



The Consumer Voice in Europe

Better enforcement and modernisation of EU consumer protection rules

Ursula Pahl, Deputy Director General

Public hearing on the New Deal for
Consumers/Omnibus proposal

European Parliament, Brussels

11 July 2018

The New Deal for Consumers

EU Consumer Law is fit for purpose but...

... Not good enough regarding digitalisation and enforcement

Directive to modernise EU consumer law rules

- Targeted amendments of several Directives

Directive on representative actions

- Injunctions and collective redress

Enforcement - Penalties - Articles 1(5), 2(10), 3, and 4

Status quo

- Fragmentation and different level of sanctions and often not dissuasive – VW!
- Support rules on penalties; make sure that money serves consumer interests (“take into account” v “be dedicated”)
- Improve penalties in case of widespread infringement: significant percentage of the trader’s worldwide annual turnover **or** a fine expressed in money, **whichever** is higher (GDPR approach).

Consumer Remedies – Article 1

Status quo

- Only a few Member States provide effective remedies specifically for breaches of the law on unfair commercial practices – VW!
- **Support** proposals on consumers remedies for UCPD: right to compensation and the right to contract termination;
- **Add Remedies** for UCPD: price reduction;
- **Add remedies** for the Consumer Rights Directive: right not to be bound by the contract

Transparency of on-line Platforms – Article 1 and 2

Status quo

- **Consumer confusion** when shopping on platforms: from whom do I buy? Seller a professional? Are offers based on payment of third party?
- Non-Transparency when it comes to **ranking of offers**
- **Support** prohibition of non-disclosure of third party payments regarding online search queries (UCPD Annex I - blacklist)
- **Support** information about identity of parties (self-declaration) and who is responsible for ensuring consumer law protection (CRD)
- **Support** better transparency on ranking of offers on online marketplaces (main parameters – CRD).

Transparency of on-line Platforms – What is missing?

Add

- ✓ Criteria regarding the weighing of ranking parameters (proposed P2B Regulation – no lower protection for consumers than for traders)
- ✓ Consequences for non-compliance (e.g. damages)
- ✓ Personalised offers/prices
- ✓ Rule on liability for online marketplaces
 - ✓ E.g. Contract performance duties in certain cases, e.g. where the online platform controls relevant aspects of the transactions (T&C, prices, delivery conditions etc)
 - ✓ E.g. Non-removal of misleading information (if aware/should have been)

Right of Withdrawal

Status quo - fair: Consumers get the money back, traders get the goods back; in case of use more than necessary, traders compensated for reduced value.

RoW = best-known consumer right. Basis for success of e-commerce; REFIT reports suggests considerable problems of compliance by traders (not by consumers!)

Proposed by EC: abolishing right of withdrawal in case of “overuse”

RESULT:

- Significant reduction of consumer rights and thus trust in e-commerce – lose/lose proposal; sending goods back and forth (contract intact)
- Significant compromising of the objective of the legislation without solid evidence (99 SMEs, 73 individuals, 17 companies!)

→ Proposed changes should be rejected!



The Consumer Voice in Europe

Thank you for your attention

@PachlUpa

@beuc

www.beuc.eu

Bureau Européen des Unions de Consommateurs AISBL | Der Europäische Verbraucherverband
Rue d'Arlon 80, B-1040 Brussels • Tel. +32 (0)2 743 15 90

