



Minutes of the European Consumer Consultative Group (ECCG) 8-9 December 2008

**BRUSSELS, BORSCHETTE BUILDING, ROOM 0C
CHAIR: EUROPEAN COMMISSION**

1. Opening and approval of the agenda (ECCG2008 102)

The Commission (Ms Minor, DG Health and Consumers) welcomed Cornelia Tausch, new ECCG member for Germany. The Commission presented Unit B6's newly appointed Head of Unit, Ms Carina Törnblom (as of 1st January). The Commission informed ECCG members of the presence of members from the SANCO Stakeholder Dialogue Group as observers. The meeting agenda was approved.

2. European Commission role in banking/financial crisis (ECCG2008 104-106)

The Commission (Ms Donnay, DG Economic and Financial Affairs) and Mr Oosterloo (DG Internal Market and Services) presented the various Commission initiatives undertaken in response to the banking/financial crisis.

- The majority of ECCG members highlighted the discrepancy between the urgency of saving banks and the lack of attention paid to consumer interests. They referred to the 'London Declaration' of the European Coalition for Responsible Credit and asked the Commission to do more for consumers. They were also critical of the communication handling of the crisis by public authorities. The Commission replied that the costs of not intervening to rescue banks would be much higher than the costs incurred by rescue plans. The Commission added that the European Economic Recovery Plan (EERP) is aimed at impacting on the real economy, including consumers. Several EU initiatives are specifically addressed to consumers e.g. in the area of deposit guarantee.
- Some ECCG members asked questions about lending practices. The Commission answered that it is examining lending practices in the EU. The Commission also adopted a proposal to revise the capital requirement directive. The Commission added that a proposal on credit rating agencies was adopted in November and is currently being discussed in the Council and Parliament.
- Some had specific concerns about the level and transparency of executives' pay. The Commission replied that Member States have specified clear conditions on executives' pay in the endorsed rescue plans. The Commission is also looking at measures aimed at supervising bank governance, especially the level of executives' pay as well as specific pay structures which could trigger risky behaviours.

- Another member was positive with the approach of the White Paper on mortgage credit towards responsible credit. However, he expressed criticisms regarding the lack of clarity surrounding the decision to reinforce existing deposit guarantee schemes. Concerning this deposit guarantee scheme, the Commission noted that discussions in the Council so far were aiming at a EUR 50.000 guarantee as of June 2009 (with an increase to a maximum of EUR100.000 by end 2010).
- A member requested the Commission to react to the London Declaration which notably calls for the establishment of mortgage rescue funds to help borrowers restructure mortgages at affordable rates of interest. This member was also disappointed by the content of the consumer credit Directive, e.g. on responsible lending and marketing. He requested DG Health and Consumers to ensure a coordinated implementation of the consumer credit Directive bearing in mind the Council of Europe Recommendation on legal solutions to debt problems.

The Commission (Ms Minor, DG Health and Consumers) listed the different areas it is looking at to help consumers. The Commission said that the consumer credit Directive, while not perfect, includes some positive aspects such as pre-contractual information provisions which could inspire future initiatives on other financial products. The Commission will examine with Member States how they could use their margin of manoeuvre in the implementation of the Directive, e.g. regarding responsible lending. Some initiatives are being looked at in the field of financial education. A window of opportunity is also offered by the follow-up to the White Paper on mortgage credit. The Commission will also reconsider the idea of standard financial products (e.g. bank accounts). Finally, bearing in mind the risk of increased unfair commercial practices, reduced product quality and safety, the Commission will focus activities on enforcement and market monitoring in 2009.

Follow-up discussion and report from the ECCG sub-group on financial services at next ECCG meeting of 24-25 March

3. Food prices

The Commission (Ms Ilzkovitz, DG Economic and Financial Affairs) presented the draft Communication on food prices to be adopted on 10 December. The Communication will give an analysis of the food supply chain in the light of food prices increase of 2007 and 2008, and propose a roadmap to improve its functioning in Europe by promoting competitiveness, ensuring better enforcement of competition and consumer protection rules in the EU countries and providing better information to consumers by setting up a permanent European monitoring of food prices. This would be aimed at improving transparency of the food market and enabling consumers to compare offers between retailers.

During the discussion, a member said that introducing more competitiveness in the food supply chain had to be done cautiously since it does not necessarily benefit consumers and farmers. Another member invited the Commission to adopt a global approach that takes into account new ways of living and ensures food quality. Another member asked the Commission's views on stores opening on Sundays and its impact on prices.

The Commission was of the view that improving competitiveness would reduce costs which can lead to lower prices for consumers and would not necessarily go against small

farmers/producers. The Commission added that food quality issues are included in the roadmap. Answering a question on the effect on prices of the increased number of intermediaries, the Commission indicated that this is a difficult analysis to carry out; there is a need for further analysis and better transparency of mechanisms of price transmission. The Commission answered that extending shops' opening hours could indeed reduce retailers' costs which could be to the benefits of consumers but insisted that this issue has to be dealt with at national level in consultation with social partners.

Follow-up: Commission to send presentation (done - ECCG2008 111) and Communication when adopted (done - ECCG2008 109)

4. Consumer Market Scoreboard: monitoring and benchmarking the consumer movement (ECCG2008 105)

The Commission (Mr Mair, DG Health and Consumers) explained that the monitoring of the consumer movement is an essential part of monitoring the consumer environment at national level in the Consumer Markets Scoreboard (CMS). The Commission is interested in starting a discussion on the monitoring of the consumer movement within the ECCG and wishes to develop appropriate indicators of the consumer movement taking into account its diversity and plurality. To this end, it suggested creating an ECCG sub-group to identify and further develop adequate indicators.

- Some ECCG members stressed that it is difficult to give a picture of the European consumer movement since it is very diverse. Quantitative indicators could be interpreted differently from one Member State to another (e.g. in terms of definition or funding of consumer NGOs). A member suggested press monitoring as a possible indicator. The Commission replied that the necessary caution will be taken as to the way available data on consumer empowerment are presented. The objective is not to define an optimal model of consumer organisations but to paint a more complete picture of the diversity of models. The Commission added that current data originate from national authorities for which updates have been requested. The Commission informed that the ECCG sub-group will not meet until after the publication of the second edition of the CMS.
- Some members expressed concerns over the overly statistical and quantitative approach of the CMS, for example with regards to complaints. A member suggested that complaints could be analysed in the light of Courts' decisions on enforcement. The Commission replied that statistics need to be seen in a wider analytical and qualitative context. With regards to court cases, the Commission noted that this kind of data is, in general, very difficult to collect. The Commission requested data to national authorities on cases during the first years of the application of the UCP Directive.

The Commission also informed that there had been a very high number of responses to the consultation on a harmonised methodology for classifying consumer complaints, which were overwhelmingly in favour of a voluntary system. A working party has been set up, including notably consumer organisations, whose objective is to come up with a harmonised methodology for classifying consumer complaints by the middle of next year.

Follow-up:

- Commission to send terms of reference and call for expressions of interest regarding the creation of an ECCG sub-group to identify and develop indicators for monitoring the consumer movement.
- Commission to send questionnaire on SANCO's project to develop a survey on consumer empowerment (done – ECCG2009 001).

5. EU consumer education initiatives (ECCG2008 104)

The Commission (Ms Nabavi, DG Health and Consumers) presented the various initiatives in the field of EU consumer education and training. The Commission invited ECCG members to disseminate information on Dolceta modules to consumer organisations and informed that an event will be held in Vienna in April 2009 with a view of creating a teachers' network.

The majority of ECCG members were very supportive of the Commission initiatives in this area. A member pointed out at specific problems: the low level of knowledge about Dolceta at national level, the low level of interest of some Education Ministries and the fact that financial education only cannot solve consumers' financial literacy problems. The Commission replied that further dissemination is indeed necessary. It also informed the group that Commissioner Kuneva presented a note to Education Ministers on 21 November setting out what the Commission does and calling for their support. Another member suggested that more copies of the Europa diary are needed and suggested a consumer magazine could be a good way for the Commission to communicate its initiatives. The Commission took on board the latter suggestion and agreed to the need of more diary copies but due to budget constraints, this is currently impossible.

Follow-up:

- Commission to prepare draft article on DOLCETA for consumer magazines (done see annex below)



Draft article
DOLCETA.doc (45 ...)

- Commission to give annual budget of EU consumer education initiatives (done see annex below)



Budget Education
Activities SA...

6. Discussion on the work of the ECCG

Example of national stakeholders' forum: the French Consumer Council (ECCG2008 106)

Mr Foundoulis, ECCG member for France, presented the French National Consumer Council, a consultative body whereby a permanent dialogue between public authorities, consumer and business representatives is ensured. This Council can give opinions on legislative initiatives. These opinions have a substantial weight. The French member was of the view that this dialogue model works well and gave examples of successes and setbacks.

The majority of ECCG members were open to cooperation with business and other stakeholders but insist on the need to also have a platform for consumer organisations only to meet face-to-face and to network. They value the ECCG as a place where consumer organisations can interact and exchange national experiences. They also underlined the need to meet on their own to rebalance lobbying asymmetry. Nevertheless, most members agreed that improving the current structure is necessary. The Commission replied that the objective was not to reproduce a specific national model but rather to consider other alternative work models.

Improvements of the current functioning of the ECCG

Action points following the presentation of Mr Henriksson, ECCG member for SE (ECCG2008 106) and issue paper (ECCG2008 105) by the Commission (Ms Minor, DG Health and Consumers):

Preparation of meetings:

- Be more selective, less issues on the agenda
- More time for policy discussion/consultation instead of information, shorter Commission presentations, less background information in presentations
- Commission to structure ECCG meeting agenda as follows:
 - points for opinion, points for discussion, points for information
 - points presented by the Commission / ECCG members
- ECCG members are invited to send their priorities and/or comments on next meetings' agendas.
- ECCG rapporteur on key consumer issues with the objectives to better prepare discussions and to adopt ECCG opinions where possible.
- At least 2 discussions led by members on a rotating basis: either national initiative or topic of general interest (e.g.: sustainable consumption): please send us your proposals for the next meeting.
- Briefing / background materials to be sent 1 week before the meeting by e-mail (in pdf format). CIRCA used as a library.
- For key issues, discussion time allocated will be indicated on the agenda.
- Short coffee break for mingle to be planned.

Management of meetings:

- For issues under discussion: Commission to indicate clearly where we are in the policy-making process and which consumer input is expected
- When appropriate or on request of the ECCG, the discussion should be initiated with a full round of views with maximum intervention time made clear and effectively being enforced.
- ECCG members shall respect the time constraints and the chair should actively monitor the time spent on interventions.
- If possible, a rapid dialogue is to be preferred in the discussions, i.e. question-answer session, rather than grouping of questions.

Follow-up to meetings:

- Commission to provide feedback to ECCG views / opinions.
- Minutes to further reflect ECCG collective views.

- Reporting obligations of ECCG members vis-à-vis national consumer organisations: the Commission will deal bilaterally with the ECCG member in case of complaints from national consumer NGOs from his/her country.

7. Safety of services (ECCG2008 106)

The Commission (Ms Straszburger, DG Health and Consumers) presented the legislative, political context and Commission initiatives in the safety of services' area, in particular on the collection of data and hotel safety.

During the discussion, the Commission indicated that national authorities are the central link for the collection of data on accidents and injuries related to consumer safety. The proposed Regulation (under co-decision) on "Community statistics on public health and health and safety at work" requires Member States to collect such data. The Commission also supports studies which gather data on new services, e.g. in the leisure sector. A member mentioned that it is difficult for consumer associations to test services since there are less data than for products.

Replying to a member expressing concerns regarding the safety of electrical equipment, the Commission indicated that this is covered by the EC Low voltage Directive. The Commission is financing joint actions between Member States for product market surveillance, including electrical appliances. Further information can be found on DG SANCO website under:

http://ec.europa.eu/consumers/safety/projects/index_en.htm;

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/615&format=HTML&aged=0&language=EN>

With regards to the HOTREC proposal on hotel safety, some ECCG members expressed the view that a voluntary approach would not be sufficient and that a horizontal legislative framework is needed, i.e. a revision of the Recommendation. Some also questioned the representativeness of HOTREC. The Commission explained that it is difficult to come forward with Community legislation at this stage. The Commission replied that HOTREC is the European association of the hotel industry. All HOTREC's members agreed a proposal which could enable a concrete follow-up by 2010. Information from other hotel associations is welcome.

Follow-up: Comments and information can be sent in particular on accidents/injuries data and on hotel safety related issues. Contact: gwenn.straszburger@ec.europa.eu

8. Green Paper on Consumer Collective Redress

The Commission (Ms Delfino, DG Health and Consumers) presented the Green Paper on collective redress. Mr Klimbie (ECCG member for NL) is the ECCG rapporteur which will coordinate an ECCG Opinion on collective redress. He received 6 contributions so and invited everyone to participate. Contributions received showed a clear preference for option 4 (judicial collective redress system). The ECCG Opinion will not prevent consumer organisations to send separate comments to the Commission.

Most ECCG members who took the floor favoured option 4; some regretted that the Commission did not take a clearer stand for this option. However, a member did not see a need for an EU initiative in this field and insisted that the European small-claims regulation could solve cross-border issues. Most members also said they consider option 4 as complementary with ADR (and not as a system that would replace ADR). A member also said

that option 4's main problem (financing) as mentioned in the Green Paper was also a problem for options 2 and 3. The Commission replied that financing is nevertheless much more problematic in option 4 given the legal costs incurred by a judicial collective redress mechanism.

Follow-up: the Commission will organise an ECCG sub-group on consumer collective redress on 11 February 2009.

9. Presentation by the 'Club des médiateurs du service public français' (ECCG2008 104-105)

Mr Frizon (Mediator for the French Insurance Federation), Mr Constans (Mediator for the French Economy Minister and Budget Minister) and Mr Astruc (GDF SUEZ Mediator), all three members of the French Club of public services' mediators presented the club charter, principles and experience of mediation. Some ECCG members stressed that effective redress for consumers implies that various solutions are offered and that they are not mutually exclusive. Following a comment on the necessity for companies to improve the way they process consumers' complaints, the mediators replied that they intervene afterwards at a second stage. They also said consumer organisations are essential relays to spread information on mediation, to which an ECCG member replied that consumer organisations are a venue for mediation as well.

The Commission (Ms Rouveure, DG Health and Consumers) informed the group that it will shortly launch a study on ADR to identify existing mechanisms in the EU (both individual and collective ADR mechanisms).

10. GMOs (ECCG2008 104)

The Commission (Mr Valletta, DG Health and Consumers) informed the group about the existing Community regulatory framework and latest developments on GMOs.

Several ECCG members were of the view that consumer scepticism towards GMOs is not sufficiently being taken into account by the EU. A member was disappointed by the lack of consideration given to the Greenpeace petition of 1 million citizens requesting GM feed labelling.

The Commission replied that the issue of animal product labelling is very complex. Technically, it is difficult to define and control an animal fed with GM. In addition, a petition defending an opposite position could also have been submitted. The only solution for the Commission was to have a scientific reply; this is the reason why EFSA opinion was requested. The Authority concluded that there is no scientific basis to justify such a labelling. The Commission also indicated that certain MS (for instance Germany) are currently implementing a very strict GM free labelling legislation to accommodate consumer concerns by giving the possibility to producers to label their products as 'GM free' when they respect precise criteria.

As regards the EU position in the world, the Commission ensures that the EU strict legislation is applied, that GM products imported to the EU are authorised and respect labelling standards. The Commission also informed ECCG members that new guidelines on GM labelling will be discussed next May by the Codex Committee on food labelling.

Regarding the latest Council meeting's on GMOs, the Commission replied that three major conclusions (adopted at unanimity) were drawn: the risk assessment is well done but should nevertheless be improved for long-term effects; Member States will have a new involvement in risk assessment, also via the guidelines currently under development; the possibility to develop specific 'GM cultivation-free' areas on a voluntary basis or for specific justified reasons (e.g. protected areas) have been reaffirmed. It is up to States/regions to decide on coexistence measures.

Follow-up: Council meeting's conclusions (4 December) on GMOs to be made available to ECCG members (done ECCG2008 111).

11. Information from the Commission on ongoing/upcoming initiatives of interest to consumers:

Cosmetics: the Commission (Ms Mentré, DG Enterprise and Industry) presented the state of play of negotiations on the revision of the 'Cosmetics Directive'. The proposal was adopted on 5 February 2008, working groups have been set up in the Council and the EP rapporteur presented a draft report last September. Replying to the concern of a member with regards to global exposure to cosmetics, the Commission explained that Member States can point out their concerns to the Commission, which would then consult the scientific committee on that matter. Under the revision, the debate was opened on CMR (carcinogenic, mutagenic and reprotoxic) substances to take into account their overall exposure. The Commission added that the new proposal also aims to have methods to justify claims via normalisation or guidelines.

Follow-up: Commission to send power point presentation (done - ECCG2008 111)

Toy safety: The Commission (Ms Minor) informed that the proposal for a new directive on the safety of toys is due to be approved by the Parliament in first reading at the December session.

Consumer Day / European consumer event 2009: The Commission (Ms Minor) informed the members that the International Consumer Day will be held as usual on 15 March next year. A meeting will be held by the Economic and Social Committee. The Commission will hold another consumer event on 1st/2nd April that will bring together different consumer networks (ECCG, CPN, enforcement networks). The theme is about consumer challenges and opportunities in the digital world, a sub-theme will address consumer empowerment.

Follow-up: Commission to inform ECCG members about this event

Proposal for a directive on consumer rights: The Commission (Mr Sitbon, DG Health and Consumers) presented the state of play of discussions on the proposal for a directive on consumer rights. Two meetings have taken place so far within the Council working group where the Commission presented the impact analysis and started explaining the Proposal. The Council has not adopted a position so far. Commissioner Kuneva also presented the proposal to the Parliament's IMCO committee. It is still too early to foresee the direction of the debate as well as the timing for adoption.

Irish pork contamination: The Commission (Mr Frans Verstraete, Mr Frank Swartenbroux, DG Health and Consumers) provided the latest information about the situation and measures taken.

12. Information from consumer organisations on ongoing/upcoming initiatives

ECCG sub-group on energy and results of the Citizens' Energy Forum (ECCG2008 104)

Mr Labarre (Tests-Achats) presented the issues discussed within the sub-group on energy (billing, smart metering, vulnerable consumers and switching). The Commission (Ms Minor) informed members about the outcome of the first Citizen Energy Forum (CEF). The Commission (Mr Gialoglou, DG Health and Consumers) informed that the first meeting of the working group on billing would take place at the end of January.

Follow-up: Commission to inform ECCG on activities of working group on billing

Presentation on EP Hearing on consumer organisations in new Member States

Mr Nikolov, ECCG member for BG, provided a feedback on the hearing and the presentation he was invited to give.

13. Any other business

2009 meeting dates: 24-25 March, June (*date tbc asap*), October (*date tbc asap*), 10-11 December (1 day and a half meeting - see details below)

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

Draft agenda of next meeting – Tuesday 24 - Wednesday 25 March (full day of 24/3 and morning of 25/3)

Points for discussion

- *ECCG Opinion on consumer collective redress*
- *Pursue discussions on further improvements to the ECCG future work and alternative work models*
- *2nd edition of the Commission Consumer Markets Scoreboard*
- *Commission Strategic Planning and Programming and initiatives of interest to consumers (integration)*
- *European Commission role in banking / financial crisis: follow-up discussion and report from the ECCG sub-group on financial services*
- *Geographical segmentation*

Points for information

- *Proposal for a Directive on consumer rights*
- *Guide book on digital rights*
- *Proposal on Information to patients*
- *Proposal for a Directive on the safety of toys*
- *Proposal on the provision of food information to consumers*
- *Energy: progress of working group on billing*

Agenda planning for 2009

June (*date tbc asap*)

Points for discussion

- *Secretariat General presentation on Commission decision-making process, revised impact assessment guidelines and right of petition under the Lisbon Treaty*
- *Consumer Redress*
- *Nanotechnologies*

October (*date tbc asap*)

Points for discussion

- *The role of consumer policy in climate change*
- *Future Eurobarometers*

Thursday 10 December – Friday 11 December (full day of 10/12 and morning of 11/12)

- *Meeting with new Commissioner*

ANNEX: ATTENDANCE LIST

MEMBERS

Austria
Belgium
Bulgaria
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Ireland
Italy
Latvia
Lithuania
Luxembourg
Malta
Netherlands
Poland
Portugal
Romania
Slovakia
Slovenia
Spain
Sweden
United Kingdom
ANEC
BEUC

Mr Max REUTER
Mr Hugues THIBAUT
Mr Bogomil NIKOLOV
Mr Petros MARKOU
Mr Karel PAVLÍK
Ms Benedicte FEDERSPIEL
Ms Linda LÄÄNESAAR
Ms Sinikka TURUNEN
Mr Daniel FOUNDOULIS
Ms Cornelia TAUSCH
Mr Konstantinos DAGOS
Mr Gyorgy BARANOVSKY
Mr Dermott JEWELL

Ms Silvija VIKSNINA
Mr Rimantas ZABARAUSKAS
Mr Bob SCHMITZ

Mr Rogier KLIMBIE
Ms Małgorzata NIEPKULCZYCKA
Ms Patrícia CRUZ GOMES GAMITO
Mr Emil BOJIN
Ms Božena STAŠENKOVÁ
Ms Ziva DROL NOVAK
Ms Conchy Martin REY
Mr Jens HENRIKSSON
Ms Helen McCULLUM
Ms Nina KLEMOLA
Ms Monique GOYENS

OBSERVERS

Iceland
Norway
Hungary

Mr Audun SKEIDSVOLL
Ms Agnes CZIMBALMOS

ASSOCIATES

COFACE
EUROCOOP

Mr Nicolas REVENU
Ms Rosita ZILLI

EUROPEAN COMMISSION

DG Health & Consumers

Ms Jacqueline MINOR
Ms Carina TORNBLÖM
Ms Anne-Cécile SWINNEN
Ms Angela BLACK
Mr David MAIR
Ms Paulina GBUR
Ms Angela D'ELIA
Ms Ginette NABAVI
Ms Gwenn STRASZBURGER
Ms Rosella DELFINO
Ms Isabelle ROUVEURE
Mr Marco VALLETTA
Mr Eric SITBON
Mr Frans VERSTRAETE
Mr Frank SWARTENBROUX
Mr Kyriakos GIALOGLOU

	Ms Marie-Charlotte van LAMSWEERDE Ms Malgorzata FRYZE
DG Internal Market and Services	Mr Sander OOSTERLOO
DG Economic and Financial Affairs	Ms Marie DONNAY Ms Fabienne ILZKOVITZ
DG Enterprise and Industry	Ms Barbara MENTRÉ
EXTERNAL SPEAKERS	Mr Michel ASTRUC (French Mediator GDF-SUEZ) Mr Emmanuel CONSTANS (Mediator for the French Economy Minister and Budget Minister) Mr Francis FRIZON (Mediator for the French Insurance Federation) Mr Vincent LABARRE (Test-Achats)