



EUROPEAN COMMISSION
JUSTICE AND CONSUMERS DIRECTORATE-GENERAL

Consumers
Consumer Strategy, Representation and International
Relations

European Consumer Consultative Group (ECCG)

24-25 March 2015

Draft Meeting Report

1. WELCOME BY THE CHAIR

The members adopted the draft agenda and the minutes of the meeting of 19-20 November 2014.

2. INTRODUCTION BY THE EUROPEAN COMMISSION

The Commission reminded members of the ten priorities of the Juncker Commission and the new working method involving project teams. She stressed that consumer policy is prominent in nearly all of the ten packages in the Commission Work Programme .

3. UPDATE ON CONSUMER POLICY ACTIONS

The Commission gave an update on: the Digital Single Market Strategy planned to be adopted in May; the related Data Protection reform; the Energy Union package and the 7th Citizens' Energy Forum; the market study on the functioning of retail electricity markets for consumers; the Package Travel Directive; the Consumer Sales and Guarantees Directive, including REFIT and related market study on legal and commercial guarantees; the ODR platform; the Multi-stakeholder Dialogues on Environmental Claims and on Comparison Tools; the review of the Consumer Protection Cooperation Regulation; the market surveillance exercise on physical consumer products sold online and the related guidelines for Member States.

Some remarks were made by members with reference to the legal and commercial guarantees. Some questioned the appropriateness of having the same minimum guarantee period (2 years) for all categories of products with very different lifespans. Some members noted that the minimum harmonization approach allows for national regulations to be flexible as to the minimum guarantee period and redress procedure. Luxembourg invited the members to take fast action to tackle the issue – with particular emphasis on the reversal of the burden of proof – and suggested to set up a working group, an idea which was welcomed by other members. Acknowledging that the minimum harmonization approach led to considerable heterogeneity in the legal framework across Member States, and noting the interest towards the issue, the Chair invited the ECCG members to take an active part in the REFIT exercise of the Directive.

Reference was made by some members to the issue of share economy and circular economy. The Commission expects that the reviewed Circular Economy Package will contain a clear link between sustainable growth and consumer interests, a link which was also stressed by Commissioner Jourova during her European Consumer Day speech.

The Commission gave feedback on the use of the ODR platform. The results and feedback received from the second testing will be promptly communicated to the group.

The Commission informed the ECCG Members about the ongoing work done together with Member States and other stakeholders on reinforcing the market surveillance of consumer products sold online regarding safety and compliance aspects.

The ECCG Members were invited to help identifying the best ways to inform and educate consumers about safety issues associated with e-commerce. More specifically, Members were asked to help determine:

- The key information that consumers should know when buying online (e.g. safety requirements exist – consumers should look for safety information; Member States monitor the market, but their capacity to check the internet is limited; there are specific pitfalls associated with e-commerce)
- The best ways and tools to convey this information to consumers (e.g. media, campaigns, websites, cooperation with consumer organisations)

Consumer organisations have expressed willingness to support this initiative by cooperating with authorities in their consumer information/education activities.

Members who participated in the 7th Citizens' Energy Forum gave very positive feedback on the event. BEUC pointed out the central role given to consumers in this year's agenda, underlining the strong symbolic value of this approach, but also inviting the Commission to convert the dialogue started at the Forum into concrete deliverables. The Commission ensured that due follow-up measures will be implemented, through the extension of the mandate of some of the working groups and the active promotion of cooperation and synergies between the different actors involved. Latvia expressed appreciation for the pragmatic approach adopted in the Forum, through discussions of concrete issues such as market liberalization, and presentation of several consumer studies.

4. THEMATIC DISCUSSION: CONSUMER POLICY PRIORITIES IN THE DIGITAL SINGLE MARKET

The Commission gave a presentation on evidence gathered in order to better understand the obstacles in the Digital Single Market and on Comparison Tools.

The work carried out by the Stakeholder Group for Consumer Rules for Online and Digital Purchases was presented. The Commission reported on the most frequently indicated obstacles to cross-border e-commerce (i.e. language barriers, taxation, IPR, parcel delivery, online payments) and pointed to the group's focus on digital content, as the regulation on tangible goods will be tackled by the REFIT exercise. Other issues mentioned in the discussion were interoperability, transferability of contracts within the EU, copyright and data protection regimes, proper implementation and enforcement. BEUC is in favour of a non-optional model contract on digital content products to be used in BtoC relations. The Commission underlined the stakeholder's preference for a B2C oriented reform and confirmed that the scope of the discussions within the Stakeholder Group will be narrowed in the next meeting.

Members stressed the need to have harmonization of EU law on digital content products, embracing a digital mind-set for the adoption and implementation of legislation. Therefore, they welcomed the establishment of an ECCG Sub-Group on the Digital Single Market. The members of the Sub-Group decided to work in parallel on tangible goods and digital content products and have shown varied views on the possible solutions to tackle the legislative gap, proposing either to adopt new regulatory measures or to promote self-regulation.

Regarding digital content and e-commerce, many members highlighted the need to reduce market fragmentation, to define standardized terms and conditions and to receive inputs from the smaller Member States, which rely more on the neighbouring countries' digital market. Moreover, some members mentioned the necessity to focus the Commission's work on the implementation and enforcement of consumer-related legislation.

Other concerns raised by members concerned the use of social networks for online retail, the lack of appropriate broadband infrastructure, the excessive delivery costs and the heterogeneous taxation rules.

The UK presented the recently adopted British Consumer Rights Act, illustrating the changes for consumers' rights in the digital environment.

5. EUROPEAN CONSUMER SUMMIT 1-2 JUNE 2015

The Commission gave information on this year's European Consumer Summit, which will be held on 1 and 2 June in Brussels. A 'save the date' was already sent to the members. This year's event will be dedicated to the shaping of the Consumer Policy of the future. Members are invited to participate and provide input for the Summit, which will be focused on : energy, financial services and the Digital Single Market. It was agreed that due to the Summit taking place in June, there would not be a June ECCG Meeting. The next meeting of the ECCG will be held 27-28 October 2015.

6. CONSUMER CHAMPION PROJECT

The Czech Republic, Croatia, Romania and Slovakia gave feedback on the Consumer champion project.

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP)

The TTIP Chief Negotiator for the EU, Ignacio Garcia-Bercero, provided an update on ongoing negotiations for the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US, touching upon the importance of its regulatory dimension which is discussed with the full involvement of EU regulators, and stressing that the Commission will not achieve an agreement which lowers EU safety standards and protections. The Chief Negotiator also mentioned that all EU proposals are now publicly available on a dedicated TTIP website, apart from the chapter on Medical Devices which should be available soon. Mr Bercero also clarified that, for what concerns Public Services, the Parties are not negotiating a market opening of public services and the Parties will remain free not only to outsource public services to private companies but also to make public a previously outsourced service.

Concerning the Regulatory Cooperation of the TTIP, LU mentioned previous statements from the Commission on the exclusion of consumer and contract law from the scope of the Regulatory Chapter, arguing that such a reassurance is not yet reflected in the text. LU stressed the importance of excluding consumer and contract law from the Regulatory Cooperation chapter in view of possible future divergences in respective regulatory objectives of the EU and the US, mentioning the EU's digital economy and circular economy objectives as examples.

BEUC mentioned recent discussions on the inclusion of an Investor-to-State Dispute Settlement mechanism in the TTIP. BEUC argued that in spite of widespread consensus on the need to reform the ISDS system and replace it with an international investment court the Commission still intends to include ISDS mechanisms in the TTIP (as well as CETA agreement with Canada). BEUC is concerned that including ISDS in the TTIP will obstacle the future reform of ISDS.

BE expressed concerns with the lowering of safety standards of chemicals and food because of the TTIP, given the differences between existing regulatory frameworks in the EU and the US. Similarly, FI asked whether food products that are currently banned in the EU but produced and marketed in the US could land on the EU market as a result of the TTIP. Moreover, BEUC stressed that in the EU in the area of food safety many decisions are taken by the Commission with no involvement of the European Parliament; therefore BEUC is concerned that, due to the regulatory cooperation mechanism established by the TTIP, the Commission will be subject to overwhelming pressure from the US side of food safety standards.

ANEC expressed strong concerns on the possibility of a mutual recognition of EU and US' respective standards through the TTIP, which would disrupt the system currently in place in the EU.

Spain asked about the possibilities for future reviews of the TTIP, mentioning the late disappointment demonstrated by Mexico with regard to the North American Free Trade Agreement (NAFTA).

Slovakia inquired on if and by when TTIP negotiations will actually be concluded.

On regulatory cooperation with the US, Mr Bercero replied that channels allowing US stakeholders to engage in the EU regulatory process already exist, whereas the opposite is not true. The regulatory dialogue with the US that the EU pursues will create more avenues for regulators, not for companies. Regulatory cooperation will exclude legislation setting general principles in a particular policy area. It will pertain only to measures that have a significant impact on trade between the Parties and where there is mutual interest in cooperating. Mr Bercero invited ECCG members and consumer organisations to show more confidence in the EU's ability to decide its own standards autonomously. Furthermore, in response to concerns raised by BEUC with respect to food safety, the Chief Negotiator stressed that US corporations are already proactive in pursuing dialogue with EU regulators.

Still on food safety, Mr Bercero stressed that there will be no change to neither the EU's nor the US' legislation in this area as a result of the TTIP. TTIP will not allow food products that currently do not meet the EU's safety standards to be marketed in the EU.

On chemicals, Mr Bercero clarified that given the huge differences between the EU and US frameworks (REACH and TSCA respectively), harmonization or mutual recognition are not an option. Rather the EU and US are identifying concrete issues and items where technical cooperation is possible without changing respective standards.

On standards in general, Mr Bercero assured that the EU is not going to change neither its standards nor standardisation processes because of the TTIP, while also stressing that the EU can benefit from cooperation with the US in this area.

On ISDS, Mr Bercero explained what would be the benefits for EU investors and affirmed the Commission's willingness to reform such a mechanism, recognising some of its shortcomings in particular when ISDS mechanisms have been used to challenge legitimate regulations or in relation to arbitrators' frequent conflicts of interests. Mr Bercero conceded that in the medium term the solution could be the establishment of an international investment court, but stressed that meanwhile a reformed version of ISDS is necessary. In this sense, TTIP negotiations provide the right framework for discussing such a reform.

On the digital economy and data protection, Mr Bercero affirmed that whatever will be agreed in the TTIP in this area will not affect the policy and regulatory proposals currently being developed in the EU.

On the issues pertaining the NAFTA agreement, Mr Bercero stressed that there were widespread concerns also regarding the latest trade agreement concluded by the EU, with South Korea, which has by now proved to be beneficial for the EU.

7. AWARENESS-RAISING CAMPAIGN ON CONSUMER RIGHTS

The Commission gave a presentation on the awareness-raising campaigns recently carried out in new Member States.

8. AOB

Reporting

The Commission reminded Members to send-in their annual reports as stipulated in the Commission Decision Art. 7 (7), whereby each member shall produce a report to the Commission by 1 March on the work undertaken in the previous calendar year in pursuit of their obligations under paragraph (6) of the Commission Decision. Members who have not already done so are asked to send in their reports as soon as possible, using a standard template circulated by the Commission.

ECCG Website

Spain requested to update the website of the ECCG. The Commission replied that the website is being modified and it will be rendered more accessible, complete and up-to-date.

Food Security

Sweden requested the Commission to invite experts from DG SANTE to the next ECCG meeting to discuss food security issues.

Financial Services

Members shared evidence on important problems on the financial services market. The unsatisfactory enforcement of existing EU legislation and the social repercussions of unfair commercial practices in this particular field were stressed. Concerns were raised with regard to cross-border financial services, the use of foreign currencies (i.e. Swiss francs) to compute consumer credits and the limited capacity of financial

supervisory authorities to guarantee consumer protection. Due to the strong interest a thematic discussion on consumer protection on financial services market will be on the agenda of the next ECCG meeting and experts from DG FISMA will be invited.