

Brussels, 9 September 2009

Consumers: EU crackdown on websites selling consumer electronic goods

EU Consumer Commissioner Meglena Kuneva today announced the results of an EU-wide investigation - involving 26 Member States and Norway and Iceland - into misleading advertising and unfair practices on websites selling consumer electronic goods. The clampdown covered 369 websites selling six of the most popular electronic goods to consumers in the EU - digital cameras, mobile phones, personal music players, DVD players, computer equipment and game consoles. It covered 200 of the biggest websites selling electronic equipment in the EU as well as more than 100 websites which were targeted on the basis of consumer complaints. The results of the checks carried out in May this year show that 55% of the websites investigated showed irregularities in particular relating to: misleading information about consumer rights; misleading information about the total cost of the product; or incomplete contact details for the trader. The initial checks by national authorities will now be followed by an enforcement phase when companies are contacted by national authorities and required to correct their websites or clarify their position. At this first stage, three countries – Iceland, Latvia and Norway – have published names of the websites covered by the investigation (see [MEMO/09/379](#)).

EU Consumer Commissioner Meglena Kuneva said: "We targeted websites selling electronic goods because I know from my own mail bag, and we know from the level of complaints coming into European Consumer Centres that these are a real problem area for consumers. We discovered that more than half of the retailers selling on-line electronic goods are letting consumers down. This is a Europe-wide problem which needs a European solution. There is a lot of work to be done in the months ahead to clean up this sector, Europe's consumers deserve better."

The electronics goods market

The value of online retail sales of consumer electronic goods in Europe is ca. € 6.8 billion (2007), and about one in four EU consumers who ever bought anything online bought an electronic product (including cameras). More than a third of complaints regarding online sales handled by the European Consumer Centre Network in 2007, concerned the purchase of electronic equipment.

The sweep investigation

In May 2009, national enforcers (co-ordinated by the European Commission) checked websites selling electronic goods for compliance with three crucial EU consumer laws: the Distance Selling Directive, the e-Commerce Directive, and the Unfair Commercial Practices Directive (see [MEMO/09/379](#) for more details).

The sweep investigation focused on 3 key areas:

- **1. Contact information for the trader:** Under EU law, there must be complete information about the name, geographical address and email address of the trader.
- **2. Clear information about the offer (total price and clear product description):** Under EU consumer law the online traders must provide clear information about the characteristics of the product, as well as the total cost (including taxes), all extra delivery costs and payment arrangements. The final price to pay must be the same as stated in the information provided before the purchase.
- **3. Clear information about consumer rights:** Under EU law, consumers must be provided with information about their EU "right to return" i. e. a good bought at a distance can be returned within a minimum of 7 days without giving a reason. The investigation also checked the accuracy of additional information provided about consumer rights e.g. warranties, refunds.

The results

The results of the sweep investigation were as follows:

55% of the 369 checked websites showed irregularities which are being investigated further. 13 % of the problematic sites will require cross border co-operation between national authorities. The most common problems found were:

- **Misleading information about consumer rights (66% of problem websites)**
Buyers were either not informed at all or misinformed about their "right to return" – the right to cancel an order bought a distance within a minimum of 7 days and return the product without giving a reason. For example, they were told that the trader would not accept the product back, or that they could only have credit rather than cash refund. In other cases, consumers were misled about their right to have a faulty product repaired or replaced for at least 2 years after the purchase (e.g. they were told that they only had this right for one year).
- **Misleading information about the total price (45% of problem websites).**
For example, information on the extra delivery charges was either missing or difficult to find. The extras were then added only at the final payment stage. Some other websites went as far as promising "free delivery" or an "all inclusive" deal, even though delivery charges were in fact applied.
- **Missing or incomplete contact details of the trader (33 % of the problem websites).** Details of the trader's name, geographical address or e-mail address were missing or incomplete, so that they could not be contacted in case of problems.

What happens next?

Traders will be contacted by the national authorities and asked to clarify their position or correct the problems identified. Failure to bring a website in line with the law can result in legal action leading to fines or websites being closed. The EU wide enforcement results will be presented by mid-2010.

Samples of good and bad websites selling electronic goods:

http://ec.europa.eu/consumers/enforcement/sweep/electronic_goods/index_en.htm