Consumer protection

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The Committee on the Internal Market and Consumer Protection adopted the own-initiative report drawn up by Anna HEDH (S&D, SE) on consumer protection.

It notes that 499 million consumers in the EU are central to the effective functioning of the internal market and have a crucial role to play in increasing growth, employment and competition, since consumer expenditure generates half of the EU's wealth. Members stress the **need for an active consumer policy** to enable citizens to benefit fully from the internal market. Such a policy is all the more essential in the current economic crisis to support social policy in fighting against growing inequalities and to protect vulnerable consumers and low income groups.

The committee took the view that the appointment in 2007 of a dedicated Commissioner for Consumer Affairs and her strong personal engagement brought about progress in European consumer protection policy and consumer issues, much to the benefit of EU citizens. However, it fears that splitting responsibility for consumer affairs between two Commissioners' portfolios may lead to a reduction of the consumer focus in the new Commission. Members call on the Commission to ensure the **effective integration of consumer interests into all EU policies**, and to examine in its impact assessments the potential effects of any new legislation and policies affecting consumers, with each relevant Commission Directorate-General publishing an annual report on how consumer policy is integrated into its area of responsibility.

The report emphasises the crucial role of consumer organisations, the importance of strengthening consumer awareness and training in order to empower consumers throughout their lives, and the need to promote sustainable consumption. Member States are particularly encouraged to **include consumer aspects in their national curricula** at all levels of education in order to equip children with the necessary skills to take complex decisions later in life, and to consider educational programmes for parents and adult consumers. Commission and Member States are urged to launch a well-targeted **communication strategy in order to raise awareness** amongst EU citizens of the risks of exposure and of their rights as consumers, in particular by putting in place user-friendly web portals, awareness-raising campaigns and information points at local, regional and national level, with specific communication channels to reach the most vulnerable consumers.

The Consumer Markets Scoreboard: whilst welcoming the five main indicators in the Scoreboard – complaints, prices, satisfaction, switching and safety – the committee considers that criteria should also be applied to measure the extent to which goods and services accord with the objective of **sustainable development**. It suggests that, once the five basic indicators and the associated methodology have been sufficiently developed to produce results of high quality, the Commission should consider including in the Scoreboard **additional long-term indicators** such as those relating to market shares, quality, advertising, transparency and comparability of offers, indicators related to enforcement and consumer empowerment, social, environmental and ethical indicators, as well as indicators to measure redress and consumer detriment. However, this should be done gradually in order to ensure a focused and intelligible Scoreboard.

On specific problems revealed by the Scoreboard, the committee states that it is aware that consumers experience more problems with services than with goods, and it urges the Commission to **carry out in-depth analyses of all problematic sectors** identified in the Scoreboard followed by specific legislative initiatives and policy recommendations for Member States, and to provide feedback to Parliament.

The report calls on all complaints bodies to adopt a **harmonised methodology** for classifying and reporting consumer complaints and encourages them to report complaints data corresponding to all fields – recommended and voluntary – proposed by the Commission in its draft recommendation. Members also want further **development of methodology** on price data and consumer satisfaction.

Considering that the ability to switch providers is an essential feature of competition in a market economy, the committee urges the Commission and the Member States to take **measures tofacilitate switching in all important retail services**.

Members move on to note that the prevalence of **cross-border activity** still varies significantly across the EU, and although average expenditure on cross-border purchases is considerable (EUR 737 per person per year), the great majority (75%) of retailers sell only to consumers in their own country, while only a quarter of EU consumers make cross-border purchases. Whilst there are a number of structural barriers, such as language, stronger consumer confidence would substantially increase the levels of cross-border trade. The report asks the Commission to include in future Scoreboards **more complete data on the real level of cross-border sales** and the problems encountered by cross-border consumers.

Members also call on the Commission to:

- benchmark the consumer environment in each Member State, taking account of differences in consumer law and consumer traditions, to help identify best practices;
- develop a strategy to communicate the Scoreboard better to a wider audience, by ensuring that it is easily accessible on relevant websites, and to promote its proper dissemination to the media, national authorities, consumer organisations and other stakeholders.

All Member States are asked to carry out a **broad market-monitoring exercise** on an annual basis in order to identify markets which are failing for consumers and to provide complete data that will allow the Commission to monitor and compare the problems faced by consumers in the internal market.

Enforcement of the consumer acquis: Members welcome the five priority action areas identified by the Commission in its communication on the enforcement of the consumer acquis. They note that **enforcement across the EU is far from uniform** and urge Member States to increase resources in order to ensure that laws protecting consumers and guaranteeing competition are enforced in retail markets. The report considers that enhancing market surveillance and enforcement mechanisms and applying them efficiently is crucial, and that **public authorities must be given more resources** to investigate and stop illegal commercial practices. It encourages the establishment in all Member States of **independent consumer protection agencies** to bring proceedings before national courts in order to protect consumers' interests. The committee also urges Member States to consider the benefits of introducing a Consumer Ombudsman.

Members go on to discuss the need to develop alternative dispute-resolution mechanisms to enhance the level of consumer protection and the need for improvement in terms of **redress mechanisms**, calling on the Commission to provide follow-up to its Green Paper on Consumer Collective Redress.

Lastly, the committee considers that the Commission and Member States should **publish the results of market surveillance and enforcement activities**, providing a breakdown by individual company, in cases where a recurrence of illegal practices has been identified, in order to ensure greater transparency, and enable consumers to make well-informed choices.