European Commission

WORKSHOP 1
SIMPLIFYING CONSUMER INFORMATION REQUIREMENTS

TIME: 10.45 - 13.30
MEETING ROOM: ALCIDE DE GASPERI

17 October 2016

EUROPEAN CONSUMER SUMMIT
BRUSSELS

Programme

Chair: **Peter Bischoff-Everding**, Deputy Head of Unit, DG Justice and Consumers, European Commission

Rapporteur: **Marco Pierani**, Director of Public Affairs and Media Relations, Euroconsumers/ Altroconsumo (Italy)

10:45 - 11:00

WELCOME AND INTRODUCTORY REMARKS BY THE EUROPEAN COMMISSION

11:00 - 11:40

STAKEHOLDER VIEWS / PRESENTATION OF STUDIES

Objective: Participants will hear presentations about the assessment of the existing rules in the area of consumer information and the need for their modernisation from three different perspectives: public enforcement authority, consumer association and business. They will then be introduced to the current, preliminary findings of the Commission's external studies supporting the Fitness Check and the evaluation of the Consumer Rights Directive.

11:00 - 11:20

STAKEHOLDER VIEWS

- **Dutch Authority for Consumers and Markets (ACM)** (by video)
- **Karine De Crescenzo**, Public Affairs Manager, UFC-Que choisir – French Consumer Association
- **Rovio Entertainment** (by video)

11:20 - 11:40

PRESENTATION OF STUDIES

- Study supporting the Fitness Check of EU consumer and marketing law – **Jules Stuyck**, Emeritus Professor, University of Leuven (Belgium)
- Study on the application of the Consumer Rights Directive – **Mark Whittle**, "Risk and Policy Analysts" (RPA)

11:40 - 13:00

DISCUSSION WITHIN GROUPS

Objective: To discuss, within groups of 10-12 persons, and to respond to two cross-cutting questions: "*What works well*" and "*What needs to be changed*" in the following areas:

Topic 1 - **What information is relevant for consumers and when?**

Topic 2 - **How to present consumer information?**

Topic 3 - **How should the price indication be modernised?**

13:00 - 13:15

VOTE

Objective: Participants' vote on questions presented below in the background information and arising from the discussion

13:15 - 13:30

CONCLUSIONS FROM THE WORKSHOP PRESENTED BY THE RAPPORTEUR, MARCO PIERANI AND Q&A

Background Information

In EU consumer and marketing law, consumer information requirements are laid down in the Unfair Commercial Practices Directive (UCPD), the Consumer Rights Directive (CRD) and the Price Indication Directive (PID).

Under the UCPD, whenever a commercial communication includes a description of a product and its price, e.g. in an advertisement, the trader is specifically required to provide the information[1] laid down in Article 7(4).

At the pre-contractual stage of a transaction, e.g. when the consumer visits a bricks-and-mortar shop or looks at the product descriptions in an online shop, traders must comply with the information requirements under the CRD.

The PID requires traders to indicate the selling price and the price per unit of measurement of products, both at the marketing and pre-contractual stages.

The purpose of this workshop is to discuss the need for modernising the current consumer information requirements and the ways of improving the accessibility and comprehension of the information by consumers. Participants are invited to discuss what aspects of the current rules in this area work well and what needs to be modernised.

As a cross-cutting question, the participants are invited to express their views on whether EU consumer and marketing law rules should be simplified and streamlined by bringing them into a single horizontal EU instrument / an EU "code".

Discussion within groups – 3 topics

A) TOPIC 1. WHAT INFORMATION IS RELEVANT FOR CONSUMERS AND WHEN?

The pre-contractual information requirements under the CRD are more comprehensive and they include all the information requirements under Article 7(4) of the UCPD. For example, information about the right of withdrawal is required under Article 7(4) of the UCPD and more detailed information about it is required under Article 6(1)(h) of the CRD (covering the conditions, time limits and procedures for exercising this right). In view of this, is it necessary to provide all the information required by Article 7(4) UCPD at the advertising stage?

As regards information requirements for online platforms, it should be noted that the CRD applies to sales and service contracts where the consumer pays or undertakes to pay the price. Hence, the service contracts between online platforms and consumers may be subject only to the general transparency rules of the UCPD. Furthermore, neither the CRD nor the UCPD contain specific obligation for online platforms to inform the consumer about the criteria they use for the (default) ranking of the information they present to the consumer, such as offers by competing third party suppliers.

Sample specific questions for the discussion

1. Should the current consumer pre-contractual information requirements under the CRD (Article 5(1) and 6(1)) be simplified (reduced)?
2. Considering that the consumer receives more detailed information at the pre-contractual stage as required under the CRD, should the consumer information requirements applying at the advertising stage under Article 7(4) of the UCPD be reduced?
3. Should there be specific information requirements for intermediaries (in particular online platforms) to disclose the default ranking criteria for the information they present?

[1] *Main characteristics of the product (subject to the limitations of the communication medium used), trader's identity and address, full price, the existence of the right of withdrawal (where applicable), arrangements for payment, delivery, performance and complaint handling policy (if such arrangements depart from the requirements of professional diligence).*

B) TOPIC 2. HOW TO PRESENT CONSUMER INFORMATION?

The pre-contractual information under the CRD must be "clear and comprehensible". Would it improve the communication of this information to consumers if a model form for presenting the CRD pre-contractual information was available? Would it improve the understanding of such information and its comparability if the model form was presented in a more accessible way, such as accompanied by graphical icons?

Sample specific questions for the discussion

1. Should there be a model form for the presentation of the pre-contractual information under the CRD?

If "yes":

2. Should such a model form include graphical elements e.g. icons?
3. Should such a model form be binding?

C) TOPIC 3. HOW SHOULD THE PRICE INDICATION BE MODERNISED?

The selling price indication requirement under the Price Indication Directive (PID) is now superseded by the respective requirements of the UCPD and CRD. As regards the unit price indication, the PID (Article 6) gave the Member States a "transitional" option to exempt small businesses from this obligation. This exemption is being applied in several countries still today and to very different categories and sizes of retailers.

Sample specific questions for the discussion

1. Is the unit price requirement still relevant in advertising?
2. Is the unit price requirement still relevant as part of the pre-contractual information?
3. Should the current derogations from the unit price indication requirement, which are allowed under the Price Indication Directive "for small retail businesses", be kept?