Keynote speech by European Commissioner Věra Jourová on the review of consumer policy - 2016 European Consumer Summit

Brussels, 17 October 2016

Honourable Ministers,

Members of the European Parliament,

Vice-President,

Dear colleagues,

Ladies and gentlemen,

It is my pleasure to welcome you all to the European Consumer Summit 2016.

Since the start of the year the Commission has been reviewing the key directives of EU consumer and marketing law. This review is not just a look back at the EU added value compared to what Member States are doing or could have done. Indeed, we have a very clear forward-looking objective in mind - to prepare the ground for future reform proposals.

We are now in the middle of the fact-finding process for the evaluation stage. And this Consumer Summit is a major milestone. I count on it to give us very concrete guidance on where we should be heading and on the priorities that we should address.

We are looking into what needs to be simplified and modernised. We should, for example, remove any provisions which overlap or are no longer relevant. The European consumer, that means all of us, live today in a quickly developing world whose complexity grows like never before. Especially the digital environment and its forces are reminding of the 19th century industrialisation and concentration of power. The ratio of control and protection between the individual or small business and the giants of industry is vastly unbalanced. A set of clear and understandable as well as enforceable rights of the consumers – that do not harm the economy – is what might straighten this imbalance.

I, therefore, would like the Summit to explore the need for streamlining and greater consistency of the consumer and marketing rules. My objective is to create a kind of EU consumer rights code that ensures that the legal provisions are consistent, modern and also future-proof.

Let me be clear: our goal is not to scrap or reduce current consumer rights as an excuse to lessen the administrative burden or lower the costs.

Quite the contrary! My overall aim is to make sure that, as a result of the exercise:

- consumers know the rules and make better use of them;
- business complies better with the rules, and
- authorities in charge of ensuring compliance enforce the rules better.

We have already identified a number of cross-cutting priorities in the areas of consumer information, fair trading and better enforcement, including through more effective use of injunctions. Next to the goal of simplification, these three topics are also the focus of this Consumer Summit.

Let me give you some examples. Consumer information requirements are currently provided in three directives and there are certain overlaps between them, such as in relation to price details and information to be provided at the advertising and pre-contractual stages.

On the other hand, consumers may not be getting all the information they need for making informed decisions when choosing products and services via online intermediaries. This should be tackled in a

horizontal way.

For me, consumers are responsible people who can take care of themselves. But they need full information - that's why the right to information is a priority for our work on consumer policy.

There are more general EU law requirements not to mislead when providing information to consumers. But there are no specific transparency requirements for platforms in relation to the criteria used for ranking the information offered to consumers. We should discuss whether we need any at EU level.

A big issue, as we have seen from recent events in the car industry, is the individual protection of the consumers who have been misled - in particular into concluding a contract - by false or misleading statements by the trader.

At present, only national contract laws enshrine the right to individual contractual remedies in the case of unfair commercial practices. And the rights differ from one EU country to another.

There is no EU-wide consumer right to contractual remedies and to compensation in such cases. Consequently, the consumer's right to get adequate individual redress from traders may be compromised. We need to come back to the issue of more collective ways to justice in the EU.

Another important aspect of fairness is the consumer protection against unfair contract clauses. Different "black lists" of prohibited standard contract terms exist in several Member States, which have gone beyond the minimum requirements laid down in the current Unfair Contract Terms Directive.

We are investigating whether an EU-wide black list could strengthen consumer protection in this area. Furthermore, traders may currently be facing an unnecessary administrative burden due to the need to comply with varying rules on unfair standard contract terms in different EU countries.

The so-called collaborative or sharing economy plays a more important role in our society and attracts strong interest from European consumers. But it also raises important issues with regard to consumer protection.

For example, how is it possible to distinguish between traders and consumers? At present, when a consumer concludes a contract via a collaborative economy platform he or she does not always know if the supplier is another consumer or trader. This can have a strong effect on their consumer rights.

Enforcement is key for effective consumer protection.

We have already taken action this year. The Commission reform proposal of the Consumer Protection Co-operation will ensure that consumer protection authorities have the right tools to act fast and to stop efficiently illegal practices, notably those spreading quickly in the digital environment, and which concern consumers in most or all Member States.

Let me inform you about the most recent results of our sweep to highlight why coordinated cooperation is important.

Since October 2015, the European Commission has coordinated the work of 28 consumer authorities to ensure that e-commerce websites across the EU respect the pre-contractual information requirements of the Consumer Rights Directive. 743 websites were checked.

Such a number of EU wide checks has never been done before! And the authorities found one or several confirmed irregularities in almost 60% of those websites. 87% of those which still exist are now fully compliant after the national consumer authorities asked for corrections to be made. But, national administrative or legal proceedings continue for the non-compliant websites.

This is why we are also looking how to make better use of the injunction procedure to stop infringements of EU consumer law effectively.

At present, the injunctions procedure does not cover all EU consumer law instruments. And it may also entail high costs and take too long.

Last but not least, I would like to touch upon the issues in the business-to-business (B2B) relations.

We know that businesses, in particular SMEs, are harmed by unfair practices and contract terms in B2B relations with traders with greater market power.

The current EU rules relating to B2B relations only cover misleading advertising whilst other aspects of B2B relations are regulated in different ways at national level. So we should discuss whether existing consumer protection rules should be extended to include B2B relations, as is already the case to different degrees in several Member States.

This Summit follows on a public consultation which has shown that more than half of the respondents - public authorities, consumer and business associations, individual consumers and businesses - believe that the current marketing/pre-contractual information requirements included in the Unfair Commercial Practices Directive, Price Indication Directive and Consumer Rights Directive need to be regrouped and streamlined.

And similar views were shared regarding the need for more transparency on the way in which online intermediaries rank the information presented to consumers.

As regards the area of business-to-business (B2B) relations, the picture is mixed. Whilst more than half of individual businesses supported the extension of the protection rules on B2B commercial practices beyond the marketing stage, the introduction of a black list of B2B commercial practices and the extension of the Unfair Contract Terms Directive to B2B contracts, these ideas had less support from the public authorities and, especially, from business associations.

Our objective must be to ensure a fair balance between consumer protection and traders' interests to increase trust and legal certainty and help cross-border e-commerce to flourish.

I look forward with great interest to hearing your views and learning from you to help guide us through our next steps.

Thank you for your participation and especially for helping us to shape the future of this very important policy for our citizens.

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