

Consumers' protection: sale of consumer goods and associated guarantees

1996/0161(COD) - 21/01/1998

Shoppers who buy goods in a Member State other than that in which they live and who find, on returning home, that the goods are defective should be able to seek redress in their country of residence, according to an amendment narrowly adopted (by 14 votes to 11) by the Committee. The committee was amending (codecision, first reading) a Commission proposal for a directive on the sale of goods and associated guarantees which its rapporteur, Mrs Annemarie KUHN (PES, D), hailed as an important step towards completion of an internal market for the Union's 370 million consumers. The amendment on foreign purchases reads: 'In the case of goods sold in several Member States an instruction leaflet enclosed by the manufacturer with the goods shall list at least one address in each of the Member States concerned which consumers may notify of a lack of contractual conformity. At this address consumers shall be provided with due assistance in asserting their claims.' Members also insisted that, in the case of cross-border contracts within the European Union, Member States should ensure that appropriate and effective complaints procedures and remedies are in place to settle any disputes between consumers and sellers. In the case of defective goods, consumers should be entitled to use complaints agencies as mediators or to refer their claims to them. Redress must normally be sought against the seller, but where this is impossible or where the seller is established in another Member State or has ceased trading or cannot be informed in good time of the defect in question, the consumer may apply to the producer or the producer's representative in the consumer's Member State. The Commission proposal also seeks to harmonize Member State laws governing statutory guarantees. Under provisions reworked by the committee, any Union consumer has two years in which to complain of a defect (ie where goods do not comply with the sales contract). The seller must then offer to repair the goods free of charge or to replace them. If neither of these options is possible, the purchaser can demand a price reduction or rescission (cancellation) of the contract. In the event of a minor defect, the seller must initially offer either free repairs or a price cut. However, members agreed that these rights could be waived in the case of second-hand goods where, in the light of the specific nature of the goods, a contractual restriction appeared appropriate. The committee also redefined the scope of defects to cover appearance and finish, safety and durability. Redress is also available to consumers in the case of the incorrect installation of goods (eg wardrobes) by the seller or even - this provision was inserted by the committee - by the consumer if he has been supplied with faulty installation instructions. The committee also insisted that the seller bear any costs incurred and that, in the case of payment by instalments, such payments may be suspended until the defects are put right. However, the seller will in turn have redress against his suppliers or the producer. Plugging a lacuna in the Commission proposal, the committee also inserted a provision on the need for the consumer to be given information on after-sales service. According to Mrs KUHN, the proposal has run into opposition from industry, which is said to take the view that the increased costs involved cannot be borne by vulnerable consumer goods sectors or small shopkeepers and will have to be passed on to the consumer in the form of higher prices. Mrs KUHN'S report, incorporating the committee's amendments, is expected to be considered by the House in Strasbourg in March.