

Consumer scoreboard

2008/2057(INI) - 29/01/2008 - Non-legislative basic document

PURPOSE : Commission Communication on monitoring consumer outcomes in the single market: the Consumer Markets Scoreboard.

CONTENT : **it is recalled that** one of the main conclusions of the Commission's communication on the single market review is that the market has to be more responsive to the expectations and concerns of citizens and more able to adjust to the challenges of globalisation. Policies need to be more evidence-based and outcome-oriented. Evidence on the performance of the single market for consumers is, however, largely absent at present. Developing the indicators to better monitor this demand-side aspect of the single market is, therefore, key to the new Commission approach. The Consumer Markets Scoreboard will contribute to the general monitoring exercise by trying to detect those cases where signs of market malfunctioning are linked to unsatisfactory conditions of the consumer environment. The data gathered will not only help deliver a better consumer policy, but will feed through to all policies that affect consumers, ensuring the better integration of consumer interests into all EU policies.

The Communication discusses need for a clear distinction to be drawn between the **screening and analysis phases of monitoring**, and the significance of each phase. The first Consumer Markets Scoreboard sets out the indicators needed for screening consumer markets and the institutional framework in which markets and consumers operate. Complete and comparable data on consumer outcomes are largely absent. This first Scoreboard presents existing data and suggests ways of filling the extensive gaps.

The main characteristics of consumer markets can be captured through **five main indicators**.

These are complaints, price levels, satisfaction, switching and safety. These indicators are discussed in the document. The five indicators will provide much information about how a particular market is working. Analysis phase market studies will, however, need to collect all relevant data with a view to better understanding the causes of market malfunctioning. Where the scoreboard reveals evidence of problems common to markets, this may call for horizontal analysis across different markets. Similarly, analysis of the indicators along national lines may help national authorities or consumer organisations identify specific problems in their country and carry out further analysis. The document gives examples of issues to study in more detail in the analysis phase.

The Commission points out that **the first scoreboard is embryonic**. The available data for the indicators is inadequate: most of the indicators are only available for a very limited number of sectors and the data are not always available for all Member States, nor are they always comparable.

There tends to be a lack of data on consumer outcomes in relation to other EU policies that affect consumers, with the exception of areas where EU policies overlap with markets, for example, telecommunications price data and data on transport safety. The current data are too limited – in particular with regard to the number of sectors – to give an indication as to which markets are functioning better than others. For this reason the first scoreboard is presented by indicator rather than by sector. While the first Scoreboard focuses mainly on services, future scoreboards will cover more goods markets.

The EU retail internal market is far from being integrated. European consumers still tend to buy goods or order services in their own country. Though there are a number of structural barriers such as language or consumer protection law, these do not have the same negative impact in all countries. As one might expect, consumers in small, central countries tend to buy more from foreign suppliers than consumers in peripheral countries.

The consumer environment differs substantially and with regard to many aspects across Member States. Trust in the national consumer protection system, in the national authorities dealing with consumer affairs, in independent consumer organisations, or in providers to protect consumers' rights varies from 30% to over 80% across Europe. Dispute resolution is thought to be easier in some countries than in others. There are also important differences with respect to the level of understanding of information, or the amount of public funding consumer organisations receive.

Above all, this first scoreboard shows the need to collect new data sets and evidence for future scoreboards. This gathering of data will be carried out in collaboration with interested stakeholders in Member States such as consumer authorities, industry bodies, consumer associations and statistical offices. Special attention will be given to collecting data for all 27 Member States. Immediate follow-up activities will focus on:

- comparable price data for a substantial number of products in cooperation with Eurostat and national statistical offices;

- developing a methodology to classify complaints in a more harmonised manner across Member States;

- adapting the satisfaction methodology and carrying out satisfaction studies in additional sectors;

- further developing the indicators and integrating the scoreboard into the market monitoring exercise and the Single Market Scoreboard. The future Internal Market Scoreboard will provide indicators on economic performance, competition, market integration, innovation, and more generally on citizens' benefits.

The shift in policymaking away from an instrument-led approach to an outcome-led approach with a focus on consumer outcomes is ambitious and calls for an important change in the work of policymakers. The programme outlined above will require a considerable effort on the part of policymakers and stakeholders.