

Wednesday 14 November 2007

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## **Stakeholders' Conference on the "Review of the Consumer Acquis"**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

Brussels, 14 November 2007

Let me start by highlighting some of the views expressed during the course of this stimulating conference.

An important obstacle to cross-border "B2C" sales is the **legal fragmentation** of the consumer legislation in Member States, resulting from minimum clauses in the consumer *acquis*.

- This fragmentation of the rules provokes legal uncertainty in cross-border transactions.
- It has triggered extra compliance costs for businesses.
- And it has had a negative impact on consumer confidence in cross-border purchases.

**Possible solutions** to these problems have emerged in the light of the consultation on the Green Paper.

Three important points stand out:
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**1. First**, a horizontal cross-sector legislative instrument should be based on full targeted harmonisation.

In other words it should target the issues that raise substantial barriers to trade for business and/or deter consumers from buying cross-border.

Full harmonisation means that the Member States would **not** be able to go beyond the proposed level of protection by introducing stricter consumer rules in the harmonised field.

Full harmonisation would simplify the regulatory framework and would also mitigate the effects of the proposed Rome I Regulation on the law applicable to contractual obligations, which in practice would require businesses selling cross-border to take into account 27 national consumer protection rules.

**2. Second**, the national status quo should **not** be overvalued.

Some have claimed that the reform should not, in any case, lead to any decrease in the national level of protection in the Member States.

Those who hold this view see any departure from even one small element of their national status quo as a loss – even if this would constitute part of a much bigger strategic move towards a more competitive environment generating better outcomes for consumers.

**I do not share this view.** On the contrary, I think that a small loss in respect of certain aspects of national consumer law could be more than compensated by an increase in cross-border offers and in the overall EU level of protection.

In any case, it would be wrong to regard this as a “race to the bottom” since the proposed level of protection will be high, as required by the Treaty.

**3. Third**, most respondents take the view that the horizontal instrument should be combined with vertical revisions of the existing sectoral directives, for instance, the revision of the Timeshare and Package Travel Directives.

I want to see the legislative revision of timeshare finalised as soon as possible. But I urge the Member States to limit the current negotiations to vertical aspects, setting aside the horizontal aspects for the time being. The horizontal aspects should be addressed in the broader context of the revision.

If the results of the impact assessment confirm the views I have set out, a proposal for a **Framework Directive on consumer contractual rights** should be tabled at the end of 2008.

➤ **Such a Framework Directive would incorporate at least 4 existing directives**

1. the Unfair Contract Terms Directive;
2. the Distance Selling Directive;
3. the Consumer Sales and Guarantees Directive; and
4. the Doorstep Selling Directive.

➤ It would also regulate the **horizontal aspects of other consumer directives**, such as the right of withdrawal in the Timeshare Directive.

➤ This would simplify the regulatory framework by aligning the commonalities and removing the inconsistencies between these directives in line with Better Regulation principles.

At this stage (again, pending the outcome of the impact assessment) my view is that the framework directive could be divided into **two parts**.

<b>I. The first part would cover horizontal issues such as:</b>
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i) Common definitions – certain important notions, e.g. "consumer", "professional" and "delivery" would be harmonised with a view to reaching a common cross-sector definition.

ii) Rules on rights of withdrawal – the length, the beginning and extension of the cooling-off period, the modalities and effects of the withdrawal rights would be harmonised and clarified.

iii) The drawing up of black and grey lists of unfair contract terms would replace the current merely 'indicative' list.

- The black list would encompass terms that are banned completely.
- The grey list would encompass terms that are presumed to be unfair.

iv) The introduction of a common core of information requirements aimed at simplifying the acquis.

**II The second part of the framework directive would cover the vertical aspects – which are quite limited – of the distance selling directive (such as on-line auctions and mobile commerce) and the doorstep selling directive.**

Other vertical aspects in the consumer acquis would continue to be regulated sector by sector (for example, Timeshare, Price Indication and Travel Package).

## **Conclusion**

To close, I would like to thank you all for your active participation in this important conference – which will pave the way towards a better regulatory framework on consumer protection to the benefit of both consumers and businesses.

The review of the consumer acquis is a very ambitious exercise – but with your continued co-operation I am confident that we can, together, fulfil our common goals and achieve the ultimate prize of a true citizens' internal market.

Thank you.