Green Paper on the review of the consumer acquis

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PURPOSE: to launch a debate of the revision of the EU's consumer protection rights (Green Paper).

CONTENT: in presenting this Green Paper the European Commission is calling on interested parties to express their views on the "Review of the Consumer Acquis", which was launched in 2004 within the context of the Better Regulation goals. The review covers eight consumer Directives.

The overarching aim of the Review is to achieve a real "consumer" internal market that strikes the right balance between i) a high level of consumer protection; ii) enterprise competitiveness and iii) respect for the subsidiarity principle. The Review is regarded as a unique opportunity to modernise the existing consumer Directives and to simplify the current regulatory environment – both for consumers and professionals. To this end the Directives are being reviewed both as a whole and individually with a view to identifying the regulatory gaps. This Green Paper concludes the diagnostic phase of the Review as well as summing up the Commission's initial findings.

The growth of complaints to the European Consumer Centres (ECCs) regarding on-ling cross-border shopping has been increasing each year. Most complaints pertain to: non-delivery, late delivery, cooling off periods, the return of goods; and refunds. Existing rules have served consumers well but they have evolved over the past 15-20 years. The current situation is thus that a patchwork of national rules exist – with basic EU standards topped up to different levels in different countries. There are also a whole new set of challenges in the on-line world which are not being dealt with effectively.

This Green Paper examines 28 issues including:

- Reinforcing the notion of delivery for cross-border purchases (the biggest on-line consumer complaint).

- Strengthening consumer protection.

- Clarifying consumer rights vis-à-vis late delivery, no delivery and partial delivery.

- Clarifying and simplifying the rules regarding the return of products. (Current EU wide standards differ greatly).

- Setting common rules on the right and costs of returning goods.

- Simplifying consumer remedy provisions.

- Clarifying provision relating to "cooling of periods".

- Assessing whether certain services should be covered by consumer protection rules (i.e. downloading music on-line).

- Clarifying the exception of "second hand goods sold at public auctions", from the existing Sales Directive.

When considering possible future options, the Green Paper highlights the difference between adopting a *vertical* or *horizontal* approach to reforming the current consumer acquis. The vertical approach would consist of revising each of the existing Directives and adapting them to market and technological developments (which could be time consuming). The horizontal approach would entail the adoption of one or more framework instruments to regulate common features of the acquis, underpinned by sectoral rules.

The Consultation on the Green Paper will last for three months (until 15 May 2007). Proposal for specific initiatives – regulatory or otherwise – to remedy existing problems and shortcomings will then be brought forward.