



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]. The financial crisis has demonstrated that consumer protection rules have the potential to make markets fairer and improve the quality of competition. 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 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 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 consequence, consumer policy is part of the EU strategic objective of improving the

[1] Study on consumer protection aspects of financial services, prepared for the Committee on the Internal Market and Consumer Protection (IMCO), Policy Department A, 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 'Contribution to Growth of Consumer Protection', prepared for IMCO, Policy Department A, 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)



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 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 mainly consists of the [European Consumer Agenda and the 2014-2020 Consumer Programme](#)^[3].

The European Consumer Agenda has several objectives:

- Promoting consumer safety through the 2013 Product Safety and Market Surveillance Package, and in particular through enhanced product identification and traceability, measures reinforcing safety in the food chain and the new rules on the safety of cosmetic products introduced in mid-2013;
- Enhancing knowledge of consumer rights: interactive tools, such as the Consumer Classroom, have been developed to inform and educate consumers and help them to fully participate in the single market;
- Strengthening the enforcement of consumer rules through coordinated action against breaches of EU consumer law in the form of checks of websites (sweeps) by networks of national consumer protection authorities; and simple, fast and low-cost out-of-court procedures for consumers to seek redress available as a result of the [Directive on alternative dispute resolution](#) (2013) and the [Regulation on online dispute resolution](#) (2013);
- Integrating consumer interests into key sectoral policies through new legislation in sectors such as telecommunications, digital technologies, energy, transport and food, and new measures to increase transparency and access to retail financial services and to make it easier for account holders to switch bank accounts;
- Empowering consumers the main objective of the EU Consumer Policy Strategy, as described in the Commission working paper entitled 'Consumer Empowerment in the EU', which aims to empower EU consumers through choice, information and awareness of consumer rights and means of redress.

The Consumer Agenda also identifies challenges, such as moving towards more sustainable consumption and addressing the specific needs of vulnerable consumers.

With a budget of EUR 188.8 million, the 2014-2020 Consumer Programme will support EU consumer policy in the years to come. Its aim is to help citizens to enjoy their consumer rights and actively participate in the single market, thus supporting growth, innovation and helping the EU to meet its Europe 2020 objectives.

[3]Regulation (EU) No 254/2014 of the European Parliament and of the Council of 26 February 2014 on a multiannual consumer programme for the years 2014-20, OJ L 84, 20.3.2014, p. 42.



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^[4].

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. Parliament and the Council have recently 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^[5].

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. The Europa Diary is a school diary aimed at secondary school students (aged 15-18 years). It contains information for young people on EU-related issues, including their rights as consumers. The Commission has also piloted teacher-training schemes and supported the creation of Master's degree courses on consumer policy. 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

[4]12th 2016 edition: http://ec.europa.eu/consumers/consumer_evidence/consumer_scoreboards/12_edition/docs/consumer_markets_scoreboard_2016_en.pdf

[5]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>



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 increase general knowledge among traders and consumers of 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^[6]. The Your Europe portal^[7] 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 will be improved in the future through a single digital gateway^[8].

4. Enforcement of consumer rights

The effective and correct enforcement of these rights is just as important as the existence of consumer rights. The responsibility for their enforcement lies mainly with the national public authorities. [Regulation \(EC\) No 2006/2004](#) on consumer protection cooperation 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 joint market surveillance 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).

On 11 April 2018, the Commission announced the New Deal for Consumers, which aims to ensure greater effectiveness of the enforcement mechanisms. It proposes empowering qualified entities to launch representative actions on behalf of consumers, and introducing stronger sanctioning powers for Member States' consumer authorities in order to provide an adequate response to consumer rights violations.

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

[6]Study on 'European Single Point of Contact', prepared for IMCO Committee, Policy Department A, 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)

[7]Your Europe — <http://europa.eu/youreurope/index.htm>

[8]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.



of establishing a 'citizens' Europe'. The co-decision procedure and the widening of the areas of legislation to be adopted under the qualified majority voting procedure in the Council gave Parliament the power to develop and strengthen EU consumer protection legislation. 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. The directive strengthens consumer rights, by establishing a longer cooling-off period for distance and off-premises contracts, introducing greater price transparency, prohibiting pre-ticked boxes and clarifying information on digital content, in order to boost the confidence of EU consumers.

On 12 December 2017, Parliament adopted Regulation (EU) 2017/2394 on cooperation between national authorities responsible for the enforcement of consumer protection laws^[9] 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. On 26 March 2019, Parliament adopted a legislative resolution on the proposal for a directive on representative actions for the protection of the collective interests of consumers^[10]. On 27 November 2019, Parliament adopted Directive (EU) 2019/2161 on better enforcement and modernisation of Union consumer protection rules^[11].

Parliament plays an important role, since not only does it work on EU legislation, but it also 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 measures in areas such as the information and (financial) education of consumers and the development of consumer representation in the Member States, with particular emphasis on those joining the EU after 2004. On 19 July 2018^[12], Parliament published an own-initiative report drawn up by the IMCO Committee on dual quality of products in the single market, which was adopted on 13 September 2018. In this report, Parliament explicitly mentions dual quality of identically branded products when discriminatory and not respecting consumer expectations.

In April 2020, a briefing was published on 'Sustainable Consumption and Consumer Protection Legislation', analysing how the sustainable consumption and longer lifetime of products can be promoted through consumer protection legislation. This research paper was requested by the IMCO Committee in the context of the future INI report entitled 'Towards a more sustainable single market for businesses and consumers'. The INI report is expected to be put to the vote in the IMCO Committee before the summer break and in Parliament's plenary session in September 2020.

[9] 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.

[10] European Parliament legislative resolution of 26 March 2019 on the proposal for a directive of the European Parliament and of the Council on representative actions for the protection of the collective interests of consumers, and repealing Directive 2009/22/EC, Texts adopted, [P8_TA\(2019\)0222](#).

[11] 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.

[12] European Parliament resolution of 13 September 2018 on dual quality of goods in the single market ([2018/2008\(INI\)](#)).



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04/2020

