

Protecting and empowering EU consumers

- **Wide-ranging consumer protection:** The European system has developed over 30 years, **with direct benefits for consumers** in various areas of their daily lives.
- **High standards and more choice:** EU rules impose the highest safety requirements in the world, not least for toys.
- **Lower prices:** Mobile phone roaming costs have decreased by 92 % since 2007 and will be abolished in June 2017. All European travellers will then '[roam like at home](#)'.
- **More safety:** Thanks to EU road safety laws, Europe has the lowest accident fatality rate in the world – deaths [fell](#) by 43 % between 2001 and 2010 and again by 17 % from 2010 to 2015.



Why is EU consumer protection policy crucial?

Within the EU internal market, goods can be **sold freely across borders**. This provides consumers with a larger choice of products, but also requires strong EU consumer protection policy in addition to national rules. Cars, toys and food, for instance, need to be just as safe for the **health and safety** of consumers in Sweden as those in Italy. For that purpose, EU rules can set common or at least converging **standards**. Alternatively, the EU can also impose minimum standards, in which case Member States can define stricter rules. These rules protect consumer interests all over EU territory, but also uphold fair competition by creating a 'level playing field' for companies: producers are all in the same situation as they all have to respect the same set of product safety obligations wherever factories are located. This means that no company or country can enjoy an unfair advantage by producing cheaper or less safe goods.

This freedom to buy and sell across borders was latterly extended to **services**. When downloading music from websites anywhere in the EU, for example, consumers should have easy access to information on the key characteristics of the product, email addresses for questions and complaints, and the website's terms and conditions.

Besides deserving protection for their own sake, **Europe's 500 million consumers** are the lifeblood of the European economy: [consumer expenditure](#) accounts for [57 %](#) of EU gross domestic product (GDP), the remaining GDP being generated from investment, government spending and net exports. Given that consumption accounts for such a large share of EU wealth, acting at European level to protect consumers also contributes to boosting Europe's economic growth.

An evolving vision and EU funding to protect European consumers

From its earliest days (see [Treaty of Rome](#) of 1957, Articles 39, 40 and 86), the EU has put major emphasis on consumer protection. However, policies at the time focused primarily on guaranteeing

access to the market, and thus generating increased benefits for consumers in terms of choice and lower prices, whilst at the same time ensuring fair competition. Over time, consumer protection has gained in importance, and policy priorities have evolved towards consumer empowerment. The aim is now to enable buyers of goods and services to make informed choices, to guarantee product safety and to provide accessible means of redress, when necessary. With the entry into force of the [Lisbon Treaty](#), consumer protection has become a key crosscutting EU policy.

Thanks also to the landmark **2014 Consumer Rights Directive**, European consumers now benefit from an additional set of standards for consumer protection in all contracts concluded between a 'consumer' and a 'trader'. With its 2012 [European Consumer Agenda](#), the European Commission provided a strategic vision for EU consumer policy for the years to come and put special emphasis on tackling problems currently faced by consumers in the **food chain, energy, transport, digital and financial services sectors**.

The [Consumer Programme for 2014 to 2020](#) provides funding in line with the Consumer Agenda, focusing on **four key areas for the single market**:

- **safe products:** be it toys, electronic goods or cosmetics, the CE marking testifies that products sold in the EU meet high safety, health, and environmental protection requirements; this is extremely valuable to citizens and also a quality selling element for businesses;
- **strong representation of citizens by professional consumer organisations** (at [EU](#) and [national level](#)) with the capacity to rise to the challenges of today's economic environment;
- **citizens' awareness of their rights as consumers:** for instance, the Consumer Programme funds education and information initiatives like [the Consumer Classroom](#);
- practical and effective **collaboration between national bodies** to support the enforcement of consumer rights: there is, for instance, a [European Consumer Centre](#) in every EU country, offering citizens advice on their consumer rights and cross-border assistance.

The Consumer Programme provides for a budget of **€188.8 million**, corresponding to only **€0.05** per person annually, but helps a great number of citizens enforce their rights.

Tangible added value and benefits of European consumer protection policy

Many EU policies, such as trade, competition, financial services, transport, telecommunications, and energy affect consumers directly. The EU institutions aim to build consumer interests into their policies. Specific EU consumer policies also help consumers by:

- **securing a level playing field** for businesses and banning unfair commercial practices;
- **reducing the health and safety risks** related to products sold across Europe, thanks to more efficient cooperation between Member States and market surveillance (stopping unsafe products before they enter the market);
- **providing information, advice and support** on consumer issues;
- **protecting** vulnerable consumers — such as children or the elderly — from being exploited or misled. Making it compulsory to provide information on the cost of financial products for instance is aimed at avoiding risks of over-indebtedness. Children, meanwhile, are particularly vulnerable to the advertising of very sweet or very fatty products, increasing the risk of obesity, and need specific protection.

Case study: using EU law to uphold rights

Cornelia K. bought a baby buggy cover from a major Belgian supermarket, but the zipper did not even last six weeks. When she took it back, the shop tried to send her away, stating that the two-year guarantee only extended to electronic goods. She contacted the European Consumer Centre, which confirmed that all products were guaranteed for two years and advised her to lodge a complaint with the merchant and with the [Belgian consumer ombudsman](#). After writing on the merchant's complaints website that her European and Belgian consumer rights were being violated, the shop reimbursed her for the full amount.

Important instruments to support the effectiveness of EU consumer policy include:

- **the rapid alert system (RAPEX)**: this notification system allows European authorities to exchange information on dangerous products and to take the necessary action, and
- **the alternative dispute resolution (ADR) and online dispute resolution (ODR) mechanisms**: these offer low cost procedures to settle disputes over products or services out of court; they are accessible via this [platform](#). ADR and ODR are [estimated](#) to save approximately €22.5 billion a year (0.19 % of EU GDP).

The implementation of these principles and policies has led to significant benefits for consumers:

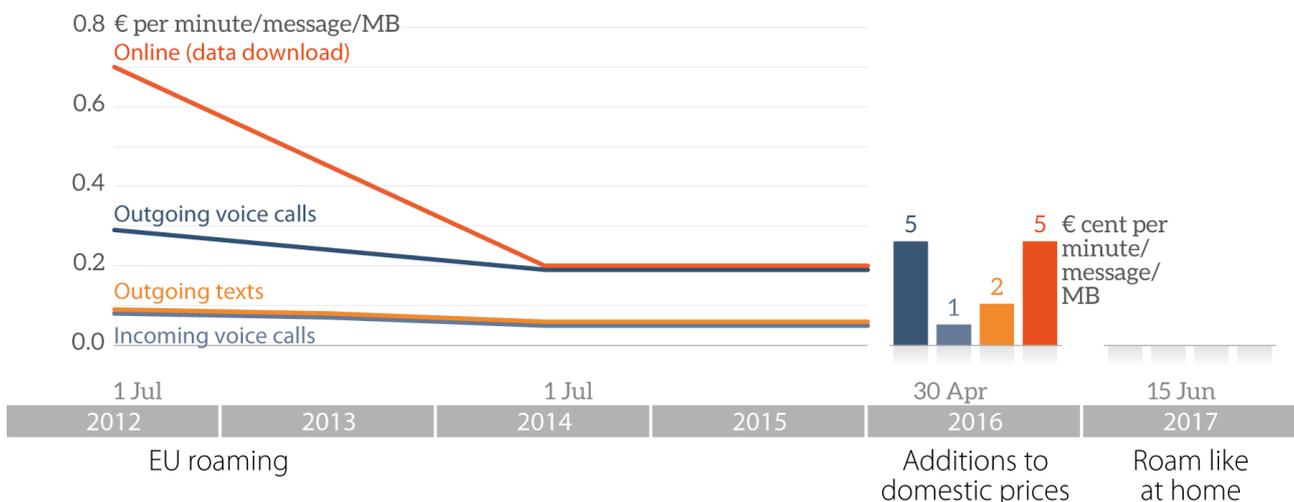
Protection of consumers

- A (minimal) **2-year free guarantee** applies to any product bought on the European market, e.g. a consumer can return a vacuum cleaner (or baby garment) if it breaks down after only a few months.
- Consumers have a period of **14 days** within which they can withdraw from most sales contracts. Traders must refund consumers within this period, including the cost of delivery.
- Retailers are obliged to **inform consumers** about their rights (including the right to information and to claim for damages), all costs and fees, and delivery and return conditions, regardless the type of sales contract (e.g. in a shop or online).

Communication

Thanks to the [EU roaming regulation](#), costs for mobile roaming have fallen by 92 % since 2007 and will be abolished in June 2017:

Figure 1 – Roaming costs when travelling abroad within the EU



Source: European Commission

Taking advantage of the digital single market

- E-commerce **increases the choice** available to European consumers enormously; if they shop online across the EU, they have up to [16 times](#) more products to choose from.
- Websites are no longer allowed to use **'pre-ticked' boxes** for charging extra payments.
- In most business sectors, traders are [banned](#) from charging consumers more than the direct cost borne by them when the consumer uses a given means of payment, for example a credit card.

Passenger rights

Passengers travelling in the EU benefit from **minimum standards** for passenger rights across **all modes of transport**: delays, cancellations or denied boarding entitles passengers to assistance or a refund, or compensation of between **€250 and €600**. Moreover, people with special mobility needs are entitled to assistance, free of charge, for boarding and disembarking, during travel, and in airports.

Safety

EU rules for toys available on the European market impose the highest safety requirements in the world: all toys are subject to (i) specific regulatory obligations applying to any product intended for use by children under 14 years of age, to prevent the risk of injury, (ii) a clearly visible CE marking, (iii) specific mandatory warnings when a toy may be dangerous to children under three years of age.

Completing the consumer protection framework online

Despite the high level of consumer protection already achieved in the EU, there is still room for improvement. **€58 billion per year could be gained** by completing the consumer protection system and by adapting it to make it truly protective online as well.

Challenges regarding product, service and food safety

The detection of unsafe products remains a significant challenge, as an increasing proportion of consumer products, including [85 % of all toys bought in the EU](#), are now produced in China. Many markets are still performing poorly in terms of consumer choice, transparency and benefits (real estate, investment products, private pensions, second hand cars, meat products, etc.). In these markets, trust in providers is lower, consumers struggle to compare offers and are left with expectations unmet.

The digital revolution

The EU is currently working intensively on setting clear rules and guarantees for digital products. New measures will increase trust and boost cross-border e-sales. In 2014 in the EU-28, only [12 %](#) of enterprises made e-sales to other EU countries and consumers lacked trust. It is [estimated](#) that if e-commerce in goods were to reach 15 % of retail sales and all single market barriers were removed, the overall gain for consumers would be **€204 billion (1.7 % of EU GDP)**. Customer-to-customer services and cloud computing services are, meanwhile, used by an increasing number of consumers but may need some form of regulation.

Challenges regarding consumer empowerment

The total detriment European consumers incur from problems (of any kind) experienced with a good, a service, a retailer or a provider is estimated at approximately 0.4 % of EU GDP. The emergence, on the other hand, of 'prosumers' (i.e. consumers who are also producers and sellers, sometimes operating to professional standards, e.g. growing their own food or creating objects with a 3D printer) requires legislative responses so as to define adequate protection.

Implementation and effective enforcement of EU law

Enforcement is one of the major consumer policy priorities in the EU. This is mainly the responsibility of national authorities. In this respect, revision of the [Consumer Protection Cooperation Regulation](#), currently under way, is of crucial importance.

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Manuscript completed in February 2017. Brussels © European Union, 2017.

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