



# Past and Future of European Consumer policy

## Az európai fogyasztóvédelem múltja és jövője

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# History of EU consumer policy

**1958** *Treaty of Rome*

**1962** *Contact Committee for Consumer Questions established*

**1968** *Consumer Protection Unit formed within DG IV (Competition)*

**1975** *First Programme for a Consumer Protection and Information Policy*

**1989** *Independent Consumer Policy Service established*



# 1975 – Elements of the First Consumer Programme

*The First Programme set out five basic consumer rights : to health protection and **safety**; to protection of **economic interests**; to **redress**; to information and **education**; to **representation** (the right to be heard)*

*Actions to safeguard consumers, were envisaged in the following areas :*

***Foodstuffs; Textiles; Toys; Credit; Advertising.***

*References to improve **information, education advice, redress and representation.***



## Current situation

- ❖ *More than **20 EU legislations** provide for consumer rights*
  
- ❖ *Pan-european **enforcement networks** in place*
  - *Consumers' economic interest - CPC*
  - *Product safety – RAPEX*
  
- ❖ *Active **dialogue** with stakeholders*
  
- ❖ *New **initiatives***



# The Digital Single Market

- ❖ *70% of developed countries' GDP is services*
- ❖ *57% of EU GDP is household consumption*
- ❖ *EU Internal market is the largest in the world, though still fragmented by borders and jurisdictions*
- ❖ *415 B EUR/year savings can be generated for consumers*
- ❖ *One of the top ten priorities for this Commission*



## The goal of DSM

❖ *To create jobs, foster innovation and competitiveness*

*By*

❖ *Reinforcing consumer confidence*

❖ *Creating business friendly environment (SMEs !!!)*

❖ *Harmonizing legal framework*

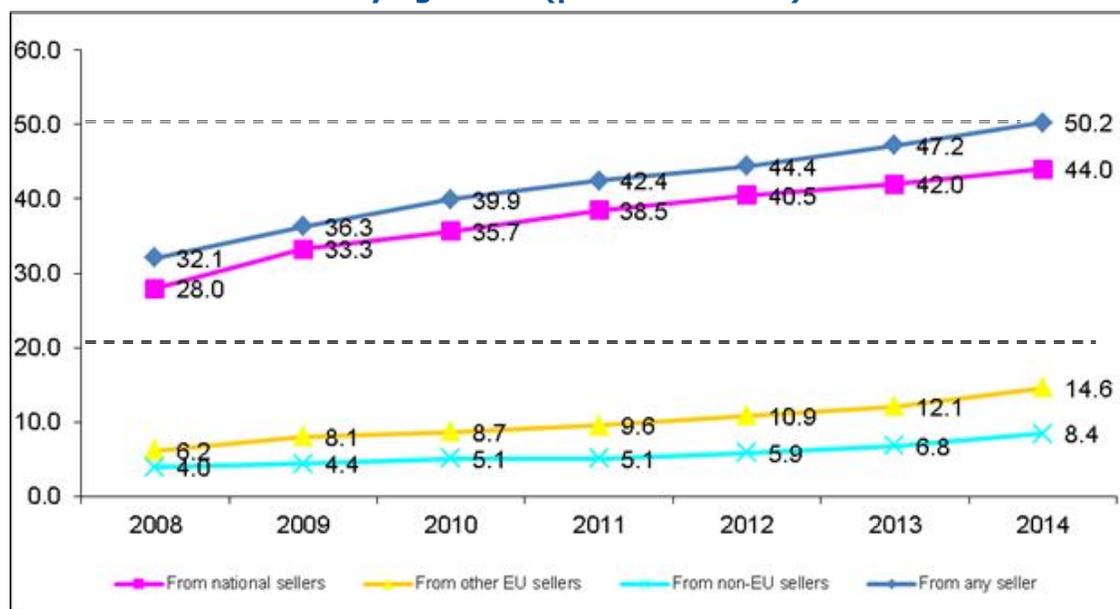
❖ *Ensuring high level of consumer and personal data protection*

## Online B2C activities

- ❖ Growing B2C e-commerce (2.2%GDP, 2m+ jobs, Europe world's No1 ~ 33%)
- ❖ Cross-border potential largely untapped (potentially up to 204Bn€ from e-commerce of goods)

- ❖ Cross-border shoppers' total online spending (Dom+CB) is 2x higher than domestic only shoppers'

% of EU consumers buying online (past 12 months)





# DSM obstacles: the consumer perspective -1

## ❖ *Persistent **trust gap**:*

- *Domestic online shoppers 61%*
- *Shoppers from other EU countries 38%*

## ❖ ***Internal market difficulties** (e.g. Geo blocking):*

- *10% of consumers say foreign seller refused to deliver to their country*
- *8% were redirected to a website in their own country where prices were different;*
- *5% report that retailer did not accept payment from their country (2014)*

## DSM obstacles: the consumer perspective -2

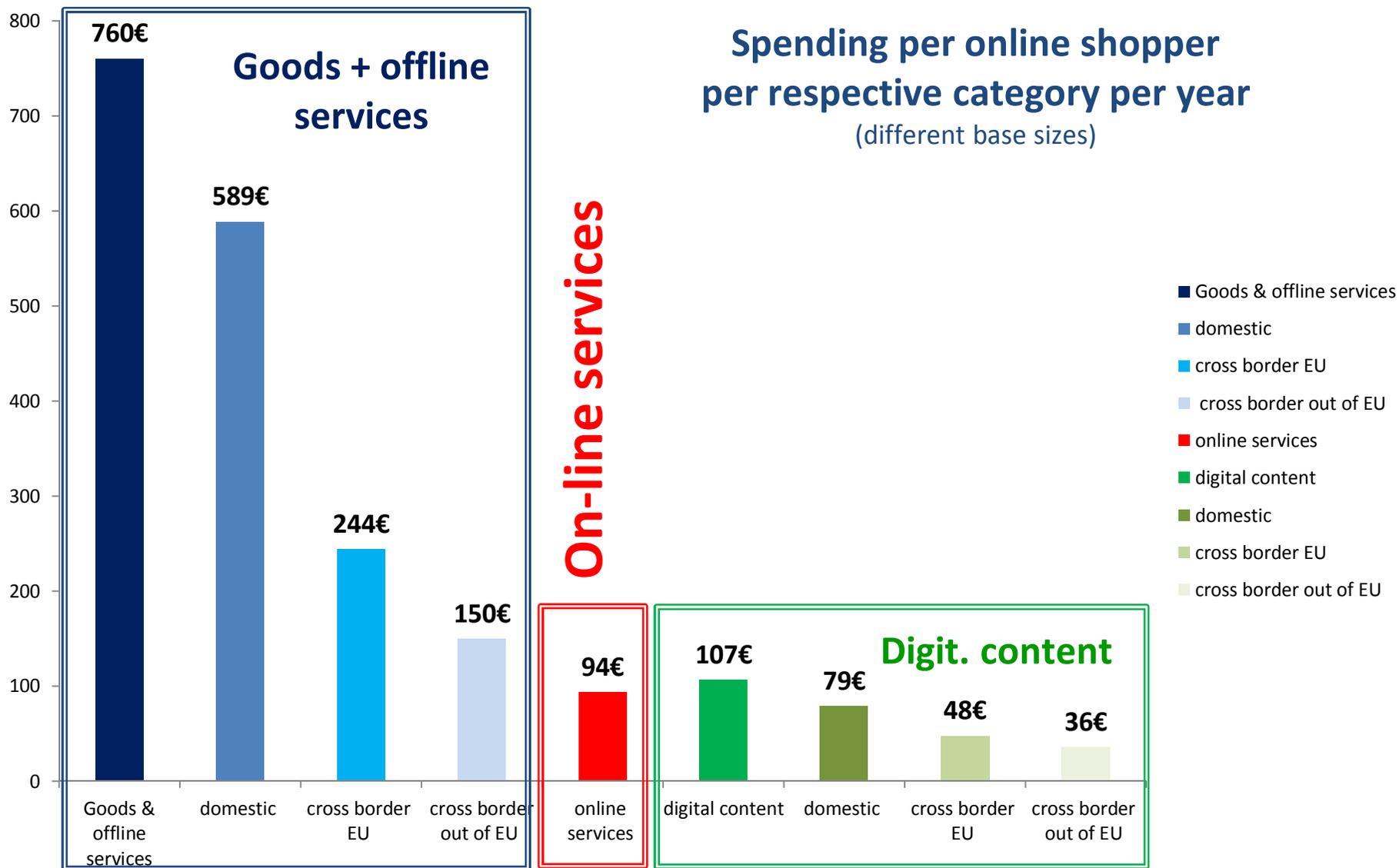
Main contract law-related concerns with cross-border shopping relate to: **conformity, key consumer rights and contract terms...**

What are your greatest CONCERNS about buying products online in another EU country? (% of respondents, N=22,848)





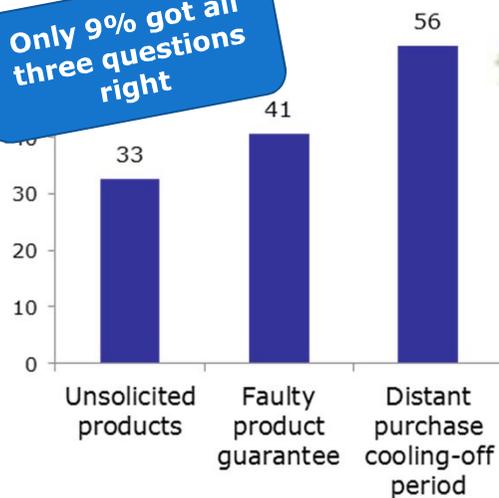
European Commission



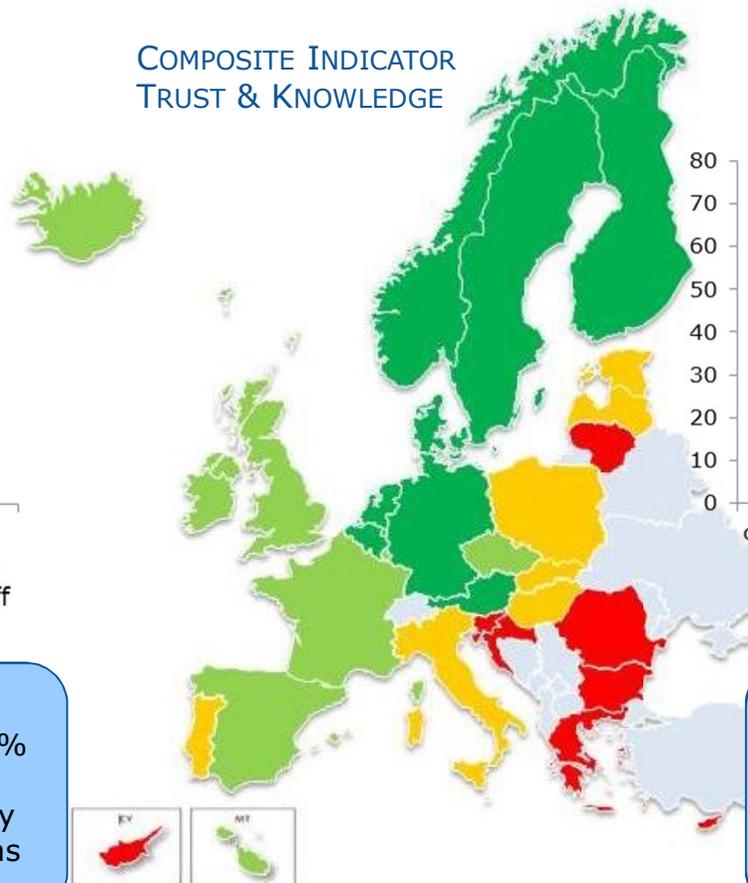
# Knowledge & Trust

## KNOWLEDGE

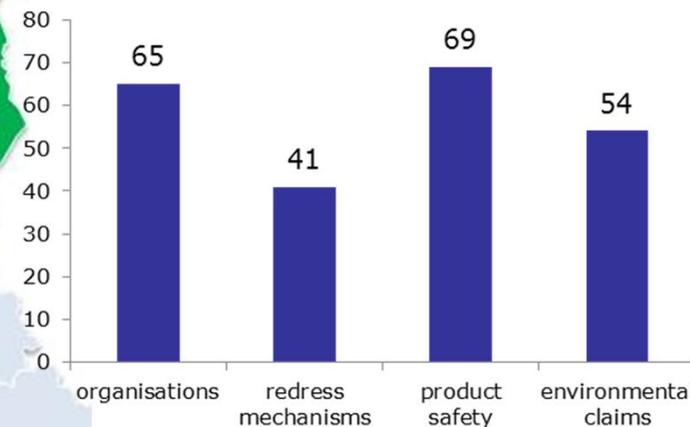
Only 9% got all three questions right



## COMPOSITE INDICATOR TRUST & KNOWLEDGE



## TRUST



**RETAILERS**  
Faulty product guarantee : only 33%  
UCPs : majority identifying correctly three out of four practices as prohibited.

**RETAILERS**  
Product Safety : 75%  
Environmental Claims : 70%

# The Hungarian online consumer - goods

- ❖ **94% bought goods** (EU 28 - 95%)
- ❖ **322 spent** (EU28 - 760 €)
  - Cross border 127 € (EU28 - 244 €)
  - Out of EU 80 € (EU28 - 150 €)
- ❖ **The lowest value in the EU!**

# The Hungarian online consumer - content

- ❖ **98% used online service** (EU28–93%, No.7)
- ❖ **25% purchased online service** (EU28–20%, No.5)
- ❖ **30% paid for downloading content** (44% No.24)
- ❖ **69 € spent** (EU28 - 107 €)
  - Of which cross border 26 € (EU28 - 48 €)
  - From out of EU 17 € (EU28 - 36 €)

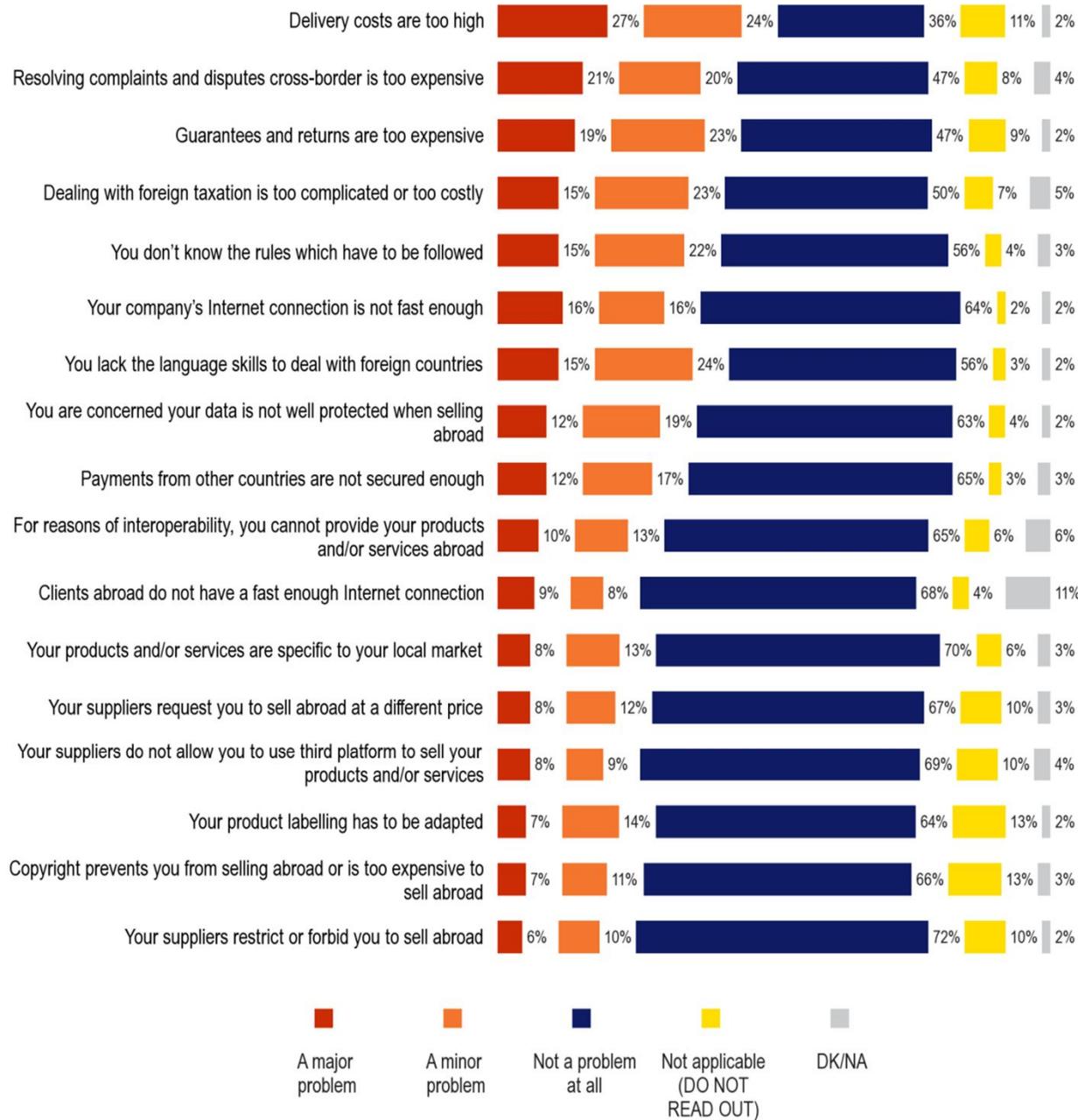
## Question: Why Hungarians buy online?

- ❖ *Cheaper than offline*
- ❖ *Available any time*
- ❖ *Saves time*
- ❖ *Easy to compare prices*
- ❖ *Greater choice*

## Why Hungarians buy online?

❖ <i>Cheaper than offline</i>	41% (49%)
❖ <i>Available any time</i>	45% (49%)
❖ <b><i>Saves time</i></b>	<b>51% (42%)</b>
❖ <i>Easy to compare prices</i>	39% (37%)
❖ <i>Greater choice</i>	34% (36%)

Q6a. For each of the following difficulties that may present itself when selling or trying to sell online to other EU countries, can you tell me if it has been a major problem, a minor problem or not a problem at all?



■ A major problem  
■ A minor problem  
■ Not a problem at all  
■ Not applicable (DO NOT READ OUT)  
■ DK/NA



# DSM obstacles: the business perspective (1) – cross border selling

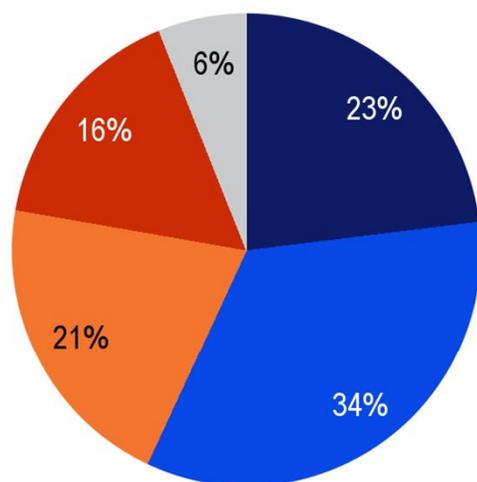
Base : Companies that sold their products and/or services online in another EU country in 2014 and those that used to do so or tried to do so (N=1903)

TOTAL

## DSM obstacles: the business perspective (2)

Q11. If the same rules for e-commerce between your company and customers were applied in all EU Member States, do you think that your firm would start or increase its sales online in other EU countries?

- Harmonisation of rules for e-commerce would encourage cross-border supply



- Yes, definitely
- Yes, to some extent
- No, not really
- No, definitely not
- Don't know

Base : Companies that sold their products and/or services online in another EU country in 2014 and those that used to do it, tried to do it, are trying to do it or are considering it (N=2423)



# Revision of the UCPD guidance document (Directive 2005/29/EC)

- ❖ *Current UCPD guidance was adopted in 2009.*
- ❖ *A tool to ensure greater legal certainty in the application of the UCPD.*
- ❖ *Updating the guidance started in 2013 – strong support by businesses and enforcers*
- ❖ *Current plan: Publish revised guidance by summer 2016.*
- ❖ *The updated guidance will clarify the application of the UCPD to new commercial practices (e.g online commercial practices)*

# Revision of the CPC Regulation: Studied areas



**Scope of the CPC cooperation and digitally fit powers for enforcers**



**Tackling widespread infringements**



**Improved alert and market surveillance**



# General objectives of the CPC review

- 1. Enhance equal protection** of consumer rights and **reduce consumer detriment** from infringements of consumer protection legislation in the (Digital) Single Market
- 2. Improve consistency** of public cross border consumer **enforcement** in the EU

## The process:

- I. External evaluation (2012) ✓
- II. Public consultation (winter 2014) ✓
- III. Legislative proposal (first quarter 2016)** ⌚





# ADR/ODR

## ❖ **Directive on consumer ADR currently in transposition by Member States (deadline July 2015):**

- *Full ADR coverage for all contractual disputes between EU consumers and traders*
- *Quality requirements for ADR entities*
- *Information obligations on traders*

## ❖ **ODR platform - operational as from 2016:**

- *EU-wide, multilingual platform for online contractual disputes between EU consumers and traders linking national ADR entities*

## ❖ **Benefits**

- *Simple, fast and cheap out of court dispute resolution*
- *Redress and savings for consumers*
- *Good customer relations and business reputation for traders*
- *Increased trust in the single market (digital and cross-border too)*





# Product Safety and Market Surveillance Package

- ❖ Commission proposals for a new Consumer Product Safety Regulation and a Regulation on Market Surveillance (Feb. 2013)
  - Clearer, simpler and more coherent rules
  - Better product identification and traceability
  - Strengthened enforcement and cross-border cooperation
  - More consumer trust in single market
  
- ❖ Market Surveillance Action Plan (2013-2015) to make enforcement of product safety rules more effective , e.g.
  - Guidance for enforcement regarding products sold online
  - Study to improve collection of accident/injury data
  
- ❖ Single Market Strategy (Oct. 2015)
  - Initiative to strengthen product compliance





# Fitness Check of EU consumer laws

- ❖ **2015** - launch of '**Fitness Check**' exercise:
  - Unfair Contract Terms Directive 93/13/EEC (UCTD);
  - Sales and Guarantees Directive 1999/44/EC;
  - Unfair Commercial Practices Directive 2005/29/EC (UCPD).
- ❖ In addition it will cover:
  - The Price Indication Directive 98/6/EC; The Injunctions Directive 2009/22/EC; The Misleading and Comparative Advertising Directive 2006/114/EC (MCAD).
- ❖ Key objective: assess the overall **effectiveness, efficiency, coherence, relevance** and **EU added value** of the existing regulatory framework.
- ❖ **2016 - Online public consultation**
- ❖ **2017 - Adoption and publication** of the Report with the announcement of **follow-up actions in 2017.**





H A P P Y B I R T H D A Y



**Thank You!**

**Köszönöm a figyelmüket!**