



**Written Statement in view of European Parliament Public  
Hearing on  
“Consumer Confidence in the Digital Environment”**

In view of the Public Hearing on 24 January, we are delighted to have the opportunity to submit this short statement on some of the issues under discussion within the context of the Consumer Confidence in the Digital Environment initiative. We are happy to engage directly with Members of the Parliament on any of the issues raised and to share our experience of consumer-centric electronic commerce.

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- Electronic Commerce, although still fairly young as a shopping channel, has been taken up quickly and enthusiastically by consumers because of the inherent benefits it can offer – greatly expanded choice; positive competitive pressures on price and service levels; extensive product information; convenience; ability to easily compare goods and services; access to peer and customer reviews; customer-controlled transaction management; ..

- Such ability for consumers to shop around from a wide selection and geographical arena - and choose the goods and services which most suit their needs regardless of their own location means that electronic commerce also makes a major contribution to making the concept of an internal market for consumers becoming a reality.
  
- Contrary to some ongoing myths, the online environment is far from being an unregulated environment. Unlike traditional retailers, online retailers must already comply with 3 layers of EU and national regulation:
  - 1) The same wide array of product, consumer, environment, tax, intellectual property, data privacy... laws as any traditional retailer, including in the consumer protection domain: the EU Product Safety Directive, Unfair Contract Terms Directive, Misleading Advertising Directive, Product Liability Directive, Consumer Guarantees Directive, ...
  - 2) EU consumer protection legislation specific to distance selling, primarily the EU Distance Selling Directive
  - 3) E-commerce/Internet/Online-specific legislation, including at EU level: the E-Commerce Directive, the Data Privacy in Electronic Communications Directive, the Copyright in the Information Society Directive
  - As well as with international conventions and EU private international law instruments.
  
- Furthermore, the very recently-adopted EU Unfair Business-to-Consumer Commercial Practices Directive, right now being transposed throughout the EU Member States is designed to be a catch-all law to counter unfair commercial practices. Again this will apply as much to the digital environment as the traditional environment.

- Of course, enforcement is key to the success of these EU consumer protection and confidence measures; and the even enforcement of these within a level playing field is vital to the competitive commercial environment and consumer experience in general.
- Whilst consumer protection from unfair and unreasonable practices is of course extremely important, opening up **consumer access** to goods and services across the EU should be seen as equally important, robustly built in to EU legislative initiatives and carried through to implementation stage. In particular this means
  - 1) ensuring that new emerging barriers to cross-border consumer access to goods and services are properly understood (in all their complexity), thought-through and tackled based on principles of non-discriminatory access and free movement of goods and services within Europe. Such obstacles need to be pre-empted at EU decision-making stage and proactively avoided;
  - 2) understanding and urgently tackling those existing and newly emerging barriers that deter or even prevent European businesses from offering their goods and services on a pan-European basis – thereby significantly reducing consumer choice and access;
  - 3) furthering the development of pan-European processes which facilitate the ability of business to offer pan-European consumer services, securing greater economies of scale, consistency and therefore in turn cost advantages for the consumer and greater cutting edge innovation

Equally we would argue that geographical restrictions on consumer choice globally should be challenged where they cannot reasonably be justified.

- Non-discrimination online/offline: if online services are to continue to be able to pass on the benefits of an online environment, including cost advantages, direct to consumers, it is important that online services not be discriminated against vis-à-vis their offline competitors. Differentiated requirements means differentiated

cost bases and thereby a playing field tipped in the direction of old models – undermining some of the very benefits that online services can offer consumers

- The internet has been an incredibly enabling tool for consumers – putting a wealth of information, services and entertainment in the hands of consumers. It is the consumer who rightly decides what they access on the world-wide web, when they access it and whether, based on the service they receive, they choose to revisit and transact again with that site. Equally, the internet has allowed all sizes of companies and content providers to compete alongside each other for the consumer’s attention, trust and business. Low barriers to entry have ensured that new and small companies can compete with established players and that consumer-focused innovation has shone through – it being in the hands of the consumer to choose which companies thrive and which fall. If the inherent end-to-end connectivity of the internet – providing all users access to all legitimate content – is to be assured going forward, it is vital that safeguards be put in place to ensure that network operators do not establish financial tollgates on business access to the consumer, thereby favouring some companies over others, deterring new market entrants and ultimately restricting consumer access to the entirety of existing and potential legitimate internet content (“net neutrality”).

The digital environment is exciting, liberating, and consumer empowering, and has every possibility to enhance the European internal market for consumers. We look forward to continuing to play a leading role in the online environment through an unrelenting focus on our customers and their ability to benefit from the widest access to, and selection of, consumer-centric goods and services.

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