AT A GLANCE

Plenary – January I 2024



Empowering consumers for the green transition

The European Commission proposed to raise the level of protection provided to consumers against unfair commercial practices. On 19 September 2023, the co-legislators reached a provisional agreement on the proposal to amend the two key directives in this area. This agreement has been endorsed by the Committee on the Internal Market and Consumer Protection (IMCO), and Parliament is expected to vote on the agreed text during its plenary session in January 2024.

Background

<u>Directive 2005/29/EC</u> on unfair commercial practices (UCPD) and <u>Directive 2011/83/EU</u> on consumer rights (CRD) are based on Article 114 of the Treaty on the Functioning of the European Union (completion of internal market). The Commission tabled a <u>proposal</u> on 30 March 2022 to amend the two directives.

European Commission proposal

The Commission's proposal includes a set of amendments to the UCPD, updating the definitions of and legal framework for unfair business-to-consumer commercial practices. Environmental claims (sustainability labels, certification schemes, sustainability information tools, and recognised excellent environmental performance) would be subject to compliance rules set by EU legislation on unfair commercial practices. This also covers digital components of goods, with the inclusion of the definition of a 'software update'. The proposal extends the list of product compliance standards to cover environmental and social impact, durability and reparability. The scope of misleading commercial practices would also be extended to cover the environmental characteristics of a good, and environmental claims without objective commitments, on the basis of independent monitoring. The proposal amends the CRD's **definitions** and information requirements for various types of contract. When buying products, consumers would be informed by a harmonised notice of the **commercial guarantee of durability** of the good, including the duration of the availability of **software updates**. This would also apply to goods covered by a commercial guarantee of durability longer than the current 2-year legal guarantee. Furthermore, consumers would be entitled to information on the reparability of goods, by means of a reparability score.

European Parliament position

Following the political agreement reached on 19 September 2023, the IMCO committee endorsed the text of the <u>provisional agreement</u> on 28 November (by 39 votes in favour to 1 against). The text includes several amendments tabled by Parliament. The UCPD will be amended so that any environmental claim made without publicly available commitments and targets, verified by independent third parties, would qualify as a misleading commercial action. The text also offers a reinforced certification scheme for such claims, which would include oral claims made using audiovisual media. The CRD will provide a harmonised methodology for the sustainability and reparability score labels, to enhance their visibility. On distance contracts, the text places an obligation on the trader to inform the consumer about environmentally friendly delivery options, environmental performance, and the time by which the trader undertakes to deliver the goods or to perform the service. The agreed text requires Member States to apply the new provisions from 30 months following the entry into force of the new directive.

First-reading report: <u>2022/0092(COD)</u>; Committee responsible: IMCO; Rapporteur: Biljana Borzan (S&D, Croatia). For further information see our 'EU legislation in progress' <u>briefing</u>.



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