

Political Consultation on the future EU 2020 strategy

ECC Ireland Response

European Consumer Centre (Dublin) Limited, trading as European Consumer Centre Ireland
13A Upper O'Connell Street
Dublin 1
Ireland
www.eccireland.ie

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The objective of the Lisbon Strategy was to make Europe “the most dynamic and competitive knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion, and respect for the environment by 2010.” It is clear that consumer policy has made a key contribution to the achievement of these goals, as well as to the completion of the European Internal Market. An effective consumer policy will also permit the EU to respond to one of its most important challenges, the need to re-connect with its own citizens.

The EU2020 Strategy which will act as the successor to the Lisbon Strategy intends to focus on “key policy areas where collaboration between EU and Member States can deliver the best results.” Among these key policy areas consumer policy has a central role to play. Consumers account for 58% of EU GDP¹ and a confident and empowered consumer market offers a strong stimulus for economic growth and job development. Substantive reforms in the field of consumer protection are currently on the agenda. The common Frame of Reference is under discussion and will hopefully provide a set of principles, definitions and rules which should contribute to better European lawmaking.

The EU Consumer Policy Strategy of 2007-2013 has put in place the necessary instruments to ensure a more effective consumer policy strategy at EU level but in the development of consumer policy in the period up to 2020 there are a number of key areas which should be focused upon. As **online commercial activity** becomes increasingly more important, an adequate legal protection framework in this area is crucial for the continued growth of ecommerce. Legislation in this area needs to take into consideration the abundance of new business models offering digital content to consumers, e.g. in the form of downloading, streaming, viral marketing, etc, while existing consumer protection legislation is not always equally well prepared to protect consumers with respect to these new business models.

Another key area that needs to be addressed in the EU2020 strategy is **ecommerce market fragmentation**, focusing on the development of policy and instruments that permit the elimination, or at least reduction, of obstacles to online cross-border consumer transactions. Such obstacles are currently quite significant and becoming more so as the gap between domestic and cross-border ecommerce appears to be widening as a result of barriers to the internal market. Cross-border online shopping offers consumers greater choice, as well as the possibility of saving money, and its benefits also extend to businesses which have the opportunity to expand their customer base and penetrate new markets but currently of the 51% of EU-27 retailers that sell online, only 21% do so on a cross-border basis.² An integrated retail

¹ Communication from the Commission to the Council, the European Parliament and the Economic and the European Economic and Social Committee, *EU Consumer Policy Strategy 2007-2013, Empowering consumers, enhancing their welfare, effectively protection them*, COM (2007) 99 final

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on *Cross-Border Business to Consumer e-Commerce in the EU*, COM (2009) 557 final

internal market can be achieved only by eliminating or minimising the fragmentation of consumer protection rules and other rules on VAT, and recycling charges that currently discourage businesses, especially SMEs, from trading across borders. Equally consumers should be confident that if they have a problem with a foreign trader they will have easy access to redress. The proposed Consumer Rights Directive and the enforcement of Article 20 of the Services Directive should make important contributions to the establishment of a retail internal market.

Role of the ECC Net

Consumer confidence is the *sine qua non* for the achievement of an authentic retail internal market across the 27 Member States. One of the obstacles to the achievement of this is the fact that consumers are often uncertain about what to do should they experience a problem, especially when it comes to resolving a complaint with a foreign trader. The European Consumer Centre Network plays a crucial role in enhancing consumer confidence in the area of cross-border consumer transactions. In 2008 the ECC-Net assisted over 60,000 consumers, an increase of 22% in the figures for the previous year, showing that the ECCs have consolidated their role as a unique direct channel of communication with consumers, contributing to increased consumer confidence in the Internal Market.³ DG SANCO has acknowledged that ECC-Net can play a key role in connecting Europe and national governments with their citizens and its proposal to upgrade the network from a support service for cross-border complaints to an effective consumer rights promotion and protection network at the service of European and national consumer policies is to be welcomed. Better cooperation and mutual assistance between ECC-Net and CPC-Net has the potential to offer real returns in the form of enhanced consumer protection from rogue traders. With this in mind, it would be desirable to provide for an instrument which specifically addresses cooperation and mutual assistance between ECCs and enforcement authorities.

³ ECC Net, *The European Consumer Centres Network 2008 Annual Report*, European Communities 2009