



## **Minutes of the European Consumer Consultative Group (ECCG) 17 March 2010**

**BRUSSELS, Centre Albert Borschette – ROOM 0C  
CHAIR: EUROPEAN COMMISSION**

### **1. Opening and presentation of ECCG members (ECCG2010 007)**

The Commission (Ms Jacqueline Minor, DG Health and Consumers) welcomed the new ECCG members. Some ECCG members presented themselves, their national consumer organisations as well as the overall picture of consumer NGOs in their country. Members from BG, BE, CZ, DE, DK, FR, IE, EE, ES will do it at the next meeting.

### **Points for discussion**

#### **2. New ECCG – new European Commission**

Mr Robert Madelin (Director General, DG Health and Consumers) underlined that one of the major challenges for the EU is to give full weight to individuals as consumers. The period that goes from now until the summer will be fundamental because it will set the tone for the next 5 years. The EU 2020 defines the strategic goals and it represents a good opportunity to have stronger consumer policies, but this will be possible only if we will be able to prioritize the actions to be taken. Hence the need to properly highlight consumers' needs. Commissioner Dalli perfectly understands the centrality of consumers' interests. He is aware of the fact that we must work with consumers' organizations in order to take concrete actions in line with citizens' needs. The work with the ECCG is an example of a constructive dialogue for other Commission services. Integrating the consumer's voice in EU policies is a Commission and an ECCG challenge.

During the discussion, a member asked how to combine the work of all the different Commission services which have a consumer dimension. Mr Madelin replied that at the Commission level, President Barroso has not decided the level of coordination yet, but he is confident that Commissioner Dalli will succeed in the coordination work.

Looking at the EU strategy, a member was concerned by the internal market project. He thought that consumers would like the economy to restart but that some are questioning the free competition model. A member asked whether some policies will be reviewed given the climate change problem. Mr Madelin replied that in 2004 when he arrived at DG Health and Consumers, there was not so much concern on sustainability and now it is one of the major subjects. However we must keep in mind that it is above all the responsibility of DG Climate Action. A member asked how the GMO potato approval can be in accordance with sustainability and consumer protection. The Commission stressed that the final decision of

applying the rule will be national. In parallel, at the EU level, we must decide which cultivations are safe.

Some members raised doubts about the nomination of the ECCG members, in particular vis-à-vis the subsidiarity principle. Some members are of the view that it is up to the countries to nominate ECCG national representatives. Mr Madelin replied that this group was a Commission advisory group set up by a Commission Decision in order to advise the Commission on EU consumer issues. This group constitutes a consumer dialogue at the European level. The Commission is aware of some of the concerns but had to find common criteria to nominate the members while being attentive to national situations. We will have to see how the new system works in practice. The voice of the ECCG is stronger and more effective if we are able to show the added-value of its work.

### **3. Telecom Press Release – Judgment in case C522/08 (ECCG2010 013)**

The Commission (Ms Karine Maillard, DG Justice, Freedom and Security) presented the judgement of 11 March 2010 by the European Court of Justice. It concerns the right of Member States to prohibit telecom providers from imposing a package of services on end-users, in this case making broadband internet access services contingent on the conclusion of a contract for telephone services. The Court of Justice held that such a national prohibition on tied offers in the telecom sector is allowed under the Directives on electronic communications, but, on the other hand, that such a general prohibition is not allowed under the Unfair Commercial Practices Directive.

A member raised the conflict between maximum and minimum harmonisation of EU rules as well as the link between these special directives on electronic communications and other EU consumer laws.

The member was also concerned that the companies that will be more affected by this law are the companies with a significant market power. The member said that consumers want more and more new products and services which are offered above all by companies with a dominant position. As a consequence of this law, they might reduce their offer.

### **4. Draft ECCG Opinion on package travel (ECCG2010 010)**

The rapporteur (Monique Goyens, member for BEUC) presented the work done so far on the ECCG draft Opinion on the revision of the Package Travel Directive (PTD). She pointed out that the Commission needs to cautiously weigh the representativeness, as well as the sector-specific expertise, of the respondents when analysing the responses to the public consultation. She also underlined that it was essential that the different Commission services liaise in order to maximise consistency of approaches and methodology in case of parallel consultations in similar areas, such as the Package Travel Directive and the Air Passengers' rights Regulation.

The rapporteur presented the main points of the ECCG draft opinion. The scope of the PTD should be extended to cover a wide range of dynamic packages. She referred to an example when consumers are browsing on a company website which are linked to another provider without the consumer being aware of this. She also underlined that there should be no possibility for price revisions after the contract is signed. The price should be all inclusive with no possibility of extra charges to the consumers on a later stage. The ECCG draft opinion proposes a system of joint liability of the seller and the organiser for proper performance of

the contract. Moreover, it calls upon the Commission to prepare a guidance document on the method of calculating the compensation. In this respect she referred to the Frankfurter Table which could be a good basis for further development. The rapporteur also mentioned the need to introduce cancellation rights for consumers in case of "force majeure" at the destination. As regards the possibility to introduce a trust-mark, the rapporteur said that a trust mark should go beyond the rights granted by the law. It should not be there only to promote the rules, but it should have an added-value for consumers.

During the discussion, a member supported the idea of joint-liability. He did not support the idea of the "package travel"-logo, pointing out that an additional logo can mislead consumers. Another member referred to the issue of prescription periods, where, in his opinion, there should be a minimum of two years timeline to go to court and there should be cases in which the prescription period can be interrupted (e.g. during complaint handling in ADRs). A member stated that the current scope of the Directive was not clear and asked for the maximum possible extension of its scope. Another member underlined that a period during which a consumer can terminate a contract without paying any costs should be clearly set. Furthermore, the issue of safety of the tourist accommodation was raised by one of the members. Finally, another member pointed out that there were a lot of labels on different products and consumers did not even know all of them. This member stressed that there was no room for other labels.

*Follow-up:* Revised opinion on package travel has been circulated for comments to Mrs Monique Goyens, rapporteur. **Deadline 6 April** (ECCG2010 014)

## **5. Air Passengers' Rights (ECCG2010 003)**

The Commission (Ms F.Diaz Pulido and R. Lopian, DG Mobility and Transport) made a presentation on the public consultation on air passengers' rights. The results of the public consultation will be presented at a stakeholder conference before the summer and, together with other sources, will provide input into a package of communications on passenger rights to be adopted by the Commission by the end of 2010. During the discussion, members underlined the fact that some authorities have little means to enforce regulations and to check their effectiveness. Even if there are clear rules, it is extremely difficult for a consumer to check alone if rules are respected. They often have to go to a lawyer in order to understand and enforce their rights. In addition, passengers often do not receive compensation very easily. It should be ensured that people have a quick and efficient access to justice. Furthermore, there is a lack of consistency across the different airlines. There are cases where there is a delay but no compensation is given because the air carrier claimed that there was a technical problem.

The Commission replied that over the last years the system of controls and penalties has improved a lot. But in some countries the legal administrative system is very slow or does not possess the necessary power that it takes a long time before a company is sanctioned. Before 2005, we had minimum rights recognised but after the application of the regulation, the situation improved a lot, for example the overbooking decreased significantly.

*Follow-up:* The Belgian member will present in the next meeting the Court actions that Test-Achats launched jointly with consumers' associations from France and Portugal against airlines companies in order to provide a good example of the collaboration among national consumers' associations across Member States.

## 6. Draft ECCG rules of procedures and ECCG work plan for 2010 (ECCG2010 011)

The Commission (Anita Fokkema, DG Health and Consumers) presented the draft rules of procedure. A member commented that in article 2.2 it is not clear whether the deadline of 10 days relates to the minutes or to the amendments. In article 4.1 it is specified that invitations to the meetings must be sent no later than 15 days before the date of the meeting, but on the other hand the Commission says that it will plan meetings for the year ahead. In article 4.2, it is mentioned that the secretariat shall send the documents no later than 5 working days before the date of the meeting, but a member thinks that this deadline is too short. Another member pointed out that in article 10, there is a contradiction: on the one hand, members have reporting obligations but on the other hand it is stated that group deliberations are confidential. Furthermore in article 4.2, the requested format for the working documents is the PDF, a member suggested using an open format (word) in order to make corrections easier.

The Commission replied that they are going to amend article 2.2 regarding the deadlines of the minutes. Art. 4.2: the deadline to send meeting documents 5 working days before the date of the meeting should be seen as absolute minimum. In article 4.2, the PDF format will be deleted. As regards the dates of the meetings, dates planned at the beginning of the year are provisional. Article 7.2: the Commission does not want to put burden on ECCG Members, they are expected to explain which mechanism they used when reporting back at national level". Article 10.2 will be deleted.

### *Follow-up:*

- A revised version of the draft ECCG rules of procedures has been sent for ECCG comments **by 30 April**.
- Statement of intention to be sent to [patricia.masset@ec.europa.eu](mailto:patricia.masset@ec.europa.eu) **by 15 April**

## 7. Developments within SEPA (ECCG2010 011)

The Commission (Mr Jean-Yves Muylle, DG Internal Market and Services) made an introduction explaining its role in SEPA. The Commission intends to monitor the migration towards SEPA, to identify its potential weaknesses and to encourage all relevant actors to communicate. There should be an end date for SEPA migration. The Commission has a mandate from the Council to assess the various policy options. The Parliament has indicated it should not be later than end 2012. At national level, SEPA committees are composed in a different way from country to country, there is no real European level forum which includes representatives from all the categories. There is a growing recognition that concerns of end-users must be taken into account seriously. The Chair and the Secretary General of the European Payments Council (EPC) made a presentation on the SEPA Direct Debit Safety and on SEPA progress and status.

During the discussion, a member argued that end users and consumers' organisations are not taken into consideration by the EPC. Moreover, the customer as the owner of the money in his/her bank account should always be able to control the operations related to his/her bank account. The current system does not guarantee this. End users are not included in the decision-process. A member stated that in the Netherlands there is a successful cooperation on SEPA. He wonders why in other countries there are not the same guarantees and the same dialogue. The situation is not homogeneous among Member states. In Greece, for example,

the Central Bank did not involve consumers' organisations in the decision-process together with banks. Another member said that this system does not set clear standards for consumers.

The Commission replied that SEPA is central for the efficiency of the EU. It is moving from a market initiative towards a regulatory one. What is needed is a balanced approach. The dialogue has been set up at a national level. There are different situations among Member states but a coherent vision is needed. ECCG members should ask for a better consumer representation in this dialogue process.

*Follow-up:*

- EPC will invite BEUC at their meeting on 24 March where their letter of 21 January will be on the agenda. Any other consumer representatives are also welcome to attend the meeting.
- ECCG members are encouraged to invite national organisations to participate into the National Coordination Committees usually set up by National Central Banks.
- Information on SEPA available on DG Markt Website. Link: [http://ec.europa.eu/internal\\_market/payments/sepa/index\\_en.htm](http://ec.europa.eu/internal_market/payments/sepa/index_en.htm)

## **8. Current Commission initiatives in the financial services sector that are relevant for consumers**

The Commission (Mr Dirk Staudenmayer, DG Health and Consumers) underlined the main issues of the Staff Working Document which the Commission adopted last year. Too often the consumers are sold financial products which do not correspond to their needs. An important objective and lesson from the financial crisis is to have clear and comparable pre-contractual information. This has now become a trend in EU policy, stretching from credit to investments. Another lesson from the financial crisis is the importance of advice. In order to feed into ongoing work, for instance on PRIPs and the revision of MiFID, the Commission is about to launch a mystery shopping exercise in all EU countries on advice. As regards consumer education, the Commission will hold a major conference on 28 May to launch a new online Dolceta education tool on financial literacy for primary and secondary in order to provide the teachers with material for voluntary use as well as to disseminate better the existing module on adult education in financial services. The last point concerns bank fees transparency. There is no internal market for bank account fees, there is a lot of discrepancy of fees across Member states. Information for consumers on the banks' websites is often unclear. The Commission intends to launch a dialogue between banks and consumers to address this issue.

One of the main initiatives of DG Internal Market relates to responsible lending on the mortgage credit market. There is also work on financial inclusion. The Commission is finalising a study about the pros and the cons of various policy options that would facilitate the access for citizens to basic bank accounts.

During the discussion, some members pointed out that education and training are necessary but are not the panacea. There were some concerns about deposit guarantee schemes, because in the current situation, people with different bank accounts do not realise what is covered and what is not. Other members asked for more regulation in this field in order to prevent situations like the last financial crisis. Another member underlined that there are still high charges for withdrawing cash.

Follow-up:

- Further to her proposal, the UK Member is invited to share the surveys on mystery shopping that her organisation has been conducting in the UK with other ECCG Members.
- The UK Member is invited to send the letter on Deposit Guarantee Scheme, that her country previously sent to DG Markt, to Mr Muylle ([jean-yves.muylle@ec.europa.eu](mailto:jean-yves.muylle@ec.europa.eu)) who will forward it to the relevant unit in DG Markt, with a copy to SANCO B 4, Mr. Francesco Gaetano, ([francesco.gaetano@ec.europa.eu](mailto:francesco.gaetano@ec.europa.eu)).
- Finally, the UK Member is asked to send any data to SANCO/B 4 ([simona.staikova@ec.europa.eu](mailto:simona.staikova@ec.europa.eu)) they have on mis-selling and poor advice.
- The IE Member is also invited to send a request about the over-indebtedness study to SANCO B/4 ([eleni.tampaki@ec.europa.eu](mailto:eleni.tampaki@ec.europa.eu)) who will forward it to the relevant unit in DG EMPL.
- To arrange a meeting between Mr Staudenmayer and the NL Member on the Dutch experience on how to regulate advice, the NL member is asked to contact SANCO B/4 ([suzana.vodovnik@ec.europa.eu](mailto:suzana.vodovnik@ec.europa.eu)).

**Points for information**

**9. Information from the Commission**

- Presentation of the Commission Advisory Committee on Fisheries and Aquaculture (ECCG2010 011). The Commission circulated explanations about this Committee so that ECCG members may propose candidates to participate (ECCG2010 021). Contact person: [maria-jesus.ruiz-monroy@ec.europa.eu](mailto:maria-jesus.ruiz-monroy@ec.europa.eu)

A member stated that the Commission should encourage sustainable consumption. Other members specified that this matter is not on the top of their priorities. This is the reason why they do not have the resources to be involved in this group.

- Presentation of the Commission retail electricity study. At the end of March, the EC will circulate the Customers' survey to get ECCG Members' input (done on 31 March). Later on, other questionnaires on problems consumers are facing will also be sent to get input. Contact person: [margareta.theelen@ec.europa.eu](mailto:margareta.theelen@ec.europa.eu)
- Task force on smart meters and smart grids: the Commission clarified that consumers are present in this task force. ANEC will be writing to DG ENERGY very soon because standards used are not always taking into account vulnerable consumers.

**10. AOB**

- **Next meetings:** 6 July (whole day) and 7 July (morning), 29 September (whole day) and 30 September(morning), 23 November (whole day)
- **Draft agenda of the next meeting** - 6 July (whole day) and 7 July (morning)
  - Presentation of the new ECCG members, their national consumer organisations and the overall picture of consumer NGOs in their country from BG, BE, CZ, DE, DK, FR, IE, EE, ES
  - Consumer Markets Scoreboard

- Follow-up to the Air Passengers Right discussion: presentation of Court actions launched by consumers' associations from Belgium, France and Portugal against airlines companies
- Consumer education projects – Dolceta, TRACE
- Consumer representation in Commission advisory groups

Please send us **your proposals for agenda items by 12 May**. In particular, ECCG Members are kindly asked to send ideas for a thematic/in-depth discussion on 7 July in the morning.

*We will not receive confirmation of these dates until 6-weeks before the planned date - so **please do not book your flights until the date has been confirmed**.*

## **ANNEX: ATTENDANCE LIST**

### **MEMBERS**

Austria	---
Belgium	Mr Gilles DE HALLEUX
Bulgaria	Mr Asen NENOV
Cyprus	Mr Giorgos TZIAPOURAS
Czech Republic	Mr Karel PAVLIK
Denmark	Ms Benedicte FEDERSPIEL
Estonia	Ms Linda LÄÄNESAAR
Finland	---
France	Ms Elsa COHEN
Germany	Mr Heinz WILLNAT
Greece	Ms Evangelia KEKELEKI
Hungary	Mr Zsolt HAJNAL
Ireland	Mr James DOORLEY
Italy	Mr Massimiliano DONA
Latvia	Mr Aivars SMAGARS
Lithuania	Ms Egle KYBARTIENE
Luxemburg	Mr Bob SCHMITZ
Malta	---
Netherlands	Mr Rogier KLIMBIE
Poland	Ms Olesia FRACZEK
Portugal	Mr Luís SILVEIRA RODRIGUES
Romania	Mr Emil BOJIN
Slovakia	Mr Miroslav TULAK
Slovenia	Ms Breda KUTIN / Ms Ziva DROL NOVAK
Spain	Ms Conchy MARTIN REY
Sweden	Mr Jens HENRIKSSON
United Kingdom	Ms Michelle SMYTH
ANEC	Mr Stephen RUSSELL
BEUC	Ms Monique GOYENS

### **OBSERVERS**

Iceland	---
Norway	---

### **ASSOCIATES**

COFACE	Mr Nicolas REVENU
EUROCOOP	Mr Rodrigo GOUVEIA / Ms Ingrid BOINET

### **EUROPEAN COMMISSION**

DG Health & Consumers	Mr Robert MADELIN
	Ms Jacqueline MINOR
	Ms Carina TÖRNBLOM
	Mr Olivier MICOL
	Ms Maria-Luz PENACOBA
	Ms Antonia FOKKEMA
	Mr Dirk STAUDENMAYER
	Ms Jelisaveta STANKOVIC
	Ms Margareta THEELEN
	Mr Kyriakos GIALOGLU
	Mr Francesco GAETANO

DG MARKT	Mr Jean-Yves MUYLLE
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DG JLS	Ms Karine MAILLARD
	Ms Justyna SOBIESKA



Mr Jens THOMMESEN

DG MOVE

Ms Maria De Las Flores DIAZ PULIDO

Ms Ruth LOPIAN

DG MARE

Ms Maria Jesus RUIZ MONROY