



ECCG



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UPDATE ON EU CONSUMER POLICY

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On-going legislative proposals

- A. Product Safety and Market Surveillance Package*
- B. Package Travel Directive*
- C. Air Passenger Rights Regulation*
- D. EU Data Protection Framework*

A - Product Safety and Market Surveillance Package

- *European Parliament's legislative resolutions in April 2014*
- *Commission's position on EP amendments in July 2014*
- *Council Working Parties discussions on EP amendments in Sept./Oct. 2014*
- *Member States remain split on mandatory country of origin labelling and Council WP requested additional analysis of costs/benefits*
- *External study expected in Q1/2015*
- *Important file also for the new Commission*
- *Implementation of multi-annual plan for market surveillance on track*

B – Package Travel Directive (PTD)

- *The proposal to revise the PTD aims to extend the protection to (online) customised combinations similar to packages*

Example: Different travel components selected from an online travel agent and charged at an inclusive price

- *Less protection for looser combinations of travel services, "assisted travel arrangements".
(Invitations to book additional travel services (e.g. a hotel room or car rental) from a linked website)*

B – Package Travel Directive (PTD)

Overall state of play:

- *First reading vote of the European Parliament in March 2014, largely supporting the Commission's proposal.*
- *Progress report from the Greek Presidency in May*
- *Main issues identified:*
 - *scope of application*
 - *insolvency protection*
 - *level of harmonisation*
- *The IT Presidency aims for agreement on a general approach for the Competitiveness Council on 4 December*
- *Trilogues with EP could start in spring 2015*

C - Air Passenger Rights Regulation:

- what the Commission is proposing

1. Clarify grey areas and close loopholes: clarify the text and integrate case law in order to enhance legal certainty
2. Simplify complaint handling: clear complaint handling procedures for airlines + possibility to turn to out-of-court dispute resolution bodies
3. Better coordinate enforcement policies: better definition of the functions of the national enforcement bodies (NEBs) and formal coordination of these bodies
4. Ensure a realistic financial cost: rebalance passenger rights against their cost, thereby taking into account possible adverse effects such as the risk of more cancellations or safety risks.

C - Air Passenger Rights Regulation:

- State of play

- *The European Commission made the proposal for the revision on 13 March 2013.*
- *First reading of European Parliament adopted on 5 February 2014: the EP took a more "consumer-friendly" approach than the Commission, especially with regard to delay compensation and insolvency protection.*
- *Council: no common position yet. Second progress report presented by the Greek Presidency on 5 June 2014. Discussions on hold due to territoriality dispute over Gibraltar airport. Overall the Council appears more "airline-friendly" than the Commission.*

D - EU Data Protection Framework

PUTTING CITIZENS IN CONTROL OF THEIR DATA

Enhanced "right to be forgotten", more transparency, explicit consent, stronger data security, sanctions with teeth

RULES FIT FOR THE DIGITAL SINGLE MARKET

Direct applicability, cutting red tape, one-stop shop, better enforcement and cooperation between data protection supervisory authorities

D - EU Data Protection Framework - the way forward

- **European Parliament:** *Plenary backed the Commission's proposals with an overwhelming majority and even reinforced them in certain areas; March 2014*
- **European Council:** *"timely adoption by 2015, essential for the completion of the Digital Single Market" (October 2013, June 2014)*
- **Council:** *2 partial general approaches so far, on Ch. IV and Ch. V.*
- *Further agreement in Council on the reform is possible before the end of this year, then "trilogues" with EP could start*
- **Jean-Claude Juncker** *intends to take, within the first six months of his mandate, ambitious legislative steps towards a connected digital single market, "notably by swiftly concluding negotiations on common European data protection rules"*

Unfair Commercial Practices Directive - the revised Guidance

➤ Objectives

- coherent application of the Directive – consolidation and modernisation – stepped up enforcement

➤ New (challenges)

- Evolution of business models, especially on-line, and new forms of advertising
- New EU legislation (e.g. CRD), need to explain interplay between the UCPD and sector specific legislation
- Case law of the Court of Justice and the experience of national courts

➤ Behind us

- 2009 – Guidance on the application of the UCPD first published
- May 2012 – Consumer Agenda
- March 2013 – UCPD Communication and Report

➤ Ahead of us

- Spring 2015 – Adoption of the revised UCPD Guidance

Issues for the revised Guidance - examples

- **Interplay with sector-specific EU legislation, notably with data protection rules**
- **Online commercial practices, for example**
 - liability of online information platforms,
 - tracking, profiling, dynamic and personalised pricing,
 - Search engines, user review tools, price comparison web-sites
- **More guidance on fair/unfair "green" claims**
- **Pricing issues in the travel sector, for example**
 - interplay with the Air Services Reg. and the CRD
- **Immovable property, for example**
 - clarification of the notions of transactional decision, average consumer and material information

ADR/ODR

- 1. ODR platform starts on 9 January 2016.*
- 2. Testing of the platform prototype takes place still in 2014.*
- 3. Submission of a Report on the results of the testing to the EP and Council in the 1st quarter of 2015*

CPC Regulation

- 1. Clarification of procedures for common enforcement actions (Article 9)*
- 2. Improvement of the functioning of the mutual assistance mechanism: revision of operating guidelines*
- 3. Support for Enforcement Capacity Building (e-Enforcement, Training and common projects)*

Review of the CPC Regulation

- 1. Commission Report on the functioning of CPC Regulation adopted on 1 July 2014*
- 2. Impact Assessment studies – completion: May 2015*
- 3. Possible Commission proposal for revision of CPC Regulation – autumn 2015*

A new format for CPC common enforcement actions

➤ In-app purchases in on-line games

CPC authorities agreed two common positions on :

- *The use of "free" only when options are truly optional*
- *Payment settings so as consent is obtained for each purchase*
- *How to prevent exhortation to children*
- *Contact details*

➤ Car rental

CPC authorities have just communicated a common position to major industry players, covering transparency of prices, payment settings, damages, insurances, unfair terms, other due diligence aspects

Technical meetings to take place end Nov

Industry is reacting in a positive manner to coordination of enforcement, work is continuing on both topics

The Awareness Raising Campaign

- **Consumer Rights only effectively exist IF:**
 - consumers know their rights
 - consumers know how to enforce their rights
 - traders know and respect consumers' rights
- **BUT:** According to Eurobarometers 331 and 332, just around 40% of consumers and traders know exactly the length of product guarantee and only roughly 30% know exactly the length of cooling-off period for online purchases
- **Therefore, in 2014** a "stakeholder campaign" focusing on Consumer Rights Directive; Unfair Commercial Practices Directive; Unfair Contract Terms Directive; Consumer Sales and Guarantees Directive
- **Kickoff on 17 March in Athens in 8 EU Countries:** Greece, Spain, Cyprus, Portugal, Bulgaria, Latvia, Italy, Poland

- **Based on a thorough ex-ante evaluation**
 - Member States divided in priority groups A, B, C
 - In 2014, group A mostly served

- **Graphic concept and the communication tools well received, remain actual and valid**
 - Slovenia used the provision allowing further countries to join
 - CRD coming into force – a good "hook" for the media

- **In 2015, the extension to further countries**
 - Exploratory contacts to authorities in Czech Republic, Estonia, Hungary, Lithuania, Slovakia and Slovenia
 - Request for services sent under Framework Contract HOME/2013/D1/01
 - Final list set at the kick-off meeting

Environmental Claims

2012: Multi-Stakeholder Dialogue on Environmental claims (MDEC) set up

2013: Report and recommendations from the MDEC presented at 2013 Consumer Summit

2014: Consumer market study on environmental claims (non-food)

- Feeding into UCPD Guidance revision
- Consultation on next MDEC steps and actions coming years

Main results of our study



Landscape

- 1042 CTs mapped
- Most represented sectors: travel/hotels and financial services
- 84% operated by businesses, 3% by regulators and 2% by cons. org. (and 10% unknown)
- Very few comparison tools displaying cross-border offers



Consumers' use

- 74% of EU consumers have used CTs in the past 12 months (37% at least once a month)
- 91% of consumers use CTs to compare price but believe that unbiased info can better be found on search engines (66% vs. 34%)
- Consumers' decision influenced by link position and ranking criteria



Problems identified

- 65% of consumers had experienced a problem with CTs
- Lack of transparent information on business model, relationship with retailers, source of revenue, market coverage or frequency of update.
- Missing information on contact details, access to redress

Comparison tools



June 2012: Multi-Stakeholder Dialogue on Comparison Tools (MSDCT) set up

March 2013: Report and recommendations from the MSDCT presented at 2013 Consumer Summit

October 2013 – October 2014: In-depth consumer market study

RECOMMENDATIONS for next steps:

For Comparison tools:

respect a series of criteria to ensure the transparency, impartiality and quality of the information provided and to improve compliance with existing legislation as well as access to redress for consumers.

For the Commission and Member States:

- *Strengthen enforcement:*
- *Coordinated enforcement at EU level*
- *Update Guidance on existing legislation (for instance Unfair Commercial Practices Directive)*
- *Promote adoption of best practices:*
- *Issue Guideline and/or promote Code of Conduct*
- *Improve the involvement of comparison tools operators with decision makers*
- *Awareness-raising campaigns*
- *Investigate in related issues (e.g. personalised pricing, other types of intermediaries online, look into the methodologies used for calculation...)*

Consumer research

- *Measuring consumer detriment*
- *Consumer Vulnerability across key markets*
- *Marketing to children through social media, online games and mobile applications*
- *Digital Single Market: identifying the main cross border obstacles for consumers and where they matter most*
- *Legal and commercial guarantees*
- *Terms and Conditions*

Study on second hand cars: key findings

- *limited availability of franchise dealerships in the EU13*
- *big flow of second hand cars from EU15 to EU13*
- *cars in EU13 much more heavily used pre-purchase*
- *car mileage checks: insufficient information flow*
- *legal guarantee: traders don't provide unprompted information*
- *commercial guarantee: big differences in its provision by EU region / type of trader*

Study on second hand cars: key findings

- *low level of consumer knowledge about cars*
- *low overall trust for all sales channels*
- *high proportion of reported problems*
- *total annual detriment: €1.9 - 4.1 billion in the EU28*
- *low level of satisfaction with complaint handling*
- *high incidence of unfair commercial practices*

European Consumers Summit 2015

- *1-2 June in Brussels*
- *Topic: work is in progress*
- *Format: High-level conference with responsible Ministers + seminars on selected topics*

THANK YOU!