



European
Commission

Safety
Trust
Knowledge
Traceability
Transparency
Sweep
ECC

Scoreboards
Openness
Information Rights
Harmonisation
RAPEX
Single Market
Consumer
Sweep
ECC
Rights
Openness
Traceability
Protection
Redress
Digital Sweep
Safety
Scoreboards
Empowerment
Connected Continent
Simplifying

International Cooperation
Consumer
Accessibility
CPC Enforcement
Education
CPC
AD&R

Information Financial Services
CPC
Protection
International Cooperation

CPC
Safety
Knowledge
Transparency
Empowerment

LEGACY DOCUMENT CONSUMER POLICY

2010-2014

FOREWORD

The last five years have been a pivotal time for EU Consumer Policy. Amidst a severe economic crisis, the EU has managed not only to maintain a level of consumer protection and rights unrivalled anywhere in world, but to set and achieve ambitious new goals, which put consumers at the very heart of the Single Market.

The 2012 European Consumer Agenda presented a clear vision for consumer policy as part of the Europe 2020 strategy. It announced a series of concrete actions across different policy fields, to strengthen consumer safety, enhance knowledge, adapt consumer rights to key economic and societal changes and increase the effectiveness of enforcement and redress mechanisms.



Upon assuming office as Commissioner for Consumer Policy in July 2013, I set out three priorities within the framework provided by the Consumer Agenda:

- consolidation of legislation, in terms of both adoption and implementation,
- co-ordination between the stakeholders, and
- communication, especially to consumers.

Today, I am proud to have contributed to the significant progress that the Commission and its partners have achieved on all three fronts since 2010, as summarised in the present document.

Legislative proposals on product safety and medical devices have prepared the ground for ensuring better and more efficient protection of consumers against potential risks to their health and safety. New rules adopted in the area of financial services guarantee access to a basic bank account and recent legislation on alternative and online dispute resolution will soon provide consumers with fast and affordable means of redress.

In parallel, intensified cooperation amongst EU enforcement authorities, facilitated by the Commission, has produced impressive results in swiftly removing unsafe products from the market, improving traders' compliance through annual online "sweeps" of websites and leading to a first coordinated enforcement action in the field of "in-app" purchases in online games.

Consumers' access to quality information and assistance has continued to improve, through a number of awareness-raising campaigns, the development of innovative online tools and thanks to our well-established network of European Consumer Centres.

Finally, the Commission has attached great importance in deepening and diversifying its cooperation with stakeholders, including consumer organisations as key multipliers, and international partners, with a special focus on the US and China.

This document shows the value-added of a European-level approach, an approach which benefits Europeans day-in, day-out, gradually shaping a true Single Market for consumers.

Neven Mimica
EU Commissioner for Consumer Policy

SPEARHEADING EU CONSUMER POLICY

1

With the European Consumer Agenda, published in 2012, the Commission adopted and implemented a blueprint placing the consumer at the heart of EU policies to achieve the Europe 2020 objectives. The Agenda set out the Commission's **strategic vision of consumer policy** for the years to come, underscoring the importance of stimulating consumer expenditure – 56% of EU GDP – to ensure that the demand side of the economy can play its part in bringing the EU out of the crisis.

The Agenda identifies the main challenges facing consumers and policy makers, in particular the need to **improve product, service and food safety** in an increasingly global environment and to address the sustainability of our consumption patterns and the effects of the crisis on consumers, notably the most vulnerable ones, in areas such as financial services and energy. The digital revolution, whilst presenting great opportunities for consumers, also poses challenges in terms of information overload and consumers' digital literacy and confidence, in a wider context where there is a need to **promote consumers' participation in the market through enhanced information and knowledge**, notably of their rights. Those **rights must also be adapted to key economic and societal changes** and be respected in practice through **more effective enforcement and redress mechanisms**.

To this end the Agenda provides a **structured framework**: its main objectives, as described above, translate into **62 concrete policy**

measures of which more than 80% were completed already by end 2013¹. Alongside **horizontal measures**, such as the legislative proposals on consumer product safety and market surveillance² or guidance on the implementation of the Consumer Rights Directive that entered into force in June 2014³, many measures have been adopted that promote consumer interests in key sectors, particularly **transport** (new passenger rights legislation), **telecoms** (the Connected Continent proposals) and **energy** (various measures to empower consumers)⁴ as well as **finance** (such as the Payment Accounts⁵ and Mortgage Directives⁶).

The Commission's initiatives have been informed by **strengthened evidence on the state of consumer conditions and markets in the EU**, and developed in **strong engagement with citizens** as the Commission stepped up its communication and cooperation with stakeholders. At the same time, **enforcement of existing rights and market surveillance remained an absolute priority**.

A modest, but highly effective consumer programme 2007-2013 helped financing key consumer policy actions. In the context of the negotiations on the multiannual financial framework, a **new Consumer Programme 2014-2020** with a total envelope of €188.8 million in current prices has been adopted and aligns with the priorities set out in the Consumer Agenda, and will thus allow its deepening in the years to come.

1. For more details on each of these measures, see Report on Consumer Policy 2012-2013 (SWD(2014)136 final). The remaining actions are under way.

2. COM(2013)78 final and COM(2013)75 final.

3. Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights.

4. For more details, see Section 5.

5. Directive 2014/92/EU, OJ L 257 of 28.08.2014.

6. Directive 2014/17/EU, OJ L 60 of 28.02.2014.

2

CONSOLIDATING THE LEGISLATIVE FRAMEWORK

Safety is a key consumer concern. The Commission launched a major review of general consumer product safety and market surveillance rules, as well as of those governing medical devices. It also put in place the legislative and operational measures to implement the new cosmetics legislation. This **consolidation of EU product safety rules** provides for the highest standards of protection for EU consumers and promotes level playing field for EU business.

Alongside the major reforms undertaken to strengthen the supervision of the financial sector after the crisis had revealed its structural deficiencies, important work has also been carried out towards a **real single market for retail financial services**, bringing numerous benefits to EU consumers, not least the right to a basic payment account irrespective of their place of residence or financial situation.

2.1. Product safety

In an increasingly global and complex market environment, the Commission issued in 2013 a Product Safety and Market Surveillance Package consisting of a proposal for a Consumer Product Safety Regulation (i.e. a revision of the General Product Safety Directive), a proposal for a Market Surveillance Regulation of non-food products and a multi-annual market surveillance plan.

The package aims to **consolidate and strengthen product safety rules and their enforcement**. Improved product identification and traceability requirements will reinforce consumer trust. The proposals also lower compliance costs for business, notably for SMEs, and help Member States do more market surveillance even in the reality of reduced resources.

The European Parliament adopted a very supportive position on the proposed two Regulations at 1st reading in April 2014. However, Council Presidency was not given a mandate to launch the informal trilogues due to differences in Member States' positions concerning the proposed mandatory indication of the country of origin. The package will therefore continue to be negotiated under the new legislature.

Pending the outcome of the legislative process the Commission has continued supporting the adoption and promoting the use of **new safety standards**

to help apply the general safety requirement and guide manufacturers on how to make safe consumer products. In this regard, measures have been adopted for example as regards requirements for consumer laser products, personal music players, fire-safer cigarettes, internal window blinds, child resistant locking devices for windows and balcony, and restricting the presence of cords and drawstrings in children's clothing.

2.2. Cosmetics

The new Cosmetics Regulation (EC) No 1223/2009, which entered into force in July 2013, **strengthens the safety of cosmetic products, streamlines the framework for all actors, and simplifies procedures, thus making the internal market of cosmetic products a reality.** The necessary measures for its implementation were ready when the Cosmetics Regulation became applicable. Even though much has been already achieved in terms of its implementation, further implementing measures will follow during the next years, especially on sensitive issues like nano-materials and endocrine disruptors.

In particular, a centralized **Cosmetic Products Notification Portal** has been operational since January 2012 and its use for notification is mandatory since July 2013. There are currently 800 000 products in the database. It enables a single notification of product-related information by economic operators and makes this information immediately available electronically to the EU competent authorities and Poison Centres for the purposes of market surveillance and prompt medical treatment. The creation of this portal is a success story in terms of cooperation among different actors (Commission services, Member States, Poison Centres and industry).

In November 2013 the Commission adopted **Guidelines to help companies to assess the safety of their cosmetic products** under the new Regulation. **Guidance on "cosmetovigilance"** (including the reporting by manufacturers of serious undesirable effects associated with cosmetic products to the EU competent authorities) has also been published.

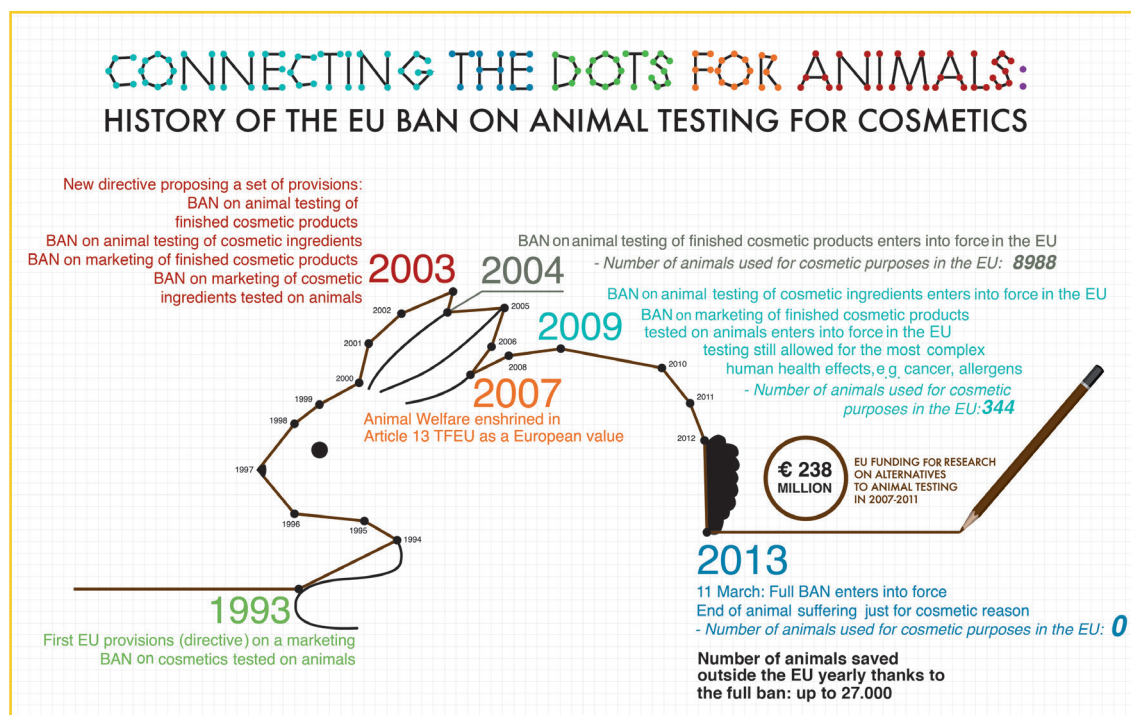
In addition, a **Regulation laying down common criteria for the justification of claims** used in relation to cosmetic products was published in July 2013. Based on the common criteria, all cosmetic claims can be easily verified by EU competent

authorities in charge of market surveillance. This protects consumers of cosmetic products from misleading claims.

In the framework of the continuous adaptation of the Cosmetics Regulation to scientific progress, the Commission organised a public consultation that was concluded in the spring of 2014 to inform on a possible legislative proposal on **fragrance allergens**.

Following the entry into force of the **complete ban on animal testing for cosmetics** in the EU in March 2013, the Commission has ensured a coherent implementation of the ban and

continued its support for research, development and validation of alternative methods for human safety testing. The European approach has also been made an integral part of the Union's trade and international cooperation agenda. The promotion of alternatives to animal testing is a key element of the Commission's work at the multilateral level (through the International Cooperation on Cosmetics Regulation) and at bilateral level (e.g. in the relations with the USA and China). Moreover, certain international partners (India, Israel) have committed to aligning with the EU's approach.



2.3. Medical devices

On 26 September 2012, the Commission adopted a proposal for a Regulation on medical devices and a proposal for a Regulation on in vitro diagnostic medical devices. The proposed rules aim to **increase the safety and performance of medical devices**, notably through better traceability and transparency, strengthened supervision of notified bodies, clarified obligations of economic operators and reinforced vigilance and market surveillance.

The first reading vote in the EP took place on 2 April 2014, but it was not possible to open trilogues with the Council before the EP elections. Discussions will continue during the Italian Presidency in the second half of 2014.

Pending the adoption of the new legislation by the co-legislator, and in order to timely address

weaknesses revealed by the “PIP” breast implants scandal⁷, the Commission has implemented since 2012 a **joint plan for immediate actions** to tighten controls on medical devices under the current regulatory system. Of particular importance are the measures that have been taken to improve the traceability of medical devices⁸ and to enhance the functioning of notified bodies⁹. As a result of the joint plan, teams of experts from several Member States and the Commission check the qualifications of the notified bodies, and the latter have been carrying out unannounced audits of manufacturers. Vigilance teleconferences with Member States, chaired by the Commission services, have also been launched and become regular.

These measures contribute to the protection of EU patients and consumers and ensure their timely access to safe and effective medical devices, including lifesaving ones.

7. A French manufacturer of breast implants, PIP, fraudulently made use of industrial silicone instead of the approved medical grade silicone and sold around 400.00 implants worldwide. These products were withdrawn from the EU market in 2010.

8. Recommendation 2013/172/EU on a common framework for a unique device identification system in the EU.

9. Commission Implementing Regulation (EU) No 920/2013 on the designation and the supervision of notified bodies, and Commission Recommendation 2013/473/EU on the audits and assessments performed by notified bodies in the field of medical devices.

2.4. Payment accounts

In July 2014 a new Directive was adopted covering **access to a basic payment account, the transparency and comparability of payment account fees and payment accounts switching**¹⁰. Member States will have two years after its entry into force to transpose the Directive into their national law, upon which consumers will acquire important right and benefits.

Indeed, the Directive substantially improves the transparency of bank account fees and makes it easier to switch a bank account from one bank to another. Moreover, by providing the right to open a basic bank account irrespective of a citizen's place of residence or financial situation, the obstacles faced by many citizens in accessing basic banking services across borders are removed.

Concerning the comparability of bank offers, payment service providers will have to make available a standard form fee information document detailing the fees for the most representative services linked to the account such as withdrawals and overdrafts. Consumers will thus be able to compare the prices of different payment accounts easily.

The Directive also promotes the use of comparison websites to provide easily accessible information, free of charge, about different payment account offers for consumers. The Directive establishes a number of safeguards, including quality criteria for comparison websites to be operationally independent of any payment service provider and provide complete and up-to-date information in order to ensure that the results are reliable and of good quality.

3

STRENGTHENING THE CONSUMER EVIDENCE-BASE OF EU POLICIES

An important added value of EU consumer policy is the **production of EU-level comparable consumer data for benchmarking between Member States and input into policy-making**. Indeed, the consumer evidence collected by the Commission shows the extent to which the internal market is working – and not working enough, in some instances – for EU consumers, and is essential to ensure that consumer concerns are fully integrated into EU and Member States' policies.

3.1. The Consumer Scoreboards: is the single market working for EU consumers?

The Consumer Scoreboards consist of the Consumer Conditions Scoreboard which examines progress in the integration of the EU retail market and monitors national conditions for consumers, and of the Consumer Markets Scoreboard which tracks the performance of over 50 consumer markets.

The latest Consumer Conditions Scoreboard (July

2013) shows that **consumer conditions differ considerably across the EU and between socio-demographic groups**. Knowledge of consumer rights remains low and illegal commercial practices persist. Over 50% of consumers say that the internet is the retail channel in which they are most likely to come across misleading/deceptive or fraudulent advertising. In addition, consumers remain far less confident about buying online from sellers in other EU countries as opposed to domestically. This is an important barrier to cross-border online shopping.

Results of the latest Consumer Markets Scoreboard (June 2014) show there is an improved performance across all 50 consumer markets surveyed. Goods markets appear to be working considerably better than services markets, although the gap between them has been narrowing. Banking services remain the most problematic sector. Telecom markets, public utilities – in particular electricity and gas – and the markets for second-hand cars and vehicle fuels also show poor results. **These findings underscore the need for the EU to maintain momentum on important strands of work**, such as the regulation of financial markets, the *Connected Continent* proposals and actions to promote consumers' participation in the energy market.

3.2. In-depth consumer studies: informing and directing EU policies

On the basis of Consumer Markets Scoreboard, the Commission carries out in-depth market studies of underperforming sectors, to analyse in detail the problems faced by consumers and propose solutions. A dozen in-depth market studies were completed by the Commission between 2010 and 2014, with several others on-going or still to be launched in 2014.

The findings of the studies have informed several key legislative and policy proposals such as retail investment (Commission's proposal to simplify and standardise information requirements), consumer credit (Report on the implementation of the Consumer Credit Directive), retail electricity (Guidelines of good practice for price comparison and switching), and telecoms (user related provisions of the Connected Continent package). Recently the Commission has published the results of its study on online consumer reviews in the hotel sector and it is also finalising a study on comparison tools and third-party verification schemes, which addresses important consumer concerns as regards trust in online intermediaries and provides useful insights for the on-going multi-stakeholder dialogue on comparison tools and for giving guidance on the implementation of the Unfair Commercial Practices Directive.

As part of the follow-up to Parliament's resolution of May 2012 on vulnerable consumers, which asked for this concern to be included in the Consumer Scoreboard, **the Commission has refined the socio-demographic analysis in the**

Consumer Scoreboards and is carrying out a study on consumer vulnerability in key markets (energy, financial services, online environment).

3.3. Further innovative and better targeted tools

Since the conclusion of the 2012 framework contract the Commission has launched fifteen behavioural studies, which places it at the forefront for **incorporating behavioural insights into policymaking**.

As an example, one of these studies resulted in strict provisions against pre-checked boxes in the newly adopted Consumer Rights Directive.

There is also intelligence in the consumer complaints lodged across the EU that should be better used. In May 2010 the Commission adopted the Recommendation on the use of a harmonised methodology for classifying and reporting consumer complaints and enquiries. **Such harmonised, directly comparable complaints data across the EU will allow for faster, better-targeted, evidence-based policy responses to real problems experienced by consumers, both at EU and national level.** This is why the Commission has further supported this activity with policy and technical guidance and dedicated financial support. By early-2014 one million harmonized complaints had been collected. These efforts will need to be sustained to engage a maximum of stakeholders and to disseminate the data through an online portal.

(un)Ticking the box: behavioural evidence in service of consumers' pockets!

When entering into a contract to purchase a good or a service, consumers are often tricked into making additional payments through the fact that certain options are pre-selected. For example, a large national railroad in Europe made a small change to its website so that seat reservations would be included automatically with ticket purchases (at an additional cost of one to two Euros), unless the customer unchecked a box on the online booking form. While 9% of tickets included reservations before the

change, 47% did after, earning the railroad several tens of millions euros annually.

Informed by behavioural insights, the new EU Consumer Rights Directive that entered into force in June 2014 stipulates that if the trader has not obtained the consumer's express consent but has inferred it by using default options which the consumer is required to reject in order to avoid the additional payment, the consumer shall be entitled to reimbursement of this payment.

4

IMPROVING THE ENFORCEMENT OF CONSUMER RIGHTS AND CONSUMER REDRESS

Despite a generally high level of consumer protection guaranteed by EU legislation, **compliance is uneven and problems encountered by consumers are still too often left unresolved**. In 2010, when the Commission took office, the total detriment that European consumers incurred from problems with a product or a service purchase was estimated at about 0.4% of EU GDP. Compliance checks regularly reveal gaps in traders' practices. For example, the study on the EU consumer credit market showed that only 22% of advertisements of consumer credits contained all the compulsory information. Effective enforcement of consumer rights has therefore been a priority for the Commission.

In the area of **product safety**, the Commission has improved cooperation within the RAPEX system whereby Member States cooperate to remove dangerous products from the market. It has also stepped up market surveillance more generally, including in sectors covered by more specific rules such as cosmetics and medical devices.

In an increasingly digital environment the Commission has paid particular attention to the **respect of consumer rights by online traders and service providers** by coordinating sweeps (i.e. checks of compliance) of websites in a series of industries and by facilitating joint enforcement actions by national authorities to address malpractices.

Last but not least the Commission has sustained its support to the European Consumer Centres which provide invaluable on-the-ground assistance to consumers. At the same time, consumers will soon be able to use **new, faster and more effective means of redress** in the form of alternative dispute resolution and online dispute resolution and the Commission has formulated clear recommendations for effective collective redress to be made available in all Member States.

4.1. There can be no compromise on product safety

The RAPEX system is one of the pillars in protecting European consumers' health and safety. Via this system inspectors in all Member States are informed about measures taken in one Member State against dangerous products. This starts a chain reaction whereby those products notified via RAPEX by a Member State are also removed from other national markets in the EU.

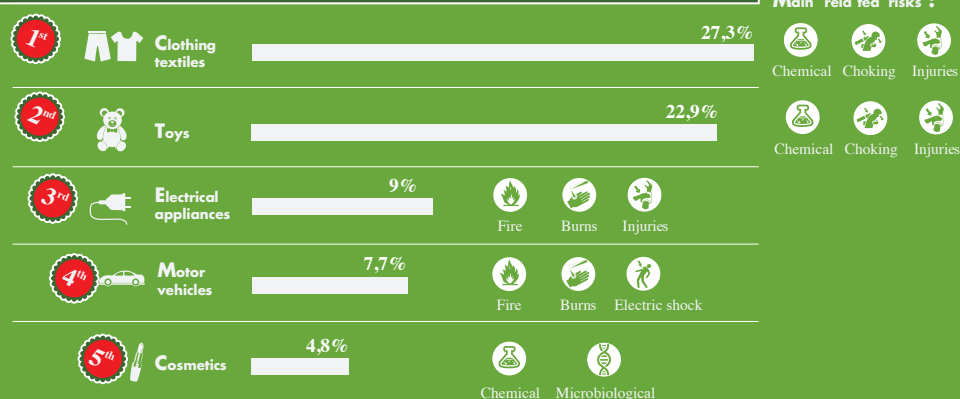
Overall, from 2010 to mid-2014 the European Commission informed the enforcement network of **9871 notifications on dangerous non-food consumer products**. As a result, for example some 2000 toys (such as dolls containing dangerous chemicals, or baby toys with detaching small parts that could cause choking when swallowed) have been removed from the market.

Whilst market surveillance is a Member State competence, to facilitate coordination and to encourage joint priority-setting and sharing of results, the Commission has allocated co-funding to market surveillance projects where Member States cooperate, and the February 2013 Product Safety and Market Surveillance Package (see above) included a **multi-annual plan for market surveillance 2013-2015, with 75% of the 20 actions already completed or ongoing**.

The Commission has in particular convened a multi-stakeholder expert group to discuss and establish guidelines, by the end of 2015, for more effective market surveillance of products online. It has also continued its important co-funding for market surveillance projects bringing several Member States to check and test same product categories and share results.

Dangerous products notified via RAPEX in the period 2010-2013

TOP 5 MOST NOTIFIED PRODUCT CATEGORIES



4.2. Consumer rights must be safeguarded in an increasingly digital market place

The Consumer Protection Co-operation network brings together the national authorities in charge of enforcing European laws on consumers' economic interests and the European Commission. In case of cross-border violation of consumer rights, the network allows the authority of the Member State, in which the consumer interests are harmed, to call on the counterpart in the Member State where the trader is located and ask for action to stop the infringement. Enforcement authorities can also alert each other to malpractices which may spread to other countries.

By the end of 2013, the Member States had made 1454 mutual assistance requests, which comprised 699 information requests and 755 enforcement requests¹¹.

Under the lead of the Commission, the Member States have stepped up their cooperation to enforce consumer rights and have paid particular attention to making sure that commercial websites comply with EU consumer legislation. **National enforcers in the CPC network have checked simultaneously each year whether websites in a given sector complied with EU consumer rules.** This has led to the correction of some 1000 non-compliant websites between 2010 and 2014, covering large parts of the market in the sectors of on-line events ticket sales, digital downloads, consumer credit and travel services. The sweeps have also increased awareness about consumer legislation among e-traders and consumers.

Following a large number of complaints lodged across the EU, in December 2013 the CPC network

launched a **first coordinated enforcement action as regards app purchases in online games and in particular inadvertent purchases by children.**

It issued a common position asking industry to correct malpractices within a clear timeframe with a view to ensuring proper consumer protection for apps customers, such as that games advertised as "free" should not mislead consumers about the true costs involved and that there should be no direct exhortation to children to buy items in a game or to persuade an adult to buy items for them. Industry was also invited to reflect on concrete measures that they could take to address the issues raised in the common position, including the possibility for guidelines or standards incorporating the CPC position. This action delivered tangible results as industry has made a number of engagements in order to address the concerns raised. In July 2014 the Commission disclosed¹² the remedial actions and their timeline as proposed by major industry players. For example, one of these players decided to completely abandon marketing games offering in-app purchases as "free". The Commission and the national authorities will monitor how these engagements are implemented and undertake follow-up actions if necessary.

The experience gained from the sweeps and the enforcement actions have provided useful insights for the on-going **review of the CPC Regulation.** A Report published on 1 July 2014 on the functioning of the Regulation highlights the need to find effective solutions to tackle widespread infringements of consumer rights in the EU. Stakeholders also call for a stronger coordination and a uniform EU-wide approach that would offer better outcomes for consumers, simplify compliance and reduce costs for business. Preparatory work is being taken forward so that the next Commission can swiftly make an informed decision about how to strengthen the enforcement of consumer legislation in the EU and meet the challenges of the digital economy.

11. http://ec.europa.eu/consumers/enforcement/cross-border_enforcement_cooperation/docs/140701_commission_report_cpc_reg_en.pdf
12. http://europa.eu/rapid/press-release_IP-14-847_en.htm

Bringing websites in compliance with EU consumer legislation: the sweep into digital content online sales

The sweep into digital content online sales conducted in the summer of 2012 covered 333 websites, of which a majority showed irregularities. Issues included, for example, unfair contract terms, unclear information about what happens if the consumer cancels a download in progress, and the absence of any address details

for the service provider, meaning that the consumers had no way of contacting the seller in case something went wrong. As a result of the intervention by enforcement authorities, 80% of the 333 websites checked were in line with consumer legislation by the end of 2013.



> Start of sweep: more than **50%** of websites showed irregularities.

> After sweep and enforcement action (by end 2013): **80%** of websites in compliance.

4.3. The European Consumer Centres are servicing increasing numbers of consumers

The single market brings tremendous opportunities for European business and consumers. However, this potential is held back by real and perceived obstacles that decrease consumers' confidence in purchasing goods and services from traders located in other Member States.

To create and enhance this confidence the Commission has continued strengthening the operation and cooperation within the network of European Consumer Centres established in the Member States, Iceland and Norway. These

Centres provide, for free, professional consumer advice and help in case of cross-border problems so that consumers are equally protected wherever they shop in Europe and can easily reach amicable solutions with traders in the vast majority of cases.

Between 2010 and mid 2014 the European Consumer Centres helped solving more than 135 000 complaints from consumers and had almost 350 000 contacts with consumers asking for advice about their rights or for assistance. In 2013 alone, ECC-Net managed more than 80 000 contacts with consumers, an increase of 12.6 % compared to 2010. In 2013, two thirds of all complaints concerned on-line transactions, which underscores the importance of this work for supporting the digital single market.

Making the internal market deliver for consumers: complaints handling by the European Consumer Centres in 2013

▶ TOP 10 AREAS OF COMPLAINTS

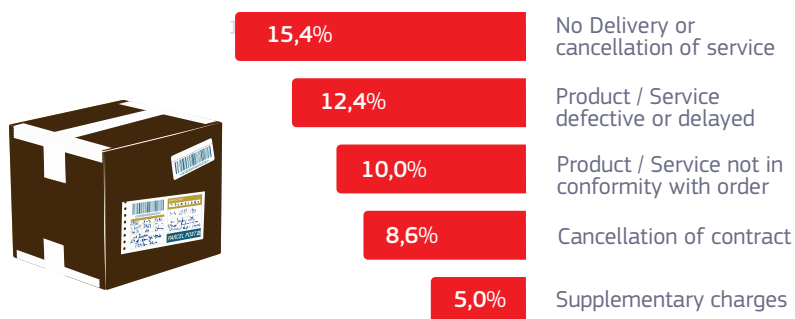
1 TRANSPORT of which

18,3%  air transport

4,5%  car rental

- 2 HOUSEHOLD EQUIPMENT AND MAINTENANCE
- 3 RECREATIONAL, SPORTING AND CULTURAL SERVICES
- 4 TIME-SHARE PRODUCTS AND PACKAGE HOLIDAYS
- 5 HEALTH CARE RELATED EQUIPMENT AND PRODUCTS
- 6 AUDIO-VISUAL, PHOTOGRAPHY AND INFORMATION
- 7 TELECOMMUNICATION
- 8 CLOTHING AND FOOTWEAR
- 9 HOTELS AND RESTAURANTS
- 10 PERSONAL CARE GOODS AND SERVICES

▶ TOP 5 CAUSES OF COMPLAINT



4.4. EU-wide online dispute resolution will soon become a reality

Thanks to the new legislation on Alternative Dispute Resolution (ADR) and Online Dispute Resolution (ODR) adopted in 2013, consumers and traders will be able to solve their disputes without going to court, in a quick, low-cost and simple way.

Indeed, a **new EU-wide online platform will be available in 2016 to solve disputes between consumers and traders arising from online cross-border and domestic transactions.** The

disputes will be handled by quality alternative dispute resolution entities in 90 days. The platform will link national quality alternative dispute resolution entities and operate in all EU official languages.

The Commission also adopted a Recommendation on Collective Redress in June 2013. It is aimed at facilitating access to justice and obtaining compensation for harm caused to a large number of citizens and companies by a violation of their rights under EU law. It invites Member States to implement its principles in national law by July 2015. The Commission will evaluate the effectiveness of the measures taken and assess whether further measures are needed.

Solving on-line purchases disputes fast and cheap!

As of 2016, a new European platform will enable consumers to solve in a simple way disputes with traders about online purchases without going to court. They will be able to submit a complaint via the platform if a dispute arises concerning a product or a service they

bought online, no matter the amount at stake and no matter if it has been bought in their home country or in another EU country. The dispute will then be dealt with by a quality alternative dispute resolution entity.

4.5. Consumers' financial rights must be respected also during the crisis

The crisis has put many European households in a difficult situation. To assist consumers in their financing decisions, the 2008 Consumer Credit Directive introduced important rights related to the provision of information to consumers at advertisement, pre-contractual and contractual

stage, for consumer credits from €200 € to €75,000.

In May 2014 the Commission published a report on the functioning of the Consumer Credit Directive¹³. In view of the shortcoming revealed (for example that only a minority of advertisements indicate all the information that is compulsory and that consumers are insufficiently informed about credit details and about the right of withdrawal at pre-contractual stage), the Commission has worked with the enforcement authorities of the Member States to identify and share best supervisory practices.

Consumer rights before, during and after taking consumer credit

EU legislation gives consumers a full set of rights when they take out loans between €200 and €75.000, for example to buy a car, to replace an old computer or finance post-graduate studies. Based on these rights, consumers can easily shop around to find the offer that best meets their needs. For example, consumers have the right to receive clear and standardised information on the key characteristics of the loan before signing anything. Consumers also have the right to change their mind and withdraw from the loan agreement, without any explanation, 14 days after its signature.

WHAT ARE THE **FIVE** KEY CONSUMER CREDIT RIGHTS? WHAT EVERY CONSUMER SHOULD KNOW.

1



ADVERTISING MUST BE TRANSPARENT

Adverts that show the cost of credit or interest rate must:

- ▶ contain information to help you compare offers and find the best deal
- ▶ Include a representative example with clear and balanced view of the nature and costs of the credit

2



ASK FOR ALL THE INFO BEFORE YOU SIGN

Credit providers are obliged to give you the key information in good time before you sign a credit agreement. You should receive this information in the Standard European Consumer Credit Information form (SECCI), allowing you to compare credit offers.



SECCI, the Standard European Consumer Credit Information form, is explained in detail at the web address below.

3



TAKE HOME A COPY OF THE CONTRACT

You have the right to receive a copy of the credit agreement you have signed. It must be written in clear and concise language.

4



YOU CAN CHANGE YOUR MIND

You can withdraw from the agreement for any reason within 14 calendar days. You will have to pay back the money borrowed plus interest and any non-refundable charges already paid by the credit provider.

5



YOU CAN REPAY EARLY

You have the right to repay your credit early. However, you may have to compensate the credit provider for their lost income.

13. COM(2014) 259 final (http://ec.europa.eu/consumers/archive/rights/docs/ccd_implementation_report_en.pdf)

This Directive was also amended in November 2011 to consolidate the approach for the calculation of the Annual Percentage Rate of charge (Directive 2011/90/EU, OJ L296 of 15.11.2011).

EMPOWERING CONSUMERS

5

There remains a considerable gap in the knowledge that both consumers and traders have on their respective rights and obligations under EU legislation. There are also wide differences in consumer awareness and consumer empowerment between the Member States. This undermines consumer confidence and holds back business opportunities in the single market.

This important message is being delivered through a series of **consumer missions** to the Member States undertaken by the Commissioner for Consumer Affairs in 2014. They have provided an opportunity to engage with the authorities in charge of consumer protection, relevant regulators and consumer associations. In the case of Greece, Bulgaria and Italy these missions also marked the launch of a Commission **Consumer Rights Awareness Campaign** targeting both consumers and business on the occasion of the entry into force of the new Consumer Rights Directive. Campaign events have also been organised in Cyprus, Latvia, Poland, Portugal and Spain.

In May 2013, the Commission launched an **information campaign to raise the awareness of consumers about their rights under the Consumer Credit Directive** and to encourage them to compare offers in order to take the credit product most suitable to their needs. The campaign was carried out in Ireland, Spain, Malta and Cyprus and concluded in 2014.

Particular attention has been paid to raise awareness of consumer rights in the most

newly acceded Member States, with dedicated campaigns organised in Romania and Bulgaria, and such a campaign is also scheduled in Croatia in the autumn of 2014.

Generally speaking the Commission has **continued stepping up its communication strategy on consumer policy through press, TV and online advertising, social media, PR events, round tables with business and citizens' dialogues**. The twitter account @EU_Consumer has more than 15000 followers and the "Consumers" section of the Directorate-General for Health and Consumers, as recently upgraded, receives almost 500 000 visits per month.

Finally, as part of the Consumer Agenda, the Commission has also developed actions in **consumer education and capacity building of consumer organisations** to improve the effectiveness and added value of EU interventions. They have been oriented towards more synergy with national efforts and transfer of best practices between countries. A new community site for secondary school teachers, the "Consumer Classroom" was launched on 15 March 2013, which now offers almost one thousand teaching materials from across the EU, and a yearly interschool competition. Also, a new diversified programme of capacity building actions to consumer associations, "Consumer Champion", is being launched in 2014, to facilitate the sharing of good practices via a community site with e-learning courses. Class teaching courses are also an important part of this programme.

EU policies to empower the consumer: energy savings of up to €1000 per household

Most if not all EU policies directly impact the daily lives of more than 500 million consumers. The EU energy policy is a case in point: 30% of all EU electricity is consumed by European households. The Commission therefore wants to ensure that the Third Energy Legislative Package delivers tangible benefits to consumers and pursues this objective in particular in the framework of the Citizens Energy Forum.

In this context measures have been adopted to empower the consumer, such

as guidelines on consumer rights and price transparency in the energy sector. To help consumers understand how much energy their household consumes, the Commission has worked to deliver advice to national governments on how to provide simple and functional electronic bills for electricity and natural gas and best practices on how to better manage energy consumption at home. It is estimated that up to €1000 could be gained every year per household by being more energy efficient.

The screenshot shows a web browser displaying the ANY company customer portal. The user is identified as Mrs. Smith. The page layout includes a header with the company logo, a search bar, and a navigation menu. The main content area is divided into several sections:

- Welcome Mrs. Smith:** Includes a profile picture and a 'My Contract' box showing 'Day & Night Fix' and '2 year contract'.
- My Information:** A tabbed interface with 'My Consumption' selected. It shows:
 - Amount to pay:** 110,21€ (Period: 1st September 2013 to 1st October 2013)
 - Due by:** 30th October 2013
 - Energy Consumed:** 850 kWh
- Contract Info:** A table with the following data:

CONTRACT PERIOD	2 YEARS expires on 15 September 2014
YOUR SWITCHING CODE (EAN)	54144489207080649100
UNIT PRICES	Day&Night Fix
YOUR TARIFF	Normal rate 6.26 ¢cent / kWh plus taxes and charges applies Monday to Fri from 6 am to 10 pm Reduced rate 3.13 ¢cent / kWh plus taxes and charges applies Monday to Fri from 10 pm to 6 am and on weekends
- Payment Problems:** A section with a 'You Need Help? Contact us!' prompt.
- Customer Service:** 00 800 22 40 40 (Lines open Mon-Fri 8am-9pm, Sat 9am-7pm)
- Emergencies:** 0 800 22 45 45 (Lines open 24 hours a day, 7 days a week)
- Contact Info:** Website: www.anycompany.eu/billing; E-mail: anycompany@service.eu; Postal address: AnyCompany Ltd, 17 Any Avenue, 1350 Anytown

Additional features and notices include:

- Online Tutorial** and **Contact Us** buttons.
- Rights** section: 'My rights as a consumer are...', 'Our obligations as your energy company are...', and 'What to do to launch a complaint'.
- Efficiency Tips:** Tip #1: 'By reducing by X Celsius the heating temperature, you can save Y percentage of energy on average.' Tip #2: 'By selecting Energy label A or higher appliances, you can save X % of energy on average.'
- Compare with friends** button.
- Green Button** and **FAQs** links.
- Web Content Accessibility - Level AA Conformance logo** (W3C WAI-AA MCAG 2.0).
- Historical data and other consumer data are exported to a file. Important for consumption data portability.** (Callout box)

COOPERATING WITH STAKEHOLDERS, ALSO AT THE INTERNATIONAL LEVEL

6

Consumer policy deals with issues affecting the daily lives of more than 500 million EU citizens and is therefore of real concern and interest to them. **Consumer organisations play an important role in defending and advancing those concerns and interests and are therefore an important interlocutor for the Commission.** In this spirit, the Commission has intensified its dialogue with BEUC, the European umbrella consumer organisation, and with ANEC, the European consumer voice in standardisation. The Commission also regularly meets with national consumer organisations in the European Consumer Consultative Group, to share information and exchange views on major policy and legislative developments at both EU and national level.

The Commission has also taken forward its cooperation with stakeholders by associating them more closely to the design of initiatives that impact them. Examples of such closer cooperation are the two **multi-stakeholder dialogues launched in 2012 on misleading environmental claims and comparison tools** respectively. These dialogues contribute to sharper problem definition and to improve the understanding of what constitutes a practical policy solution, and thus help to design more effective hard and soft law.

In an increasingly global world consumer protection cannot stop at the EU borders and requires close **cooperation with our main trading partners.** This has been an increasingly important element in particular of the EU's product safety policy in the last years. Cooperation has notably been deepened with China, in which around 60% of all dangerous consumer products found in the EU originate, to promote safety at source. Based on the "RAPEX-China" information exchange system, each year the Chinese authorities have investigated several hundred of dangerous non-food consumer products of Chinese origin found in the EU and taken corrective actions tracing back the responsible manufacturer.

The Commission has also pursued EU-US-China trilateral cooperation with biannual high-level meetings on consumer product safety, working towards seamless market surveillance and joint enforcement actions. These issues, alongside the safety of cosmetics, medical devices and consumer protection in e-commerce, were regularly discussed with the relevant Chinese counterparts, including during a mission of the Commissioner for Consumer Affairs to China in June 2014.

EU-US-China cooperation to improve consumer product safety



Regulatory aspects of medical devices and cosmetics are being discussed in the framework of the on-going **TTIP negotiations** with the US. The proposed items for closer collaboration could result in gains for industry and regulators and in greater international harmonisation of requirements for medical devices and cosmetics - without compromising the protection of public health. Indeed, the Commission is attentive to preserving the high standards of consumer protection achieved in the EU. The Transatlantic Consumer Dialogue has organised two major meetings to provide insights and input into the on-going negotiations.

In parallel, the Commission has furthered regulatory cooperation at the multilateral level, notably in the **International Medical Devices Forum**¹⁴ established in 2012 and in the **International Cooperation on Cosmetics Regulation**¹⁵.

The Commission also participated actively in **OECD work, both in a dedicated Working Party on consumer product safety** and in developing **G20 High Level Principles on Financial Consumer Protection**, promoting the approaches worked out in the EU.

14. The International Medical Devices Forum is a multilateral voluntary group of global medical device regulators from around the world whose main aim is to achieve convergence among the regulatory environments of participating members in the field of medical devices. The IMDRF Management Committee, composed of regulatory officials, provides guidance on strategies, policies, directions, membership and activities of the Forum. The medical device regulatory authorities of Australia, Brazil, Canada, China, the EU, Japan, Russia and the US are members of the IMDRF Management Committee. The WHO and another multilateral forum, the Asian Harmonization Working Party, attend as observers.

15. The International Cooperation on Cosmetics Regulation is an informal international group of cosmetics regulatory authorities from the US, Japan, the EU and Canada, recently joined by Brazil, which was established in 2007 with a view to playing a leading role in setting global consumer standards and benchmarks. China participates as an observer. The two-fold purpose of ICCR is to maintain the highest level of global consumer protection, while minimizing barriers to international trade. The ICCR was created at the initiative of the European Commission. The major topics discussed so far in ICCR are alternative methods to animal testing, Good Manufacturing Practices, safety assessment, traces, nanotechnologies, and allergens.

LOOKING AHEAD

7

A sound, credible and effective consumer policy rests on a solid **evidence** base; policies, legislation and rights that are **enforced** in practice; and **empowered** consumers that drive competitive markets. These principles have guided the Commission and remain as relevant as ever to bring Europe out of the economic crisis but also to bringing tangible benefits to EU citizens.

In this context it will be particularly important to continue to:

- **consolidate** the legislative framework, notably by securing a successful outcome of the inter-institutional negotiations of the new consumer product safety and market surveillance and medical devices legislation.

This also comprises taking forward all the necessary implementing measures to turn adopted pieces of legislation into tangible improvements for consumers, such as a fully functioning on-line dispute resolution platform.

- **cooperate** closely with stakeholders at all levels so as to put consumers' interests at the heart of evolving EU policies, including the Commission's external action agenda.

A particularly important effort will need to be made to strengthen cooperation among EU consumer protection authorities in the context of the review of the CPC Regulation. A thorough reflection is needed on how to ensure that the completion of the EU's digital single market is accompanied by an effective and consistent enforcement of consumer rights across the EU - no matter from where and how consumers purchase goods and services.

- **communicate** on the tangible rights and benefits that the EU brings to consumers but also, in particular vis à vis industry and economic policy makers, on the role of consumer confidence and behaviour in reaching the Europe 2020 targets.

To make such communication successful, the Commission should up-date and reboot the European Consumer Agenda so that it can continue to provide a structured and consistent framework for consumer policy actions and advocacy.

