

## Consumers to be better protected against misleading and unfair practices

- New transparency rules for online rankings and reviews
- Dual quality of products blacklisted
- Fines can amount to €10 000 000 or 4% of the trader's annual turnover

### **Updates to EU consumer protection rules to tackle misleading rankings in online marketplaces and dual quality of products in the EU were approved on Tuesday.**

Online marketplaces and comparison services (e.g. Amazon, eBay, Airbnb, Skyscanner) will have to disclose the main parameters determining how offers resulting from a search query are ranked and whether the authenticity of products' reviews is checked, according to an amended proposal approved by the Internal Market and Consumer Protection Committee.

Consumers should also be able to know who is actually selling the product or service and be provided with clear information prior to a purchase.

MEPs added to the "blacklist" of the Unfair Commercial Practices Directive (Annex I, listing the practices prohibited in all circumstances), amongst others:

- misleading consumers by stating that a review is truthful when no reasonable and proportionate steps have been taken to ensure that it is,
- providing information in response to a consumer's online search query in order to promote a product where a trader has directly or indirectly paid to promote or prominently place it, bypassing the main body of search results, without making that clear to the consumer.

### **Dual quality of products**

This legislation also tackles the so-called "dual quality of products" issue, i.e. when products which are marketed under the same brand differ in composition or characteristics.

MEPs consider creating the impression, by its appearance or description, that a good is seemingly identical to another good marketed in another member state when it is not to be a misleading practice, and added it to the unfair commercial practices' blacklist. MEPs agreed that

goods could only differ “on account of clear and demonstrable regional consumer preferences, the sourcing of local ingredients or requirements of national law, while this distinction is clear and comprehensively marked so as to be immediately visible to the consumer”.

### **More deterrent penalties**

For cross-border infringements (i.e. those harming consumers in at least three EU countries or two countries other than that of the trader), the maximum amount of fines must be set at €10 000 000 or at least 4% of the trader's annual turnover in the previous financial year in the member state(s) concerned, “whichever is higher”.

### **Consumers keep cooling-off period to return goods**

MEPs rejected the Commission’s plans to reduce consumers' rights to return goods. They reinstated the so-called “right of withdrawal”, i.e. the 14-day cooling-off period during which goods bought online can be returned.

### **Quote**

[Daniel Dalton \(ECR, UK\)](#), who is steering this legislation through Parliament, said: “We included new rules that establish sanctions in the case of unfair commercial practices. I have insisted on those penalties being used to help consumers directly, rather than just being added to the national coffers. This is the action consumers needed in response to the Volkswagen scandal. I am also very pleased that the committee supported my idea to create a European Consumer Rights app. With this app consumers will be able to know about and benefit from their rights wherever they are, even while they are out shopping on European high streets or traveling at the airport”.

### **Next steps**

The amended proposal was approved in committee by 37 votes to one, with one abstention, and the mandate to start negotiations with the EU Council by 36 votes to one, with two abstentions. The text will need to be green-lighted by the full House in an upcoming plenary session before negotiations with Council can start.

This proposal, which is part of the “New Deal for Consumers” package presented last April, amends four consumer rights’ directives, namely on Unfair Commercial Practices, on Consumer Rights, on Unfair Contract Terms and on Price Indication.

### **Further information**

[Procedure file](#)

[EP Research briefing: Modernisation of EU consumer protection rules - A new deal for consumers](#)

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Photo: Unfair commercial practices are the most frequent consumer rights-related problem across Europe ©AP images/European Union-

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