

Single Market Scoreboard

Consumer Protection Cooperation Network (CPC)

Reporting period: 01/2018 – 12/2018

About

The [Consumer Protection Cooperation \(CPC\)](#) is a **network of authorities** responsible for enforcing EU consumer protection laws to protect consumers' interests in the countries of the European Union (EU) and the European Economic Area (EEA).

Regulation (EC) No 2006/2004 on consumer protection cooperation (the [CPC Regulation](#)) lays down a cooperation framework enabling national authorities from all countries in the EEA to jointly address breaches of Union laws protecting consumers' interests in cases where the trader and the consumer are based in different countries.

The CPC Regulation links national competent authorities to form a European enforcement network called the "CPC Network". In each country, a single liaison office is responsible for coordinating the relevant national authorities.

These authorities cooperate on consumer rules covering [areas](#) including:

- unfair commercial practices
- e-commerce
- comparative advertising
- package holidays
- online selling
- passenger rights.

In operation since 2007, the CPC Network enables authorities to share best practice and provides a mutual assistance mechanism. It also conducts regular EU-wide screenings of websites ("sweeps") to check whether a given sector is complying with consumer rules. Authorities can also alert each other to malpractices that could spread to other countries.

In 2014, the Network went one step further, agreeing on coordinated positions in areas of common interest. This has obliged traders involved in widespread problematic practices to change them across the EU. Examples include car rental and "in-app" offers in online games.

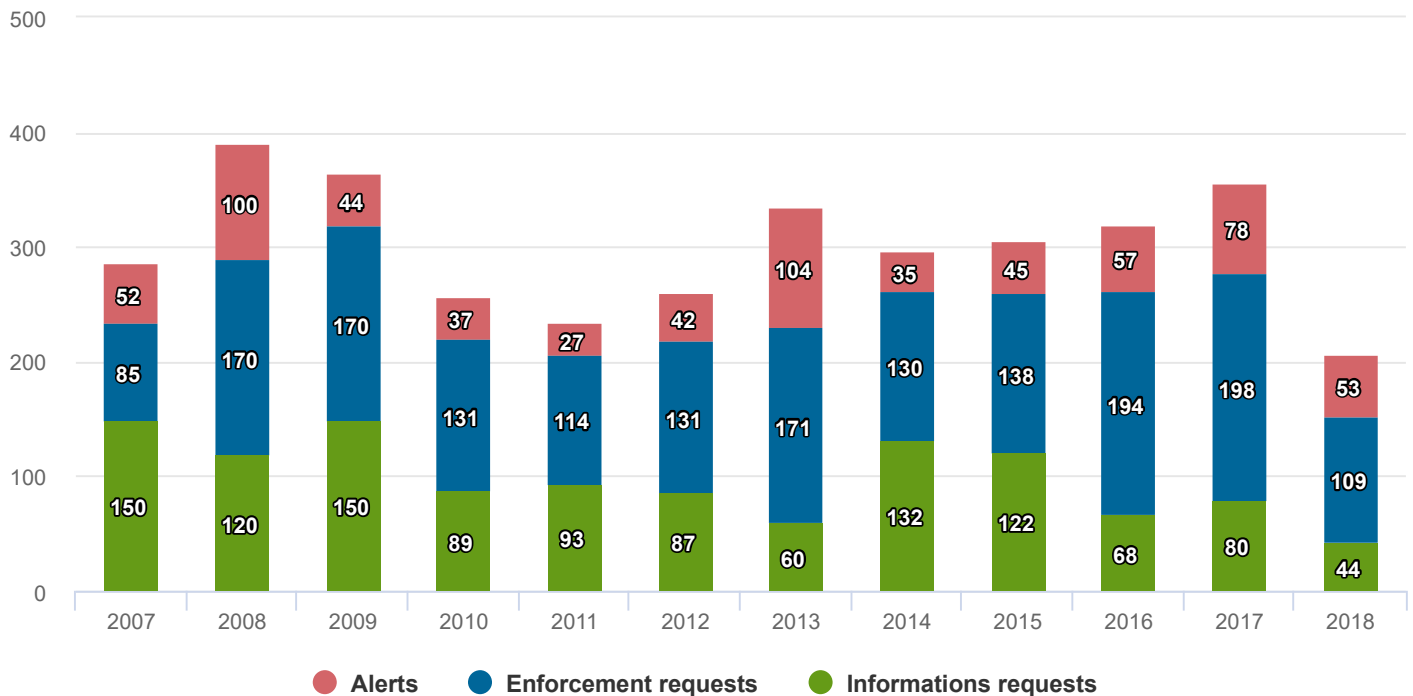
The new [CPC Regulation](#), which will be applicable as of 17 January 2020, will improve the current

framework by putting in place stronger coordinated mechanisms to investigate and tackle widespread infringements and allowing cooperation on infringements of short duration, such as short term misleading advertising campaigns. If you've encountered problems when buying goods or services from a trader abroad, you can contact the [European Consumer Centres network](#) for help.

Facts and Figures

Number of CPCS cases

2007 – 2018



How the network works

Under the [CPC regulation](#) , participating countries are obliged to provide **mutual assistance**.

They do this largely by **sharing 3 types of information via a database** (the CPC system) run by the Commission:

- **information requests** – an authority is asked for information to establish whether:
 - a trader registered on its territory has breached EU consumer law
 - there is reason to suspect that such a breach might take place.
- **requests for enforcement measures** – an authority is requested to do everything necessary, without delay, to halt or outlaw breaches.
- **alerts** – if an authority suspects or is warned about a breach then it informs the Commission and its counterparts in the other countries.

Achievements

A) Legislative developments

On 25 May 2016, to improve the existing mechanism for cooperation between national consumer protection cooperation authorities, the Commission put forward a proposal for the reform of the Consumer Protection Cooperation Regulation. It also proposed that the CPC Regulation be replaced by a new regulation.

After fruitful negotiations among the co-legislators, the [new CPC Regulation](#) (Regulation (EU) 2017/2394) **was finally adopted and published** in the EU Official Journal on 27 December 2017.

The Regulation entered into force on the 20th day after this date (17 January 2018). **It will be applicable from 17 January 2020**. At the same time, Regulation (EU) 2006/2004 will be repealed, as provided for by Article 41 of the new CPC Regulation.

The new Regulation brings a number of improvements that will enable EU consumer protection laws to be better enforced. They include:

- **Stepping up the powers of national authorities in cross-border situations by granting additional powers to enforcement authorities.** In this context, authorities will be able to request information from domain registrars and banks to detect the identity of the responsible trader, carry out test purchases and mystery shopping to check geographical discrimination or after-sales conditions (e.g. withdrawal rights) and order the removal of online content hosting scams.
- **A one-stop-shop approach to addressing widespread infringements with a EU-wide dimension:** multinational businesses will benefit particularly from the new CPC Regulation, which proposes a one-stop-shop approach to addressing widespread issues associated with the application of consumer laws at EU level. With the new Regulation, the Commission will have a clearer role to play when an infringement has harmed, is harming or is likely to harm consumers' collective interests in at least two-thirds of EU countries, provided that the countries concerned together account for at least two-thirds of the EU's population.

The Commission, as the coordinator of the relevant coordinated measures, can ask national authorities to jointly investigate bad business practices and to address them in a more efficient and better coordinated manner. This will ensure that consumer laws are more consistently enforced, cut legal costs and make markets more level.

- As part of the EU-level measures, national authorities will be able to **obtain or receive commitments from businesses** that they will compensate consumers for their losses.
- **Step up vigilance and market surveillance:** There will also be a new EU-wide market alert system, enabling emerging threats to be detected more rapidly. This new alert mechanism will combine the mechanism that already existed under the old CPC Regulation with a wider exchange of relevant and necessary information. As an additional novelty, certain external bodies (such as consumer and trade associations, the European Consumer Centres, or designated bodies, on which this power was conferred by EU governments or the Commission) will also be able to send alerts ("external alerts"). This increases the role of stakeholders in enforcing consumer protection laws.
- The new Regulation also **extends the scope** of the legislation in its annex to cover, in extensive detail, passenger rights, key retail financial laws and Article 20 of the Services Directive, which lays down a non-discrimination provision for services in the EU. It will also cover the newly adopted

Regulation on the cross-border portability of online content services and, once they are formally adopted by the Council and European Parliament, the pending proposals on geo-blocking and digital contacts.

- To make sure certain activities are **prioritised** and that resources are more efficiently used, Member States will be required to exchange information on their enforcement priorities every 2 years. The Commission will produce an overview of this information and make it publicly available.

B) Sweep

- The CPC network's **2017 sweep**, launched in October 2017, targeted telecoms and other digital services. The CPC authorities screened 207 websites offering fixed/mobile phone, internet, audio and video streaming services. The screening revealed that 163 of these websites could be infringing EU consumer law. Some of the most common issues identified were the advertisement of allegedly free or discounted packages that are in fact a bundled offer, the lack of a dispute resolution system, or the fact that these websites can unilaterally change the terms of the contract without information or justification to the consumer.
- The CPC network's **2018 sweep**, launched in November 2018, focused on commercial practices related to price transparency, in particular the issue of drip-pricing (i.e. when mandatory surcharges are not presented to the consumer upfront at the offer stage but are instead disclosed when the consumer continues with the ordering process) and discounts. The CPC Authorities of 26 countries (24 EU Member States, Norway and Iceland) screened 560 e-commerce websites offering products ranging from clothing to computer software and entertainment tickets. Around 60 % of the websites showed irregularities in relation to additional mandatory surcharges for delivery, booking services etc. that are not presented to the consumer upfront, the presentation of discounts as well as the provision of legally required information, for instance on easily accessible link to the ODR platform or trader's contact details. The detailed results of the first phase of the screening [are available online](#). Consumer protection authorities will ensure full compliance by the traders concerned, where necessary, by activating their national enforcement procedures.



What is a “sweep”?

A “sweep” is a set of **checks** carried out **simultaneously** by **national enforcement authorities** to identify breaches of EU consumer law in a particular sector.

- In the enforcement phase, these authorities ask the traders concerned to take **corrective action**.
- The Commission coordinates the sweep action.

C) Other achievements

- An **e-enforcement academy was set up** to boost the CPC and product safety networks' ability to conduct online investigations. The first phase of the project (2017-2018) was successful, providing various deliverables for national CPC and product safety authorities. These activities will continue in the second phase of the project (in 2019).
- CPC authorities are now widely using the **CPC knowledge exchange platform**, an IT tool developed in 2014–2015, to support collaborative work and share results with the wider CPC network.
- The joint actions of the CPC authorities have achieved significant results in the benefit of consumers. As a result of the joint action on car rental, five major car rental companies (Avis, Europcar, Enterprise, Hertz and Sixt) have changed and improved their commercial practices, contract terms and internal policies in order to achieve compliance with EU consumer rules. Moreover, following the joint action on Social Media, three major platforms (Facebook, Twitter and Google+) modified their terms of service according to the CPC requirements and established a "notice and action" procedure dedicated to the CPC authorities for the reporting and removal of illegal content. A similar action against Airbnb is ongoing and expected to bring equally positive results

Priorities

- Continue working together with national authorities and stakeholders in order to ensure that the national implementations of the new cooperation mechanism are consistent across the Union and that stakeholders are also on board.
- Keep improving the network's **efficiency** and **effectiveness** – through meetings, workshops and coordinated enforcement actions. Work on coordinated actions concerning issues with high importance for consumers across the EU.
- Continue building further the capacity of the network to conduct online investigations, also via the e-enforcement academy project.
- Work on a new IT tool (electronic database) that will support the cooperation of CPC competent authorities and other stakeholders in an efficient and user-friendly way.