.

Oceans restaurant, operating at Le Royal Meridien on Khalifa Street, said they still take a 10 per cent service charge.

"We are taking service charges because we have not received any instructions in this regard from any authority," said Chris Cabido, assistant manager.

Have your say

*Have you been to a restaurant that is still adding service charges? Did you refuse to pay?
Have you noticed an increase in prices in restaurants? Tell us.*

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