



Minutes of the European Consumer Consultative Group (ECCG)

29- 30 September 2010

**BRUSSELS, Centre Albert Borschette
CHAIR: EUROPEAN COMMISSION**

1. Opening and presentation of ECCG members

The Commission (Ms Jacqueline Minor, DG Health and Consumers) welcomed the ECCG members. BEUC said that Collective Redress Initiative, Consumer Rights Directive and Press Release on Health Claims are a matter of concern, as well as participation of consumer associations in stakeholder groups. Ms J. Minor ensured that the Commissioner will provide information on these issues.

Points for discussion

2. Presentation of SANCO B2's work (focus on cosmetic issues)

The Commission (Ms Giulia Ciarlo, DG Health and Consumers) presented SANCO B2's work in the sector of cosmetics. The unit is also responsible for medical devices.

The legal framework is currently directive 76/768/EEC, which will be replaced in 2013 by regulation 1223/2009. All cosmetic products placed on the market in EU must be safe for human beings under normal and reasonably foreseeable use. The legislation establishes rules on ingredients, labelling, notification, and market surveillance and clearly identifies responsibilities. The cosmetics regulation was the first piece of legislation in the EU to introduce pre-notification and labelling of nanomaterials.

Specific case studies of such products as sunscreens and hair dyes were presented, as well as the international activities of the cosmetics sector, both at the bilateral and multilateral level.

During the discussion, a member asked for some explanations about nanomaterial labelling. Ms G. Ciarlo replied that the regulation rules are clear and a specific definition of nanomaterial substances exists for cosmetic products.

Another topic raised during the discussion was market surveillance.

ANEC expressed their concern about testing products containing nanomaterials, as no suitable analytical methods currently exist. The Commission is aware of this problem.

3. Consumer representation in Commission advisory groups

The Commission (Ms Jacqueline Minor, DG Health and Consumers) highlighted the importance of the work done by groups of experts and stakeholders (like the Subgroup on Energy for the third London Energy Forum). BEUC intervened by saying that the Commission should pay consumer organisations for representation of consumer interests' in various fora. Another important issue is the legitimacy and credibility of consumer organisations' participation. Working groups should provide an independent chair and allow expressing diverse opinions.

Members stressed the need for real experts and real dialogue with MS.

The Commission made clear that attendance at the conference on Behavioural Economics on 22 November will be completely reimbursed.

ANEC raised the issue that sending experts to meetings is costly also in terms of human resources and this implies the necessity of seeing concrete results from such meetings.

The French member complained about the lack of interpretation during some meetings, an important obstacle.

Another member stressed the importance for associations of stable funding in order to start a coherent policy (this would also allow consumer organisations to be more independent).

Follow up:

- The Commission invited the group to develop a document on best practice. This document could then be promulgated in the Commission to offer a 'minimum standard' when working with various DGs. As a starting point for the development of best practice, BEUC will be asked to circulate guidelines based on BEUC criteria (done)
- The conference on Behavioural Economics (22 November) is to be understood as part of the 2-day ECCG meeting in November. The ECCG will meet on 23 November addressing its own agenda. The usual reimbursement rules will apply.

4. Work on enforcement of Intellectual Property rights

The Commission (Alvydas Stancikas, DG MARKT) presented the ongoing initiatives in the area of Enforcement of Intellectual Property Rights. He said that counterfeiting and piracy are issues of great concern and are potentially dangerous to European consumers. The legislative context is the Civil Enforcement Directive 2004/48/EC and the Regulation 1383/2003, concerning customs actions against goods suspected of infringing IP rights.

The Commission presented its non-legislative initiatives which have been developed during the last three years i.e. the creation of the EU Observatory on Counterfeiting and Piracy and the launch of the Stakeholders' Dialogues. All these initiatives are based on cooperation between public and private sectors and are focused on the development of balanced solutions, taking respect for fundamental rights into account.

To sum up, the three keys to success in the context of IPR Enforcement are:

- The active participation of all parties.
- Balancing all interests.
- General public support.

Many members agreed on the importance of actively fighting counterfeiting but were more reluctant concerning the methods used to combat on-line IPR infringements. A *French type*

solution was mentioned as being unacceptable for consumers. The importance of the development of easy to use legal offers was also underlined.

The Commission has solicited the active involvement of consumers' organisations in the ongoing and future dialogues, in order to find concrete solutions. This problem is not easy to solve and a co-operative approach is much needed.

5. Address by Commissioner Dalli

Due to time constraints, Commissioner Dalli entered into a discussion with members straight away.

BEUC raised the issue of Collective Redress. The Commissioner answered that Collective Redress is on the top of the agenda and that also other DGs are involved.

The Danish member asked for clarifications about the Single Market Act. The Commissioner said that the involvement of consumers is crucial since any market is shaped by consumers needs.

The French member asked about Alternative Dispute Resolution. The Commissioner ensured that specific work and documents were in the pipeline, with some specificity for each country. The Commissioner also highlighted that governments and the industrial organisations have to build consumer culture. Moreover, the independence of consumer organisation must be granted. The Swedish member addressed the issue of climate change and sustainable consumption. The Commissioner said that it is his responsibility to set up an Inter Service Group. He wants to ensure quality of life for future generations (e.g. correct information given on eco-labels).

6. Presentation on Commission Recommendation on the 'Definition, scope and effects of legal tender of euro banknotes and coins'

The Commission (Panagiotis Pappaschalis, ECB and Alienor Margeritt, DG ECFIN) presented the Recommendation on the legal tender of the Euro and its broad principles. The problem is the existence of a single currency but different interpretation of what its legal tender means. In fact in some countries refusing cash payment is a crime while in others it is not. Also mutilation or destruction of banknotes is illegal only in certain countries. The main message of the EU is that cash payment should in general be accepted.

The Commission also presented the principles which endorse the main conclusions of a joint Commission/ECB expert group work.

The Spanish member said that non-binding recommendations are not effective. The Commission answered that changes are not expected within a short period. The purpose of the guidelines is not to push consumers to use money. The Commission explained the objective to reach a certain level of harmonisation. Moreover, a two-option approach (cash and cashless payment) should be followed.

BEUC added that using cash does not raise any problems of data protection.

The Slovenian member said that according to their legislation cash must be accepted everywhere.

The Commission said that the Single European Currency is a thorny topic, also in countries where it is already adopted.

7. Single Market Review and reaction/feedback from consumer groups on the key priorities for action

The Commission (Ms Pamela Brumter-Coret, DG MRKT) presented the Single Market Review and reminded of the key presence of consumers in the Single Market Act. Also property right issues will be taken into account, and there is a possibility that price comparison website issues will appear in the final version. The Commission stressed the importance of increasing enforcement. Consumer organisations will be heard by the end of the year.

BEUC asked why there are no references to Collective Redress. The Commission answered that there is an agreement to launch a consultation in the next few weeks on Collective Redress in terms of competition policy. Commission initiatives on Alternative Dispute Resolution and Collective Redress are ongoing.

ANEC asked about the legal basis for safety of services as a pre-requisite for consumers to have confidence in the Single Market. The Commission referred to the priority for standards, especially as the Single Market Act will refer to the Standardization Act covering services standards. ANEC replied that good policy should first look at the safety of service provisions and not only quality, and learn from the experience made with the free circulation of goods.

Follow up:

- The Single Market Act will again feature on next meeting's agenda.

8. Address by Paola Testori Coggi, Director General for Health and Consumers

Paola Testori Coggi thanked the ECCG Members to be a multiplier of the consumer voice in each MS. She presented the different policy pillars in SANCO (Public Health, Food and Animal Health and Consumers). She also said that there is a growing demand for vertical policies in favour of consumers and important resources are spent on the Consumer Market Scoreboard. Thanks to the crisis, the consumer's perspective is taken into account more, for example in terms of market surveillance and product safety.

The Spanish member asked who is responsible for controlling the work done by ECCs and who will pay for market surveillance, now the economic crisis is lowering funds at national level, and given the fact that SANCO budget is small.

Paola Testori Coggi referred to the responsibility of National Authorities. Regarding the financial problem she said that other DGs contribute but SANCO prefers to maintain a certain degree of independence.

ANEC also raised a question about market surveillance, calling for better harmonization at EU level of market surveillance within the framework of the revision of the GPSD.

30 September, meeting room: CHAR SICCO MANSHOLT

9. Address by Meglena Kuneva, adviser to Commissioner Kallas

The Commission (Meglena Kuneva, adviser to Commissioner Kallas) stressed the importance of passenger rights in transport issues. At the institutional level this is demonstrated by the collaboration between commissioner Kallas and Dalli.

The Commission is now focusing in particular on water travel, bus and coach. The reimbursement for air passengers is another important issue stressed by the Commission.

The Commission also cited the European campaign on air and railway passengers rights launched in June 2010. This initiative enjoyed a large covering by the media and involved a lot of stakeholders. The main responsible is DG MOVE.

The related campaign tour started in Berlin and touched also London and Sofia.

The closing of airspace due to volcanic ashes and the closing of the Channel Tunnel in December were particularly dramatic events for the European transport sector.

The Danish member cited the issue of passengers with disabilities. She also stressed the importance for consumers to know their rights. She highlighted that in cases of unfair practices air companies do not feel threatened, since the only remedy against them is to take away their license.

The French member recalled the problems faced by passengers in the case of bankruptcy of an airline.

The Commission replied that more than one solution is required and also highlighted the importance of finding compensation in case of cancellation of flights. Most of the consumers were looking for accommodation during the ash crisis.

The Luxembourg member promised to circulate an article written on this topic. He also said that business travellers were more affected by the ash crisis than other consumers. Another point to be highlighted is the problem of connecting flights.

The Belgian Member made the point that, since 2006, Belgium has had a regulation on railways which is not satisfactory for consumers. The Commission emphasise the necessity of harmonising passenger rights at European level.

The Consumer Market Scoreboard made clear that the transport sector is the most problematic one for consumers.

The Swedish member stressed the problem of booking a railway ticket. The Romanian member pointed to the problem of how to deal with pre-booked hotel rooms in the case of cancelled flights.

Follow up:

- The Member for Luxembourg will disseminate an article on problems encountered during the 'Icelandic Volcanic Cloud' crises.

10 .EU consumer education initiatives (Europa Diary 'European Master in Consumer Affairs')

- The Commission (Carina Tornblom, DG SANCO) presented the Europa Diary initiative. A copy of the diary in each language is provided to students from 15 to 18 years old. 20 different DGs are involved. This initiative is very successful, 5 million copies are distributed and feedback from teachers is very positive. The demand cannot

be entirely satisfied but 49% of students in each year group can be reached. 99% of users want the diary also for next year.

- The Commission presented the 'Consumer Policy' Master Programme. This is a pilot project developed in 9 cities.
- The Luxembourg member raised a point about the Dolceta project. He suggested that Education Ministers should be informed and included in the project, too. The Swedish member said that his country is also involved and a huge amount of information comes from Dolceta. The Luxembourg member suggested spending half a day for an informal brainstorming on this issue.

Points for information

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

- Retail electricity study

The Commission (Margareta Theelen, DG SANCO) presented the initial results of the Retail Electricity Study. She highlighted that impressive differences exist among MS but in general a lot of the saving potential is unexploited. Another topic raised by the Commission is switching. In fact most countries do not use comparison websites, and switching is perceived as difficult. The Commission also pointed out that in general consumers do not know their own energy consumption. The Commission also said that some relevant information is not included on invoices. The last issue touched by the Commission was the complaints problem. In fact only 1/3 of consumers who had a problem made a complaint. This is because of the limited awareness about the possibility of complaining. There still is a lot of room for improvement.

The Spanish member said that in her country it is very difficult to improve the situation. Not all companies provide services in all the regions, therefore consumers cannot change providers. The competence of this problem is national but also affects the European market (competition issue).

The French member explained that commercial practices by certain providers have resulted in consumers becoming increasingly suspicious.

The Slovakian member said that people are very conservative and it is difficult for them to get better contractual terms from electricity suppliers.

The UK member asked the Commission to see a draft of the study before its publication.

- Citizens' Energy Forum

The Commission (Kyriakos Gialoglou, DG SANCO) presented the Citizens' Energy Forum, which is acquiring prominence among stakeholders as the right place to address electricity and gas retail market issues for consumers. Energy efficiency and Information and Communication Technology (ICT) are also major policy areas dealt with.

Examples are smart meters and smart grids, domestic appliances, electric cars and decarbonisation of transport, the commercialisation and marketing of 'green' energy and related products and services. Other issues include fuel poverty, vulnerable consumers, social tariffs and state aid. These are consumer issues too. The Commission stressed the importance

of having a strong ECCG sub-group on Energy; with motivated participants that will take charge in the process and actively contribute to papers and presentations. A stronger representation from EU-12, where many of the problems seem to be located, is required. The Commission highlighted that if the ECCG, and its sub-group, do not act up, then the major effort to place energy consumer issues at the centre of attention will lose significance and momentum.

The Commission asked to consider putting forward energy experts from each country, on the basis of the list of countries and their presence (or not) in the ECCG sub-group on energy. Membership will be based on the following criteria:

- Proven expertise and work on issues that are relevant to energy (and of course consumers).
- The successful candidate should be a proficient English speaker.
- motivated individual that is interested in contributing in concrete terms (including drafting policy positions) to the policy of energy and consumers.

- Evaluation of ECC net

The commission (Anna Passera, DG SANCO) presented the evaluation of the ECC network. The main objectives of the network are: promotional activities, provision of information, assistance with complaints and assistance with disputes, ADR development, networking and feedback. The evaluation is done to identify the main challenges, the areas for improvement and to provide recommendations for future orientations and development of the network. The final version of the study will be done by the end of November.

The Luxembourg member commented that in his country the functioning of the network is becoming more and more bureaucratic. Moreover the majority of problems are linked to cross-border issues. He also said that since the budget allocated to the ECCs is related to the number of cases treated, the quality aspect could suffer.

The Commission answered saying that the Luxembourg case is quite atypical and has more to do with linguistic reasons.

12. AOB

- **Evaluation of the Consumer Policy Strategy (2007-2013)**

- A Word version of the questionnaire of the Consumer Policy Strategy evaluation study will be sent to Members (done), to make it easier to prepare, collect and coordinate answers from different persons in each organisations, **before replying to the on-line version** (via the link

<http://www.zapsurvey.com/Survey.aspx?id=7d7ac5c8-a2cd-46dd-85db-a97d3a16440f> .) Please be aware that :

- you do not have to answer all the questions, but only those questions about areas you feel competent and experienced in
- the deadline for submitting replies is **15 October 2010**
- only online replies can be taken into account

- **Electric and electronic goods market study**

- The Commission mentioned an ongoing study of the consumer markets for electric and electronic goods and asked the ECCG members to share their experiences regarding these markets. The Commission is particularly interested in what issues are the most important ones for consumers, the role the consumer organisations play in strengthening consumer position and empowering consumers so that they can make better decisions while buying electric or electronic products. This would mean, what kind of initiatives the consumer NGOs undertake (e.g. product testing or comparisons of prices and quality), consumer interest in such initiatives or their influence on empowering consumers in terms of actual benefits delivered to them.
- ECCG members were also asked to share any reports they have published or data they have collected in reference to these markets. Please send your contributions to Paulina Gbur (paulina.gbur@ec.europa.eu) who would also like to hear from Members willing to assist SANCO to set up direct bilateral contacts in this context. Deadline for contributions / information: the next ECCG meeting, 23 November.

- **Optional Instrument - the 28th Regime**

- The Belgian Member suggested forming an ad-hoc working group to draft a document to be submitted for discussion at the meeting on 23 November on issues linked to the Optional Instrument. He will inform the Commission who would participate in such a working group. The Commission will look into the practical issues of facilitating one or two meetings of the working group.

Next Meetings: 22 - 23 November (22 November: conference on Behavioural Economics, 23 November whole day ECCG)

Please send us **your proposals for agenda items by 21/10/2010.**

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

Agenda of the next meeting (23 November) -proposals

- Update on EU-US dialogues (interest indicated to know the future of the Transatlantic Economic Council for instance) and how consumer groups can input their views
- Opinion by ECCG sub-group on competition (meets 9 November) – to be endorsed by ECCG
- Optional Instrument - the 28th Regime

ANNEX

Belgium
Czech Republic
Denmark
Finland
France
Luxemburg
Netherlands
Netherlands
Romania
Slovakia
Slovenia
Spain
Sweden
United Kingdom
ANEC
BEUC

Austria
Bulgaria
Cyprus
Estonia
Germany
Greece
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Ms Conchy MARTIN REY
Mr Jens HENRIKSSON
Ms Jill JOHNSTONE
Ms Chiara GIOVANNINI
Ms Monique GOYENS

EXCUSED

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Mr Asen NENOV
Mr Giorgos TZIAPOURAS
Ms Linda LÄÄNESAAR
Mr Heinz WILLNAT
Ms Evangelia KEKELEKI
Mr Zsolt HAJNAL
Mr James DOORLEY
Mr Massimiliano DONA
Mr Aivars SMAGARS
Ms Eglé KYBARTIENE
Mr Renarld BLUNDELL
Ms Grazyna ROKICKA
Mr Luís SILVEIRA RODRIGUES

Mr Nicolas REVENU

Mrs Marie LE HIGUINEN

Ms Paola TESTORI-COGGI
Ms Jacqueline MINOR
Ms Carina TÖRNBLOM
Mr Olivier MICOL
Ms Marie-Luise ALTMUTTER
Ms Giulia CIARLO
Ms Margareta THEELEN
Ms Anna PASSERA
Mr Kyriakos GIALOGLOU

Ms Pamela BRUMTER –CORET
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DG JUST

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Ms Aliénor MARGERIT

CAB DALLI

Ms Rossella DELFINO