



Strengthening consumer rights across Europe

Committees: Committee on the Internal Market and Consumer Protection

Internal Market Committee MEPs are examining possible improvements to consumer rights throughout Europe. A major package of amendments to update existing EU consumer rights legislation was approved by the committee on Tuesday afternoon.

The amended text gives a foretaste of Parliament's position for future negotiations with the Council on a new Consumer Rights Directive, which would combine four different existing pieces of legislation.

Almost all sales covered

According to the adopted text, all purchases should be covered, whether made in a shop, by phone, postal order or on the doorstep. However, new rules should improve the rights of online shoppers in particular, so as to boost consumer confidence and cross-border trade, MEPs say.

The Council last week announced that it favours narrowing the original Commission proposal to focus on online sales only. The committee vote however maintains the Commission proposal to cover almost all sales, with only a few exclusions, e.g. in financial services, social services, health care and online gambling, thus making the scope of Parliament's position much wider.

Fully-harmonised information rules, delivery deadlines and withdrawal rights

Contrary to the initial Commission proposal for full harmonisation of EU legislation in all consumer rights fields, the committee voted, with 22 votes in favour, 16 against and 1 abstention, to adopt a mixed approach of minimum and maximum harmonisation, which would fully harmonise areas such as information requirements, delivery deadlines and a right of withdrawal from distance and off-premises sales (online, postal orders, etc.). The aim is to ensure transparency for businesses and consumers, while leaving Member States free to retain higher standards in other areas, notably in relation to remedies for "lack of conformity", e.g. goods that are not as described in the contract.

"In this vote the Internal Market Committee has taken the position that full harmonisation is possible, however only if consumer protection levels are taken seriously. The present legislative proposal by the committee helps to boost consumer confidence in the digital single market thereby also allowing SMEs to prosper", said rapporteur Andreas Schwab (EPP, DE).

Differing political stances

Some MEPs said that the Commission proposal should have been rejected from the outset, as its proposed full harmonisation approach could not be supported by any of the political groups, and left little room to define a middle course.

Achieving the right balance between full and minimum harmonisation in the directive has been a crucial issue throughout the talks among the political groups within the committee.

Press release

In general, S&D and Greens favoured minimum harmonisation, which would allow Member States to have higher standards in some areas whilst ensuring a high level of consumer protection throughout Europe. EPP and ALDE, however, argued that a general EU-wide harmonisation with a number of exceptions is necessary to create transparency that would benefit businesses and consumers alike, by simplifying life for businesses and allowing them to expand their market shares while also ensuring broader choice, price competition and clarity on rights for consumers.

Taking the floor before the final vote, S&D shadow Evelyne Gebhardt (S&D, DE), explained that her group would vote against the package of amendments, as, she believed, it would lead to a deterioration of consumer rights in some areas which her group "would never accept". She added that "this directive should not foremost about the internal market, but about consumers".

The Greens also voted against the final package. Spokesperson Emilie Turunen, (DK), said at the subsequent press briefing that the current text would bring about full harmonisation in too many areas. "If we opt for full harmonisation, it needs to be in the right areas. This is not the case today", she said.

ALDE spokesman Robert Rochefort said that this is "a provisional phase" and "some things must still be improved both for sake of the market and for consumers".

Both the MEP steering the legislation through Parliament, Andreas Schwab, and the MEPs leading the negotiations for other political groups, expressed their willingness to continue negotiations before the plenary vote.

Concluding the press briefing, Committee Chair Malcolm Harbour (ECR, UK) said: "a second reading would allow us time to work through the details", adding a warning that it would be "the worst case" for consumers if "discussions were frozen".

Background

The current EU rules on consumer rights are the result of four EU directives on Unfair Contract Terms, Sales and Guarantees, Distance Selling and Doorstep Selling, which set out certain minimum requirements. Member States have added rules over the years, making EU consumer contract law a patchwork of 27 sets of differing rules.

The Commission tabled its proposal in 2008 to update the existing directives and merge them within a full harmonisation approach.

The new directive will determine what information should be given in contracts, how long a seller has to deliver a good, when risk is transferred from the seller to the consumer, the rights of the consumer to cancel a purchase or have a faulty good repaired or replaced. It also includes a list of contractual terms that should be treated as unfair throughout the EU.

The Council announced its general approach on 24 January for possible negotiations with Parliament. The Council wishes to narrow the scope of the new directive to online sales only, with a view to obtaining full EU harmonisation in this area.

Next steps

Parliament as a whole will be asked to endorse the committee vote at its March plenary session.

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