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Speaking points at the European Consumer Summit (EN)

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## Opening Speech on second day of Consumer Summit

### "Preparing the Consumer Policy of the future"

This is the annual gathering to discuss consumer policy. Thank you for inviting me to speak.

The world is changing rapidly as digital activity continues to affect all aspects of society.

Innovative business models pop up in traditional sectors and in sectors we never dreamt of existing before - changing the way consumers shop, changing the shops themselves, even changing the way the shop is set up. It is an exciting time.

The Parliaments IMCO committee has always put Consumers at the heart of the single market.

How do we make sure consumer policy is fit for the new digital landscape, a landscape that is evolving so fast. How do we make sure that the policies we set today are future proof and will be fit for tomorrow?

For decades, even generations, consumer law has been based on the buyer/seller model, but is this still effective in the digital age? Is it relevant?

The traditional distinction between consumers and businesses is becoming blurred - if I rent out my spare bedroom when should I be considered a hotel owner? Consumers are becoming businesses - Does the trend towards customer led businesses mean businesses are acting more like consumers too?

The internet and E-commerce bring huge benefits to consumers, through increased choices and lower prices.

But with more choices, consumers are also faced with new decisions - 'only 1 seat left at this price' says the seller- do you rush to buy it? Was the seller's claim true? Were you duped into a hurried purchase?

The data revolution means sellers can target their customers with an ever more personalised offer, prices can be tailored to the individual based on their online profile or browsing history - but at what point does one consumer's personalised price become price discrimination against another?

The digital age also creates a new type of consumer, one that is empowered and able to take action against the unscrupulous trader, to control the risks they take. Consumers have new information in the form of customer and peer reviews. They can check out the manufacturer, the seller and everyone in between, they have access to more background information than ever before.

Just as the distinction between consumers and businesses is becoming blurred so is the distinction between “goods” & “services” - between “tangible” goods and “downloadable” content. Do I need to buy a new windscreen wiper for my car or shall I just download the schematic and make one on my 3 D printer? Should I hire a lawyer or can I just download a barrister app onto my smartphone? These new offers bring new questions on digital guarantees, ownership and contracts. Did I purchase a good or was the content I bought a 'service' or a 'license-agreement'?

Just as the consumer faces new, different risks so do the creators of content. How do they get adequate remuneration for their content, how is copyright enforced and IP protected? The Commission have stated they want to increase portability for consumers but this must not be at the risk of more piracy.

The digital revolution is also a data driven revolution, Consumers are increasingly aware and concerned about how their personal information is used and shared, increasingly they want more control of their own data. But the data revolution is not necessarily bad for consumers - it brings improved services, targeted product suggestions based on previous preferences.

This may be welcome - and consumers may choose to share more of their data in return for discounts or other benefits.

The digital market place is not just about buying digital goods. For Consumers buying physical products or traditional services online they want to be able to trust that their purchases will arrive and just as in traditional markets, that faulty goods can be returned, replaced or refunded. **Surely consumers should have the same rights online as they have been used to in their own traditional markets.**

We must also hold on to the principal of fair competition as this is the glue that often holds together our free-market single market when protectionism threatens. There needs to be a level playing field. What is the impact on the traditional sectors of new digital players? Is

there a fair balance or is one side bogged down in red tape and made uncompetitive against new market entrants?

With so many changes and so many issues, it is no surprise that there also appear to be quite different views about the priorities for actions.

When I read the conclusions of last week's Competitiveness Council on the Digital Single Market it seems that they may have different priorities to those set out in the Commission's own strategy.

As a basic principle during this mandate the Commission promised less new legislation and more implementation.

But when one reads their DSM strategy it appears that more than 17 possible legislative proposals will emerge.

It is vital that new legislation is done intelligently otherwise we risk having 17 new regulatory interventions, without common definitions or a holistic strategy bringing those different initiatives together. An interconnected approach is vital to avoid unnecessary red tape and this is vital for Europe's competitiveness too.

Burdens for consumers need to be considered too. Their rights must be clear but this doesn't necessarily mean inundating them with yet more information which is so often disregarded. Can I make a plea for simplicity. Today, this evening we are going to meet to discuss the Telecoms package and roaming and the interim proposal that is suggested for the next few years is so hideously complicated that even I who have sat in all the negotiations cannot begin to understand what the new rules will mean for my phone bill.

Innovation is key to increasing competitiveness so future-proofing and flexibility in the regulatory framework is needed to allow creative solutions to emerge.

Furthermore EU regulation must recognise that the digital market place is increasingly a borderless market place. In my view a fortress Europe approach will not answer these questions; we will need to work with others parts of the world.

Once the Commission publishes draft proposals the Internal Market and Consumer Protection committee will spring into action to play its full legislative role as co-legislator.

But we already have a framework of existing legislation the Consumer Rights Directive, Unfair Commercial Practices Directive, Misleading and Comparative Advertisement Directive, Sales and Guarantees Directive, Unfair Terms Directive and the Services Directive. You know them well.

Therefore, the committee is starting work on an Own-Initiative report looking at current legislation to identify potential gaps or poor implementation in existing laws.

The European Consumer Centres may be able to help with this.

I will be hosting the 10th anniversary reception in the European Parliament of the ECC network. I am looking forward to hearing about their experiences and ideas.

However, we need to make sure consumers know the centres are there and can help them. A cursory survey of colleagues from across Europe revealed that very few MEPs have heard of the consumer centres and how they could help their constituents.

Business groups I have asked have also suggested merging SOLVIT and PSCs with the centres to create one genuine single point of contact for consumers and businesses alike.

Others have told me that some consumer centres offer more than others. Perhaps it might be an idea for the Commission to commission some mystery shopping here!

Before the Commission publishes new draft legislation I hope they will remember that in recent past that grand plans for new legislation have often become stalled.

Therefore before making new legislative proposals the Commission should look hard at best practice at member state level to see what has already been done and what works well.

Be open to industry-led measures and allow businesses the space to provide their customers with innovative and forward-thinking solutions and give consumers the chance to agree their own contractual agreements if they so wish.

I hope the commission will focus on implementation of existing laws, modernise existing national and European law where needed, eliminating any remaining gaps in a targeted way.

And only use new legislation if absolutely necessary, taking care to be smart and future-proof, not locking in old technology, and work with other parts of the globe.

And above all in a world that is changing so fast remember, sometimes many small steps can reach the destination more effectively.