

CLASSIFYING AND REPORTING CONSUMER COMPLAINTS

BEUC response to the public consultation on developing a harmonised methodology for classifying and reporting consumer complaints across the European Union

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Summary

Due to the wide variety of complaint classification and aggregation systems as developed and used by our members, which are often linked to a certain objective of the organisation or its funding structure, BEUC's comments are limited to the more general parts of the Commission's questionnaire. BEUC and its members at this stage favour a voluntary system for the harmonized classifying and reporting of consumer complaints. We ask the Commission to provide more information regarding possible classification systems and collection modalities and the costs involved.

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Classifying and reporting consumer complaints

1. BEUC welcomes the Commission's consultation on developing a harmonised methodology for classifying and reporting consumer complaints across the European Union.
2. Many of our member organisations will respond directly to the Commission.
3. Due to the wide variety of complaint classification and aggregation systems as developed and used by our members, which are often linked to a certain objective of the organization or its funding structure, BEUC's comments are limited to the more general parts of the Commission's questionnaire.
4. In 2007, BEUC very much welcomed the launch of the Commission's "Consumer Scoreboard" to help identifying consumer detriment within the Internal Market in a systematic and regular manner and at an early stage. We very much agree that so far there is a lack of indicators providing evidence on market outcomes from a consumer perspective.
5. We have expressed our willingness to contribute to the collection of the necessary evidence and we welcome the current consultation as a tool to find the best format for a harmonized complaints classification system and also to assess how consumer organizations can be involved in the process of data collection.
6. Despite the fact that BEUC and its members in principle support an initiative to classify and develop a common methodology to collect and aggregate consumer complaints, a series of concerns have been raised, which we list below and which we ask the Commission to take into account when drawing its policy conclusions from the consultation responses.
7. In order to provide more clarity about the initiative which the Commission envisages, more concrete information should be made available by the Commission on how the harmonized classification and aggregation methodology might look like and how it would take account of the various entities (consumer organisations, public authorities etc.) that might collect information.
8. Consumer complaints are seen to be a key indicator for the functioning of markets. The need for more comparable and usable data from different Member States is therefore a logical consequence of the Commission's policy.
9. However, we would like to stress in this context, that consumer detriment cannot be measured through data on consumer complaints only. Many factors, such as personal motivation, cost/benefit comparison, social pressure etc, have an influence on whether a consumer with a problem will finally complain or not. Many problems are not reported through consumer complaints.
10. The study recently published by DG SANCO about consumer detriment measurement¹ states that: "{consumer} complaint data would ... not be suitable for using as an indicator of structural detriment." We would like to stress that consumer complaints data on their own are neither a reliable source for assessing the functioning of market, nor for the comparison of national markets.

¹ "An analysis of the issue of consumer detriment and the most appropriate methodologies to estimate it" final report for DG SANCO by Europe Economics , point 18.37; pub: European Commission website, at http://ec.europa.eu/consumers/strategy/docs/study_consumer_detriment.pdf

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11. We would underline in particular that complaints data, as set out in the aforementioned study² might be limited in regard to "large scale low-level detriment", because consumers often simply do not complain for small financial losses.
12. The introduction of an EU-wide group action scheme, which is currently considered by the Commission, would provide for a fundamental improvement in this respect.
13. We trust that the Commission in its future policy shaping will use other additional indicators to measure the detriment of specific consumer groups and in particular of vulnerable consumers, who very often do not voice problems.
14. BEUC and its members at this stage favour a voluntary system for the harmonized classifying and reporting of consumer complaints.
15. An obligatory system is seen as potentially interfering with a well functioning data collection system that some consumer organizations have already developed. These systems serve certain objectives which are important for a certain organization or fulfil a certain need in a certain country.
16. The obvious risk is that work could double for organizations if they had to collect complaints data according to an EU wide harmonized methodology, but at the same time need to maintain their own system. Consideration should therefore be given to how a redoubling of efforts can be avoided. Solutions to convert systems in a flexible way which would allow for adaptation according to specific needs should be looked after.
17. Consumer organizations would require funding in order to be able to contribute to and/or implement any new system as well as any linked IT Tool.
18. Concerns have also been raised about the fact that the development and implementation of an EU wide harmonized classification system would tie down a big amount of financial resources. Therefore a cost-benefit analyses should be done to better inform the Commission's decision what dimension the initiative should and can take.
19. BEUC agrees that only the classification of complaints addressed to third parties (contrary to complaints addressed to the seller) should be harmonized.
20. Regarding the variables, we consider that as much detailed information as possible should be collected, including all variables listed by the Commission.
21. We consider that data must be made available on a regular basis and certainly every six months, so that action can be taken in a short time.
22. The aggregated data should be made available to the public so that consumer organizations can provide any relevant information to consumers and to insure that the instrument can be adapted where needed.

END

² Idem point 18.40