



The Consumer Voice in Europe

Consumer Programme 2014-2020

Proposed Commission regulation

BEUC Position Paper

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Background and context

1. BEUC supports the proposal for a Regulation on “A Consumer Programme 2014-2020”¹ presented by the European Commission on the 9th of November 2011. This Programme as proposed will run from 2014 to 2020 with a €197 million budget (€28 millions per year).
2. The main purpose of the regulation is the allocation of the budget for the measures necessary to meet the identified four policy objectives, which are very broad. The Commission’s proposal is more detailed than the previous Programme and it is a regulation (instead of a Commission decision as previously).
3. With this Programme, the Commission intends to support the general policy objective of placing the empowered consumer at the centre of the Internal Market. The objectives of the Consumer Programme are focusing on four issues, namely safety, consumer information and education, consumer rights and effective redress and enforcement.
4. This Programme will succeed to the currently operational “2007-2013 Programme of Community Action in the field of consumer policy” which runs until the end of 2013. The budget of the newly proposed Programme forms part of Commission’s proposal for the over-all EU budget, the so-called Multiannual Financial Framework. This means that the budget proposed for the Consumer programme depends on the over-all agreement of the EU legislators on the EU budget, which is expected to be partially finalised by mid 2012.
5. Compared to the sum of money allocated to the current consumer programme, the proposal would more or less maintain the status quo.
6. The 2007-2013 consumer policy strategy and the programme for Community action has been subject to a mid-term evaluation, which concluded that the strategy and programme have been successful.
7. The proposed programme will provide the financial framework, whereas the more political and strategic framework will be issued in the format of a “Consumer Agenda”², (previously announced as “Consumer Act” with reference to the “Single Market Act”), in the second quarter of 2012. The Commission describes the “Consumer Agenda” as a consumer policy strategy combined with a detailed work program for the current Commission.

¹ http://ec.europa.eu/consumers/strategy/docs/proposal_consumer_programme_2014-2020_en.pdf

² http://ec.europa.eu/governance/impact/planned_ia/docs/2012_sanco_005_consumer_agenda_en.pdf

8. Thus the “Consumer Agenda” will partially be operational under the current Programme (which runs until the end of 2013) and as of 2014, will be framed by the new Programme.
9. The Commission proposal will be discussed by the European Parliament and the Council of Minister (ordinary legislative procedure), with a view to its adoption at the very latest by the end of 2013, to allow for the start of the new consumer programmes in 2014.

General comments

Coherence between financial and strategic programmes

10. The time discrepancy between the publication of the proposal for the new consumer policy programme on the one hand and the adoption of a new consumer strategy (consumer agenda) on the other hand is not helpful for reasons of coherence, given that financial measures need to be decided by the EU legislators before the strategy to pursue is known.
11. The consumer agenda should be based on a holistic approach, covering all Union policies that are relevant for consumers. The new consumer programme should reflect this better than the current one, by for example allocating funds for measures, that reflect the integrationist character of consumer policy, such as for example enabling consumer participation in Commission’ s expert groups across the different policies. A list of any other Community programmes which would also cover the promotion of consumer interest should be established.
12. Given the shift of the competence for consumer law and market law from the European Commission’s DG SANCO to DG Justice, it would be important to consider the Programme of DG Justice and of DG SANCO in parallel in order to get the full picture. It has to be noted however, that the proposed Rights and Citizenship Programme³ which has as one of its specific objectives the empowerment of consumers, does not provide any detailed information on the envisaged action compared to the consumer policy programme.
13. An overview of all EU programmes which include the promotion of consumer interests should be provided in order for stakeholders to be informed about the various programmes related and potentially generating synergies with the present proposed consumer policy proposal.

³ COM(2011) 758 final.

Budget

14. The importance of consumer policy as a major tool for the EU to strengthen market confidence, to stimulate cross-border activity as well as to influence consumption patterns in favour of a more sustainable Internal Market should be recognised by the EU with an ambitious programme.
15. Yet the budget for the consumer programme is one of the “smallest” compared to all other policy programmes. This is not satisfactory, given the fact that Consumer policy is one of the very few Union policies that can reach out to citizens/consumers and can have a clear impact on their daily lives and that consumer expenditure amounts to 56% of EU GDP.
16. Despite the fact that the Commission’s EU2020 agenda clearly puts consumer welfare at the heart of its aims and that the announced “Consumer Agenda” is qualified as a “strategic” Commission initiative, the financial resources proposed by the Commission do not reflect this political upgrading. Regrettably, the proposed new budget amounts to approximately 25 million € per year, which is only spending of around **0,05 EUR per European consumer/ year**.
17. Given the economic crises and the pressure to reduce the EU overall budget, the Commission’s constraints are obvious, however, the EU 2020 strategy can only reach its objectives if a clear commitment to strengthen consumer wellbeing materialises also in terms of financial support granted to the necessary actions.
18. BEUC therefore calls on the European institutions to increase the proposed budget. If this is not possible in the context of the financial constraints of the EU budget, the EU should guarantee at the very least to maintain the proposed amount, which is the minimum to ensure a visible and efficient EU policy.

The Policy Objectives

19. The new Programme keeps the same general objectives than the previous Programme but its specific objectives focus on four issues namely 1) **safety**, 2) **consumer information and education**, 3) **consumer rights and effective redress**, 4) **strengthening enforcement**.
20. BEUC considers that EU institutions and national governments need to adopt a consumer policy for the 21st Century and acknowledge that consumers are the driving force of well-functioning markets. To promote this aim, BEUC has already issued a policy paper on the future consumer

policy *strategy*⁴, in which we outline in detail what kind of objectives and policy measures should be taken in the new strategy. In addition in May 2012, BEUC will publish a proposal for what should be the EU's vision for the future consumer policy.

21. The consumer policy programme functions as a very broad policy framework, within which the specific measures need to be allocated. Below we will limit our comments to the main concerns in relation to the Commission's overall approach.

Objective I - Safety

22. BEUC welcomes that the European Commission foresees setting up a permanent EU level body which would be in charge of helping to coordinate the market surveillance authorities for product safety.
23. What is also urgently needed, but not envisaged in the programme, is a European Injury Database to which all Member States participate (the current Injury Database does not deliver a clear picture due to its restricted participation). Such a measure should be included into the programme.
24. The future programme should do more for joint actions on product safety. The required legal basis should be developed in the context of revision of the General Product Safety Directive, for which a European Commission's legislative proposal together with an action plan on market surveillance is expected to be presented in the second half of this year - 2012.
25. Finally, BEUC underlines that the traceability of nanomaterials in consumer products need to be improved. Thus, we call for introducing a mandatory reporting scheme for manufacturers about the use of nanomaterials in consumer products. Information about consumer products which contain nanomaterials should be made publicly available in a product inventory. Financial means would be necessary to facilitate this task and the use of the data.

Objective II – education and information

26. Clearly, truly competitive markets need well informed consumers and despite the fact that consumer information is important, BEUC underlines that consumer information cannot be seen in isolation, but has to go hand in hand with strong rights and their enforcement. We thus underline the importance of the other objectives of the programme and that the listing by

⁴ See BEUC's initial response to the DG SANCO consultation on a future consumer policy strategy, BEUC/X/46/2011, accessible at www.beuc.eu

numbers of these objectives should not be seen as a ranking according to a prioritisation.

27. In relation to the DOLCETA project, which is running under the current consumer programme, but would not be continued in its present form under the new proposal, it is important to ensure that the information compiled and published under this programme will not be lost; the investment made should be preserved as much as possible.
28. The concept of “the empowerment of European consumers” is often promoted by focusing too much on consumer information only. But “empowering” must not mean to increasingly transfer responsibility on consumers - so as to make being a consumer a full time job or increasing the risk of excluding vulnerable consumers from participating in /benefiting from a competitive market place - but that the EU consumer programme and agenda should foremost aim at creating the right market conditions for consumers to be able to make informed, considered and rational choices, and equipping them with the tools to do so.
29. We should also focus on the education of business, which are not sufficiently aware of consumer rights as clearly illustrated by the Commission’s consumer market scoreboard of spring 2011. Other EU Programmes should offer education to business on consumer law.
30. In the Commission’s proposal, objective II on information and education covers also the support to consumer organisations. Consumer organizations are not only major sources of information for consumers, but they also play a fundamental role in the representation of consumer interests by providing input into policy making. Strong consumer organisations are essential in order to meet the Commission’s promises to build union policies around people’s needs.

BEUC’s call for a fifth objective: consumer representation and participation

31. We naturally very much welcome that support to consumer organisations and capacity building is included in the proposed programme. Enabling more consumer representation and capacity building of consumer organisations should qualify for an objective in its own right. In order to ensure that the Commission’s promises to put consumers into the heart of EU policy making can be fulfilled, the programme should be amended to include this fifth objective. BEUC is currently representing consumers in around 50 expert groups at EU level. Often we cannot ask our member organizations to help us with these tasks as no reimbursement of travel costs is available and no money can be paid in order to prepare for the meetings. This is why the consumer programme should allocate resources (for travel, meeting time and work dedicated to meetings) to enable more

representation by independent consumer organisations in the various expert groups across the different policies where consumer input is necessary. Alternatively other Union programmes should - where relevant - allocate a specific budget to enable input from consumer representatives. Such consumer input could for example be organized via BEUC or the ECCG (European Consumer Consultative Group).

32. The introduction into the future consumer policy Programme of a proactive and prominent funding scheme directed at further development of the CESEE consumer movement is crucial. In this respect, BEUC has developed a strategy and action plan⁵, which gives guidance on what is need to build up the consumer movement in the most recent Member States. The actions identified by BEUC should all be covered with the new programme.

33. In this context, the text of the proposed objective II on point 5. b) "Support to consumer organisations" is too limited as its focus is merely on "capacity building"⁶. The proposal to provide for training, best practices exchange and furthering expertise for staff of consumer organisations, is fundamentally important and very welcome, but other measures are needed too, as proposed by BEUC's strategy for the CESEE countries⁷ and should include inter alia :

- financing mechanisms for consumer organisations: provision of interest free loans, start up support for small organisations;
- introduction of options of funding through taxes/fees/fines : the European Commission could issue a recommendation to Member States to this end;
- participation of CESEE consumer organisations in the EU decision making process (see above point 29) and strengthening of ECCs in these countries and the participation of consumer organisations in ADr bodies (see below point 37);
- promotion of consume programme and reports in national media on consumer protection and consumer rights; the production of clips and on-line media tools could be furthered.

⁵ See "Strengthening the Consumer Movement in Central, Eastern and South Eastern Europe (CESEE) Current obstacles - Long term objectives - Durable solutions » BEUC X/2011/074, accessible at www.beuc.eu

⁶ See Objective II point 5 b): "capacity building for regional, national and European consumer organisations, notably through training and exchange of best practice and expertise for staff members, in particular for consumer organisations in Member States which demonstrate a relatively low level of consumer confidence and awareness as evidenced by monitoring of consumer markets and the consumer environment in the Member States".

⁷ Idem footnote 5.

Objective III – rights and redress

34. The title of objective III on consumer redress and rights should be amended because it is limited to “consolidation” of consumer rights. We suggest that the title should be: “strengthening and modernising” of consumer rights.
35. Furthermore the EU’s obligation to contribute to a high level of consumer protection is not reflected in the text of objective II. This should be added, in order to underline the political will of the European Commission to fulfil this fundamental goal.
36. The role of ECC-Net is key to ensure consumers’ trust in the market and consequently in the practical application of consumer rights in cross border situations. The proposed substantive increase in budget in the new programme looks like a good investment, however, it needs to be clear that the funding of the ECCs as proposed will amount to as much as between a fourth and a third of the entire consumer policy programme. Business should also be asked to carry a share of the necessary money for the operation of the ECCs.
37. Regarding Alternative Dispute Resolution, the currently negotiated legislative proposals for an EU wide ADR system, are very much welcome. The involvement of consumer organisations in the practical implementation of the ADR schemes will be very important. We think that those consumer organisations that would be able and like to participate in national ADR bodies, for example by providing representation and expertise to a board of such a body, should receive financial support in order to be able to do so. This should be added to the envisaged measures under objective III.
38. The Commission envisages under objective III the promotion of co- and self-regulatory initiatives. We suggest that the development of a European model contract for e-commerce should be supported financially. Such a “soft-law’ initiative could be jointly undertaken by consumer and business organisations at the EU level, in order to start a pilot project. BEUC has already started work on this, but this initiative should become more ambitious in order to meet its objectives, namely to promote consumer on-line cross-border buying and selling.
39. Finally, research in relation to how consumers understand contractual information, such as the terms and conditions of an on-line contract and how these could be presented in order to make it comprehensible would be most useful. This should be expressly listed as a measure in the programme.

Objective IV – Enforcement

40. We welcome all actions listed in this objective and underline that enforcement, be it by public or private means is still a major weakness of consumer protection policy in the EU. Particularly in the field of co-ordinated enforcement between the national authorities, more needs to be done as recently shown by the Commission's report on the functioning of the Regulation on consumer protection cooperation (short: CPC) regulation⁸. Though the general evaluation is positive, it is acknowledged that only 9 Member States have used the system actively and there are big divergences among CPC authorities in how they apply common procedures.
41. In this context it is important to note that in parallel to the consumer programme, the European Commission has proposed to establish a Rights and Citizenship Programme. It is amongst the specific objectives of this latter programme "to empower consumers and businesses to trade and purchase in trust within the internal market by enforcing the rights deriving from the Union consumer legislation and by supporting the freedom to conduct business in the internal market through cross-border transactions." Yet, the rights programme doesn't give any clear indication as to what kinds of measures are envisaged. BEUC considers that concrete support to national consumer organizations would be essential in order to allow for more co-ordinated actions in relation to private enforcement through injunctions and similar means. This measure should be added to one of the two programmes.

END

⁸ COM(2012) 100 final.