CONSUMER POLICY: PRINCIPLES AND INSTRUMENTS

Effective consumer protection policy ensures that the single market functions properly. It safeguards consumers’ rights against merchants and provides extra protection for vulnerable consumers. Consumer protection rules can boost market outcomes overall. They promote fairer markets and, with better consumer information, foster greener, more social outcomes. Empowering consumers and safeguarding their interests are key EU policy goals.

LEGAL BASIS

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.

OBJECTIVES

To promote consumer interests and ensure high-level protection, the Union must safeguard consumers’ health, safety and economic interests. It should also foster consumers’ rights to information, education and to organise themselves in order to safeguard their interests. Consumer protection should be integrated into all pertinent EU policy areas.

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;

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.

EU institutions use the consumer conditions scoreboard to track consumer policy and assess national consumer conditions in areas such as knowledge, trust, compliance and enforcement. The scoreboard also examines EU retail market integration via cross-border transactions and e-commerce growth. It surveys recent buyers to gauge the performance of more than 40 markets on indicators such as trust, comparability, choice and consumer satisfaction.

Moreover, on 28 April 2021, the single market programme was initiated to bolster the single market and aid Europe’s COVID-19 recovery. With a EUR 4.2 billion budget for 2021-2027, it offers a comprehensive package to enhance single market governance, including for financial services.

B. Sectoral measures (2.2.2)

1. Consumer groups

The EU institutions prioritise involving groups that represent consumer interests. The Consumer Policy Advisory Group (CPAG) is the Commission’s main forum to consult with national and European consumer policy stakeholders with regard to the implementation of the New Consumer Agenda.

The group complements other existing entities maintained by the Commission, notably the Consumer Protection Cooperation (CPC) Group and the Consumer Policy Network (CPN).


2. Consumer education

The EU has integrated consumer education into primary and secondary school syllabuses. An example of this is ‘Consumer Classroom’, a multilingual European website for teachers. It offers a vast library on consumer education and tools for sharing lessons with students and peers.
3. Consumer information

Better knowledge of consumer rights can boost confidence. The EU established European Consumer Centres (ECC-Net) to advise on cross-border shopping and complaints. The network gives information and advice to consumers on their rights in the EU and helps them with their disputes with traders in other EU countries. ECC-Net is the result of the merger in 2005 of two existing consumer protection networks (EEJ-Net and the network of Euroguichets). FIN-NET addresses complaints about cross-border financial services. The Commission runs consumer information campaigns and offers practical guides. SOLVIT resolves disputes concerning breaches of EU law.

The Your Europe portal 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 (Regulation (EU) 2018/1724).

On 30 March 2022, as part of the circular economy package, the Commission published a proposal for a directive on empowering consumers for the green transition through better protection against unfair practices and better information. The main objective of the proposal is to encourage consumers to make eco-friendly choices by providing them with the necessary information.

4. Enforcement of consumer rights

Effective enforcement of consumer rights is as vital as their existence. Directive (EU) 2019/2161 ensures the better enforcement and modernisation of EU consumer protection rules. Mainly national public authorities handle this enforcement. Regulation (EU) 2017/2394 connects these authorities through an EU network, facilitating information exchange and collaborative actions against breaches of consumer protection law. This network conducts coordinated investigations, such as internet sweeps, in order to ensure website compliance. Furthermore, consumers can request protection of their collective interests in the EU via representative actions, i.e. legal actions brought by representative entities in line with Directive (EU) 2020/1828.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament continually refines EU consumer protection rules. Consumer protection has evolved from merely standardising technical standards to advancing a ‘citizens’ Europe’ objective. Since 13 June 2014, Member States have implemented national laws from the Consumer Rights Directive, overwhelmingly approved by Parliament.


Following the Commission’s New Deal for Consumers, Parliament passed Directive (EU) 2019/2161 on 27 November 2019 for better enforcement and modernisation of consumer rules. On 28 March 2023, the Committee on the Internal Market and Consumer Protection (IMCO) adopted a report on empowering consumers for the green transition through better information and protection against unfair practices.
Beyond EU legislation, Parliament adopts own-initiative reports to guide consumer protection policies. It has emphasised increased budgetary provisions for consumer measures and the development of consumer representation, especially in post-2004 EU Member States. On 13 September 2018, a resolution was adopted stating that dual quality of products in the single market is discriminatory.

On 25 November 2020, Parliament passed a resolution on a sustainable single market, emphasising product durability, reparability and equipping consumers with knowledge for making sustainable decisions.

During the COVID-19 crisis, consumer protection became vital for service reimbursements and to counter misinformation and the sale of faulty medical equipment. On 23 March 2020, the IMCO Committee penned a letter to EU officials urging action on the COVID-19 crisis and underscoring democratic oversight. On 9 November 2020, a webinar for the IMCO Committee discussed COVID-19’s impact on the internal market, the measures taken and future preparations. On 19 November, Commissioner Didier Reynders presented the new Consumer Agenda to IMCO, assessing COVID-19’s impact on consumers and addressing long-term policy topics, including the green and digital shifts, consumer vulnerabilities, rights enforcement and international cooperation.

On 22 February 2021, a comprehensive study outlining the impact of COVID-19 on the internal market was presented to the IMCO Committee. The study enumerates the impact of restrictions at Member State and EU level on the free movement of goods, services and people. It makes policy recommendations for how future crises could be handled in order to allow free movement to continue, such as the provision of funds to be drawn on for the development and procurement of future vaccines and the continued coordination of the relevant rules at EU level.

Consumer policy in the fields of online and digital services is an area that Parliament and, in particular, the IMCO Committee have been focusing on. In June 2020, a study requested by the IMCO 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. A study published in June 2021 analysed the impact of targeted advertising on advertisers, market access and consumer choice.

On 20 October 2020, Parliament adopted three resolutions, 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’, setting out its plan on how the functioning of the digital single market should be ensured prospectively, including

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stronger protection for online consumer protection. Much of the content of the own-initiative reports made its way into the Commission proposals, which were amended and successfully voted on in the IMCO Committee in December 2021 (2.1.7). The Digital Markets Act and the Digital Services Act, which were adopted by the co-legislators on 14 September and 19 October 2022, are vitally important for consumer protection in the digital environment.

On 27 September 2021, the IMCO Committee held a hearing on consumer protection and automated decision-making tools. The session looked into safeguarding consumers from the risks of artificial intelligence and enhancing the quality of information provided to them. Representatives from consumer groups, businesses, academia and certification bodies shared insights on the EU’s current framework, changes needed and enforcement challenges. IMCO members emphasised that the regulatory environment was trustworthy. In May 2022, the committee also held a hearing on digital product passports to boost transparency and consumer protection in a digital era.

On 7 April 2022, Parliament passed a resolution on consumers’ right to repair, targeting durable and repairable products.

On 20 April 2022, the IMCO Committee discussed consumer rights when shopping outside the EU, covering pre-contractual information and protection against unfair practices and terms.

For more information on this topic, please see the website of the Committee on the Internal Market and Consumer Protection.

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