CONSUMER POLICY: PRINCIPLES AND INSTRUMENTS

Effective consumer protection policy ensures that the single market can function properly and efficiently. It aims to guarantee consumers’ rights vis-à-vis merchants and provide enhanced protection for vulnerable consumers. 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

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

The Union, in order to promote the interests of consumers and to ensure a high level of consumer protection, must contribute to protecting the health, safety and economic interests of consumers. Further, the Union must promote consumers’ right to information and education, and the right to organise themselves in order to safeguard their interests. Consumer protection is to be built into all relevant policy areas of EU legislation.

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.

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.

In addition, on 28 April 2021, the single market programme was launched with a view to helping the single market reach its full potential and ensure Europe’s recovery from the COVID-19 pandemic. With a budget of EUR 4.2 billion for the 2021-2027 period, it provides an integrated package to support and strengthen the governance of the single market, including for financial services.

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 Regulation (EU) 2017/826 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.

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' 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 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

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

The effective and correct enforcement of 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 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.


As well as working on EU legislation, Parliament sets policy agendas in the area of consumer protection by adopting own-initiative 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 a resolution 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 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[1]. Also addressing sustainability, on 28 March 2023 the Committee on the Internal Market and Consumer Protection (IMCO) adopted its report on the Commission proposal for a directive empowering consumers for the green transition through better information and protection against unfair practices.

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 IMCO Committee addressed a letter to the EU Commission Executive Vice-President Margrethe Vestager, Commissioners Thierry Breton and Didier Reynders, and the Croatian Presidency of the Council. It called for further action to be taken to tackle the COVID-19 crisis and pointed to the need for democratic governance.

oversight of this process. On 9 November 2020, the Policy Department for Economic, Scientific and Quality of Life Policies held a webinar[2] for the IMCO Committee 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, the Commissioner for Justice and Consumers, Didier Reynders, presented the new Consumer Agenda to the IMCO Committee. 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.

On 22 February 2021, a comprehensive study[3] 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[4] 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 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 public hearing on consumer protection and automated decision-making tools in a modern economy. The hearing focused on solutions to protect consumers from the risks associated with using artificial intelligence professional services and smart products driven by automated decision-making tools, and highlighted solutions on how to improve the quality and quantity of information provided to consumers. Representatives of consumers, businesses, certification bodies and academia provided their perspectives on the current EU framework and on the requirements that should be put in place to ensure a high level of consumer protection and trust. They also provided their views on the challenges this would entail for businesses, and how effective enforcement could be ensured. IMCO Committee members underlined the need to create a trustworthy environment and expressed their views on how to improve the current regulatory framework. In addition, in May 2022, the IMCO Committee organised a public hearing on digital product passports: enhancing transparency and consumer protection as a means to improve consumer information in an environment of digitalisation.

Furthermore, on 7 April 2022, Parliament adopted a resolution on the consumer’s right to repair. The resolution seeks to address the dual goal of providing consumers with products that both last longer and can be repaired. On 8 December, the IMCO Committee held a public hearing aiming to enrich the discussion on the upcoming Commission proposal on the right to repair and, in particular, to explore how consumer rights and guarantees can be strengthened to make repairs systematic, cost-effective and attractive.

On 20 April 2022, the IMCO Committee held a public hearing on upholding consumer rights when shopping outside the EU. The aim of the hearing was to provide an overview of the state of play of consumer rights when shopping outside the EU, such as pre-contractual information and protection against unfair practices and contract 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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