



CONSUMER POLICY: PRINCIPLES AND INSTRUMENTS

Effective consumer protection policy ensures that the single market can function properly and efficiently^[1]. It aims to guarantee consumers' rights vis-à-vis merchants and provide enhanced protection for vulnerable consumers^[2]. Consumer protection rules have the potential to improve market outcomes for the entire economy. They make markets fairer and, with the improved quality of information provided for consumers, they can lead to greener and more social-market outcomes. Empowering consumers and effectively protecting their safety and economic interests have become essential goals of EU policy.

LEGAL BASIS AND OBJECTIVES

Articles 4(2)(f), 12, 114 and 169 of the Treaty on the Functioning of the European Union (TFEU) and Article 38 of the Charter of Fundamental Rights of the European Union.

Article 114 of the TFEU is the legal basis for harmonisation measures aiming to establish the internal market. It emphasises the objective of ensuring a high level of protection (including consumer protection) and keeping up with new developments based on scientific facts.

Article 169 of the TFEU introduced a legal basis for a full range of actions at EU level in the area of consumer protection. It stipulates that 'in order to promote the interests of consumers and to ensure a high level of consumer protection, the Union shall contribute to protecting the health, safety and economic interests of consumers, as well as to promoting their right to information, education and to organise themselves in order to safeguard their interests'. It also provides for greater consideration to be given to consumer interests in other EU policies. In this sense, Article 169 strengthens Article 114 and broadens its remit beyond single market issues to include access to goods and services, access to the courts, the quality of public services, and certain aspects of nutrition, food, housing and health policy. It also states that EU measures must not prevent any Member State from maintaining or introducing more stringent protective measures as long as they are compatible with the Treaties. As a

[1] Study on consumer protection aspects of financial services, prepared by the Policy Department for Economic, Scientific and Quality of Life Policies of the European Parliament's Directorate-General for Internal Policies for the Committee on the Internal Market and Consumer Protection, February 2014, [http://www.europarl.europa.eu/RegData/etudes/etudes/JOIN/2014/507463/IPOL-IMCO_ET\(2014\)507463_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/JOIN/2014/507463/IPOL-IMCO_ET(2014)507463_EN.pdf)

[2] Study entitled 'Contribution to Growth: Legal Aspects of Protecting European Consumers', by the Policy Department for Economic, Scientific and Quality of Life Policies of the European Parliament's Directorate-General for Internal Policies for the Committee on the Internal Market and Consumer Protection, April 2019, [https://www.europarl.europa.eu/RegData/etudes/STUD/2019/631066/IPOL_STU\(2019\)631066_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2019/631066/IPOL_STU(2019)631066_EN.pdf)



consequence, consumer policy is part of the EU strategic objective of improving the quality of life of its citizens. In addition to direct action to protect rights, the EU ensures that consumer interests are built into EU legislation in all relevant policy areas.

In accordance with Article 12 of the TFEU, consumer protection requirements must be taken into account in defining and implementing other EU policies and activities. Article 38 of the Charter of Fundamental Rights of the European Union reinforces consumer protection by stating that EU policies must ensure a high level of consumer protection.

ACTIONS

A. General

The programme of EU action in the field of consumer policy is based on the [New Consumer Agenda](#), adopted on 13 November 2020. The Agenda presents an updated vision for EU consumer policy from 2020 to 2025, with the headline, ‘Strengthening consumer resilience for sustainable recovery’. It also aims to address consumers’ immediate concerns regarding the COVID-19 pandemic.

The Agenda covers five key priority areas:

- Green transition: tackling the new challenges to consumer rights and opportunities for empowerment presented by the green transition, ensuring that sustainable products and lifestyles are accessible for all, regardless of geography or income;
- Digital transformation: creating a safer digital space for consumers where their rights are protected and ensuring a level playing field to enable innovation to deliver newer and better services to all Europeans;
- Effective enforcement and redress: addressing the impact of COVID-19 on consumer rights and tackling misleading green claims and unfair commercial practices in online influencing techniques and personalisation. While enforcement of consumer rights is first and foremost the responsibility of national authorities, the EU plays an important coordinating and supporting role, underpinned by the [Consumer Protection Cooperation Regulation](#);
- Addressing specific consumer needs: taking account of the needs of consumers who, in certain situations, may be vulnerable and require extra safeguards. This may be driven by social circumstances or particular characteristics of individuals or groups of consumers; and
- Consumer protection in the global context: ensuring the safety of imports and protecting EU consumers from unfair practices used by non-EU operators through market surveillance and closer cooperation with the relevant authorities in EU partner countries.

The EU institutions systematically monitor consumer policy by means of the [consumer conditions scoreboard](#), which monitors national conditions for consumers in three areas (knowledge and trust, compliance and enforcement, and complaints and dispute resolution) and examines progress in the integration of the EU retail market based on the level of business-to-consumer cross-border transactions and the development



of e-commerce. Another way in which consumer policy is systematically monitored is through the [consumer markets scoreboard](#), which surveys consumers who have recently made a purchase in order to track the performance of over 40 consumer markets on key indicators such as trust that sellers respect consumer protection rules, comparability of offers, the choice available in the market, the extent to which consumer expectations are met, and damage caused by problems that consumers encounter.

B. Sectoral measures ([2.2.2](#))

1. Consumer groups

The involvement of groups representing EU consumers' interests is a priority for the EU institutions. The European Consumer Consultative Group (ECCG) is the Commission's main forum for consultation with national and European consumer organisations. Set up by Commission [Decision 2009/705/EC](#), the ECCG may advise and inform the Commission on all issues related to consumer interests at EU level. In 2017, Parliament and the Council adopted a regulation on establishing a Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy-making in the area of financial services^[3].

2. Consumer education

The EU has organised consumer education actions at various stages, such as the gradual inclusion of consumer education in primary and secondary school syllabuses. One such initiative to this end is Consumer Classroom, a multilingual pan-European community website for teachers. It brings together an extensive library on consumer education from across the EU and provides interactive and collaborative tools to help prepare and share lessons with students, as well as with other teachers. The interactive and online consumer education tool 'Dolceta' (<http://europeanconsumersunion.eu/progetti/dolceta/?lang=en/>) was available in all Member States and in all the official EU languages. It was aimed at trainers and teachers but also at consumers, and covers, inter alia, basic consumer rights, product safety and financial literacy.

3. Consumer information

Better information and improved knowledge of consumer rights could lead to enhanced consumer confidence. The EU has set up European Consumer Centres (the ECC-Network) to provide information and advice on cross-border shopping and to handle consumer complaints. A parallel network, FIN-NET, fulfils the same role for complaints about cross-border financial services. The Commission also conducts consumer information campaigns in the Member States and publishes practical guides for consumers. SOLVIT is a service dedicated to resolving disputes resulting from breaches of EU law.

The Consumer Rights Awareness Campaign, organised by the Commission, took place from spring 2014 to early 2016, informing citizens of their rights under EU consumer law and pointing them to the right places where they could obtain advice and help should they have questions or problems. It aimed to raise awareness among

[3]Regulation (EU) 2017/826 of the European Parliament and of the Council of 17 May 2017 on establishing a Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy-making in the area of financial services for the period of 2017-2020 - <https://eur-lex.europa.eu/eli/reg/2017/826/oj>



traders and consumers of the EU-wide consumer rights that stem mostly from the national transposition of EU directives. Particular focus was placed on the Consumer Rights Directive, the Unfair Commercial Practices Directive, the Unfair Contract Terms Directive and the Consumer Sales and Guarantees Directive.

Research carried out for the European Parliament indicated that while there is a lot of information available on the internet on consumer rights, this information is dispersed among numerous EU and national sources^[4]. The Your Europe portal^[5] plays an important role in offering access to improved information on consumer policy and in gathering different information sources into one reference information centre. Access to information has been improved through a single digital gateway^[6].

4. Enforcement of consumer rights

The effective and correct enforcement of the consumer rights is just as important as their existence. The responsibility for their enforcement lies mainly with the national public authorities. [Regulation \(EU\) 2017/2394](#) on cooperation between national authorities responsible for the enforcement of consumer protection laws links up these national authorities in an EU-wide network, providing them with a framework to exchange information and to work together to stop any breach of consumer protection laws (e.g. on misleading advertising, package holidays or distance selling). The network also carries out coordinated investigations and enforcement activities (e.g. in the form of internet sweeps during which the authorities check websites to see whether they comply with the law).

ROLE OF THE EUROPEAN PARLIAMENT

Parliament is constantly improving consumer protection rules in the EU. Consumer protection policy has shifted from being a technical harmonisation of standards policy in furtherance of the internal market to become part of the drive to improve the objective of establishing a ‘citizens’ Europe’. As a result of Parliament’s legislative efforts, since 13 June 2014 Member States have been applying the national laws implementing the [Consumer Rights Directive](#), which was adopted by an overwhelming majority in Parliament.

On 12 December 2017, Parliament adopted Regulation (EU) 2017/2394 on cooperation between national authorities responsible for the enforcement of consumer protection laws^[7] in order to improve the effectiveness of the rules and procedures on cooperation between the national authorities responsible for the enforcement of consumer protection laws.

[4]Study on ‘European Single Point of Contact’, prepared by the Policy Department for Economic, Scientific and Quality of Life Policies of the European Parliament’s Directorate-General for Internal Policies for the Committee on the Internal Market and Consumer Protection in July 2013, [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507453/IPOL-IMCO_ET\(2013\)507453_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507453/IPOL-IMCO_ET(2013)507453_EN.pdf)

[5]Your Europe - <http://europa.eu/youreurope/index.htm>

[6]Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012, OJ L 295, 21.11.2018, p. 1.

[7]Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004, OJ L 345, 27.12.2017, p. 1.



Following the Commission's proposal for [a New Deal for Consumers](#), on 27 November 2019, Parliament adopted Directive (EU) 2019/2161 on better enforcement and modernisation of Union consumer protection rules^[8]. On 25 November 2020, the Parliament adopted Directive (EU) 2020/1828 on representative actions for the protection of the collective interests of consumers^[9].

As well as working on EU legislation, Parliament sets policy agendas in the area of consumer protection by adopting own-initiative (INI) reports. Parliament has been particularly active in ensuring higher budgetary provisions for consumer protection measures and the development of consumer representation in Member States, particularly those which joined the EU after 2004. On 13 September 2018, Parliament adopted an own-initiative [report](#) drawn up by its Committee on Internal Market and Consumer Protection on dual quality of products in the single market, noting the practice as discriminatory and contrary to consumer expectations.

On 25 November 2020, Parliament adopted a [resolution](#) based on an own-initiative report entitled 'Towards a more sustainable single market for business and consumers', highlighting the importance of the durability and reparability of consumer goods, and of providing consumers with more rights and information to help them make sustainable choices^[10].

During the COVID-19 crisis, consumer protection became essential to ensure reimbursements for service cancellations and to combat the spread of misinformation and rogue traders selling false or non-conforming medical equipment at inflated prices. On 23 March 2020, the Committee on the Internal Market and Consumer Protection addressed a letter to the EU Commission Executive Vice-President Margrethe Vestager, Commissioners Thierry Breton and Didier Reynders, and to the Croatian Presidency of the Council, calling for further action to be taken to tackle the COVID-19 crisis and pointing to the need for democratic oversight of this process. On 9 November 2020, the Policy Department for Economic, Scientific and Quality of Life Policies held a [webinar](#)^[11] for the Committee on the Internal Market and Consumer Protection on the impact of COVID-19 on the Internal Market and consumer protection. It highlighted the effects of the measures introduced at national and EU level to mitigate the negative consequences of the pandemic and made suggestions about what more could be done to ensure the smooth functioning of the Internal Market both now and in future crises. On 19 November 2020, Commissioner for Justice and Consumers, Didier Reynders, presented the new [Consumer Agenda](#) to the Committee on the Internal

[8]Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council as regards the better enforcement and modernisation of Union consumer protection rules, OJ L 328, 18.12.2019, p. 7.

[9]Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC (Text with EEA relevance) OJ L 409, 4.12.2020, p. 1.

[10]Relevant research includes a briefing published in April 2020, entitled 'Sustainable Consumption and Consumer Protection Legislation', provided by the European Parliament's Directorate-General for Internal Policies, Policy Department for Economic, Scientific and Quality of Life Policies for the Committee on the Internal Market and Consumer Protection.

[11]Webinar on the impact of COVID-19 on the Internal Market and consumer protection, available on the website of the Committee on the Internal Market and Consumer Protection: <https://www.europarl.europa.eu/committees/en/webinar-on-the-impact-of-covid-19-on-the-product-details/20201029WKS03041>



Market and Consumer Protection. The Agenda examines the impact of COVID-19 on consumers and addresses longer-term consumer policy issues with respect to the green and digital transitions, the response to consumer vulnerabilities, effective enforcement of consumer rights and international cooperation with partner countries.

Consumer policy in the fields of online and digital services are an area that Parliament and, in particular, the Committee on the Internal Market and Consumer Protection have been focusing on. In June 2020, a [study](#)^[12] requested by the committee into online platforms' moderation of illegal content found that there was scope for the EU legal framework to be strengthened, alongside co-regulation by online platforms, to protect consumers from illegal or harmful content online.

In parallel, Parliament has been working on the future [Digital Services Act \(DSA\)](#), which aims to make e-commerce safer by implementing stronger enforcement measures to protect consumers in a digital environment effectively. On 20 October 2020, Parliament adopted three resolutions calling on the Commission to address shortcomings in its Digital Services Package, entitled '[Digital Services Act: Improving the functioning of the Single Market](#)', '[Digital Services Act and fundamental rights issues posed](#)', and '[Digital Services Act: adapting commercial and civil law rules for commercial entities operating online](#)'.

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12/2020

[12]De Streef, A. et al., 'Online Platforms' Moderation of Illegal Content Online', Study for the Committee on the Internal Market and Consumer Protection, European Parliament, Directorate-General for Internal Policies, Policy Department for Economic, Scientific and Quality of Life Policies, Luxembourg. Available at: [https://www.europarl.europa.eu/RegData/etudes/STUD/2020/652718/IPOL_STU\(2020\)652718_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2020/652718/IPOL_STU(2020)652718_EN.pdf)

