

EU Consumers' 2020 Vision



The Consumer Voice in Europe

BEUC

Represents **42** national consumer organisations

Across **31** European countries

Exists **18,262** days on 6 March 2012



BEUC members

Have **3,953** staff combined

Gather **4,200,573** individual members and subscribers

Advised **3,234,504** consumers in 2011

Won **2,633** court cases

Tested **241,513** products since 2000

1. Introduction

BEUC, The European Consumer Organisation, is 50 this year. To mark this anniversary, we have set out our vision for a 2020 EU Consumer Strategy.

The strategy is based on the experiences of our 42 member consumer organisations in 31 European countries. Their daily contact with consumers across Europe has enabled us to identify the challenges that are facing these people – and that EU policymakers must address.

We have also worked closely with a Consumer Strategy Panel, composed of policymakers, academics and stakeholders from business and public interest NGOs. In these times of economic crisis, a well-designed consumer policy is an essential factor of growth, of well-functioning markets and, above all, of consumer wellbeing.

We will share BEUC's vision with policymakers during our celebration year and in future. All stakeholders in Europe, whether they're governments at European or national level, enforcement authorities, producers, retailers or consumer organisations, must provide the building blocks for a Europe where consumer wellbeing is guaranteed.



Paolo Martinello
President



2. Old challenges, new challenges, fresh vision

2.1. The regulatory background

EU consumer policy has entered its fifth decade. In the early days, the key challenges facing consumers were:

- product and services safety;
- finding truthful and non-biased information, and having effective choice;
- gaining protection against abusive marketing practices and unfair contract terms;
- access to redress and effective participation in decision-making.

These have resulted in many different measures, laws and regulations. EU consumer policy has a strong legal grounding: Articles 114 and 169 of the Treaty on the Functioning of the EU (TFEU) state that the EU institutions must base their measures on, and contribute to, a high level of consumer protection.

And according to Article 12 TFEU, consumer protection requirements shall be taken into account in defining and implementing other Union policies and activities.

But the consumer protection framework needs to be constantly watched over: to monitor its enforcement, ensure its relevance and provide, where needed, measures for improvement. Legislation has not properly addressed some of the existing challenges, and new challenges for policymakers are emerging all the time.

2.2. Beyond laws and regulations

Consumer policy strategy must constantly adapt to the global environment in which consumers live. Fast-evolving technologies are changing our lives, the way we communicate and our relationship with products. The world works online without borders, and that includes formal and informal decision-making structures; our governments now engage with us on social networks, for example. Meanwhile, more and more public services are being privatised. Consumer policy must keep pace and merge seamlessly with all these critical developments, or it will be left behind, to the detriment of consumer wellbeing.

To ensure long-term consumer wellbeing, consumer policy must also address the crisis in world markets: problems with the banks, the scarcity of raw materials, climate change and ageing populations.



3. A people-centred consumer policy strategy

In 2012, BEUC, The European Consumer Organisation, celebrates its 50th birthday. During the past 50 years we have seen, and strongly contributed to, some great achievements for the wellbeing and rights of EU consumers: they have some of the strongest consumer rights in the world, clearer food labels, safer products, holiday guarantees, cleaner beaches, cheaper phone calls and can shop freely in the world's largest internal trading market. But we feel that a 'people-centred' consumer policy hasn't been achieved. More work is needed to make sure consumers can really profit from the single market and to achieve a more sustainable, inclusive and responsive economy.

Of 56,437 survey responses, 79% believe their rights are not respected. (UFC – Que Choisir, France)

Consumers' lives have also become increasingly complex. We live in turbulent times. The impact of the

Consumers also face problems of a more general nature such as the sheer increase in the number of areas that they need to take responsibility for e.g. pensions, health or higher educations. Decisions about these are complex and tempting to put off, but need to be made early in life and have a lifelong impact. (Which?, UK)

2008 recession, still being acutely felt in many member states, has dented consumer welfare and spending power, and has sharply increased the number of people vulnerable to deprivation. At the same time, our member organisations throughout Europe report increasing numbers of complaints, toothless authorities that do not enforce consumer rights and failing liberalised sectors that do not deliver value for money or good service.

In times like these, EU institutions must take charge and formulate a consumer policy strategy and actions that have the vision, integrity and strength to address and remedy these failings. The economic crisis should be turned into an opportunity to put people at the centre of policymaking and have confident consumers as the drivers of well-functioning mar-

kets. To see a shift to sustainable consumer patterns, policy decisions must be made in close cooperation with consumers and their representative consumer organisations.

The ultimate goal of the strategy must be to improve consumer wellbeing through raising living standards while protecting the environment. It's a tall order, but we believe it can be achieved. BEUC and its members are ready to support and cooperate in such action. In 2020 we want to see a Europe that strives to move the world towards better consumer protection, and where consumers:

- have straightforward, meaningful choices in fair and competitive markets and can exercise them;
- get access to and better value from all goods and services, including basics such as health, energy and food;
- benefit fully and safely from advances in technology;
- have the knowledge and awareness to exercise their rights;
- have access to impartial information and advice;
- are given adequate and efficient tools to obtain redress;
- find sustainable choices to be the easy and affordable ones;
- trust that EU policymaking fully takes account of their interests;
- and benefit from a strong and influential consumer movement at national and at EU level.



4. The EU single market: an unfinished symphony

BEUC member organisations express mixed feelings when it comes to the visible benefits that the EU single market project has brought for consumers. Many good things are highlighted: Innovation stemming from ideas and competition, travelling across borders, harmonised and improved consumer rights (particularly from our members in the 'newer' member states) and pro-consumer improvements in certain sectors, particularly telecoms and air travel.

Greek consumers have reaped great benefits, but they often ignore that these are due to the Single Market. (E.K.PI.ZO, Greece)

But the general feeling is that the EU single market is still only 'a partial reality for consumers'. This partial reality is particularly visible in the online environ-

ment, where the EU digital market is still divided by the established geographical borders, as a result of antiquated copyright laws and company practices. As some have expressed it, while the single market engine has been put in place, its mechanisms are not working; the mechanisms to deliver for consumers need to be reliable and consistent.

Markets remain essentially domestic. Few consumers venture across their borders, the reason being language and aftersales service. (CLCV, France)

4.1. Reports from the frontline

In a recent survey, we asked our members about current problems in their countries, future challenges and whether the single market has delivered for their consumers. As trusted organisations working with consumers and their problems on a daily basis, or carrying out extensive research, they have their fingers on the pulse and are well placed to assess conditions in their countries. Here is what they found:

4.1.1. Rights on paper, but not in reality

Our member organisations mentioned three key problems in the consumer protection landscape:

- Too much room for self-regulation: In many sectors, EU policymakers rely on industry self-

regulation. While self-regulation can be a useful additional tool under certain conditions, our experience shows that many such initiatives fail to deliver concrete rights to consumers and fall short of being smart alternatives to regulation by public authorities. Financial services is one of the major sectors where over-reliance on self-regulation has shown to be disastrous for consumers.

- National enforcement authorities with no teeth: Even when consumer protection regulation does exist, in practice, there is an acute lack of effective enforcement throughout the Union, and rights are widely violated as a consequence; this is also reported as an increasing problem as public budgets are squeezed more and more. The fact that Europe imports a lot of its goods is a particular challenge in terms of enforcing product safety rules. The public agencies regulating the energy and financial sectors come in for particular mention.
- Asserting legal rights: There is a lack of easy access to justice and redress, including alternative dispute resolution (ADR) and collective redress mechanisms. The extent and nature of this problem varies between countries, as the systems are different in each. But in general, individual consumers are deterred from going to court by the high costs and general bureaucracy of judicial systems, while various forms of non-judicial enforcement, such as ombudsmen services, arbitration or mediation services can be patchy and uncoordi-

Clearly what we need is effective legislation, rigorous enforcement combined with cheap and effective means of redress - including collective redress and ADR mechanisms. (OCU, Spain)

nated. The problem is now even more acute due to the squeeze on public funds. In some of the newer EU countries, the lack of access to justice is reported as being practically total. Online dispute resolution is still in its infancy. The lack of effective redress mechanisms – public and private – is seen as a major barrier to cross-border shopping.

4.1.2. Lack of official support for consumer policy and organisations

Consumer organisations from old and new member states generally reported the same problems, though those from the newer member states tended to report more extreme cases of basic rights abuse by providers, as well as the need for consumer education. In all EU countries, as well as at EU level, consumer organisations have insufficient funds to cover the broad range of issues relevant to consumers.

One important difference, however, was between the national governance systems – members in the newer member states report a general lack of understanding and support for consumer policy from both politicians and authorities, and a consequent lack of resources

among authorities in charge of consumer protection and a lack of support to consumer organisations. This is a problem well evidenced in our recent report on the state of the consumer movement in Central, Eastern and South Eastern Europe (CESEE), and also in the Commission's latest Scoreboard, which shows, for example, the minute amounts of money devoted to this sector.

There is limited understanding of the importance of consumer policy within government, parliament and other official bodies. (PIAA, Latvia)

The latter problem is not confined to the newer members, however; the financial crisis and consequent budget cuts are causing reductions in and mergers of dedicated consumer protection authorities in other member countries too. Generally, our members remark that consumer protection authorities are just not strong or able enough to cope with the negative impacts on consumers in complex liberalised markets (such as energy, financial services and telecoms), even though the situation does vary from country to country. Further, in the context of increasing liberalisation, regulators are often the only authorities with powers to deal with consumer protection in the sector at stake. These regulators can be trapped in the so-called 'regulators' capture', i.e. they are more concerned with creating the right market conditions for the industry than with addressing the needs of consumers.

4.1.3. Empowerment or information overload?

Empowering consumers is the holy grail of current EU strategy and research. It is also a policy target for national governments, often in tandem with policies for smarter regulation or deregulation. It means that consumers take decisions and choices into their own hands where they can – provided that they have the right tools to do so. Tools such as ‘real choices, accurate information, market transparency and the confidence that comes from effective protection and solid rights’ (EU Consumer Policy Strategy, 2007-2013). If the 500 million EU consumers have all that, they can influence markets with their collective power.

The reality, however, as our members tell us, is rather different. Numerous elements converge to disempower consumers by making it impossible for them to understand and act on the information they receive. This ‘information tyranny’ or ‘information pollution’ takes the form of:

- Information overload — the ‘volume’ of decisions that consumers must make has grown exponentially.
- Increasing (sometimes artificially) the complexity of market sectors, products and services. In recently liberalised sectors such as mobile telephony or energy there are hundreds of complex tariffs, preventing consumers from making the most suitable choices. Our members call this ‘telecomplicious’ and ‘confuseopoly’.

- Delivering essential information in (often artificially) complex ways: for example, detailing a huge range of extra charges, clauses, product combinations in ant-sized print. These can make it hard for consumers to understand or abide by the rules, and easy for business to profit from the extra charges. Too often companies make deliberate use of consumer information fatigue and their behavioural biases in their communication strategy.

*Policy makers need to genuinely put the interests of consumers - particularly vulnerable consumers - at the heart of decision making rather than just paying lip service to them.
(Consumer Focus, UK)*

This increase in disempowerment, the reverse of what official strategies aim for, is compounded by the fact that current policy initiatives do not necessarily take into account the different information needs of people according to their particular conditions or vulnerabilities.

Ultimately, this ‘confuseopoly’ makes choices difficult, as there are so many dimensions to consider for each product and service. The ‘right’ choice is not an easy one. Searching for and receiving the necessary information — if it’s available — is not only complicated, but demands a great deal of time, which most

consumers in their hectic daily lives cannot and do not want to spend. Being a well-informed consumer increasingly becomes a full-time job.

Finally, a modern consumer policy must take into account that information proliferation does not automatically lead to 'better' consumer decisions, as it does not generate consumer knowledge. Consumer policy measures must therefore aim to improve consumer knowledge, for example, by providing 'choice filters' (something that consumer organisations are very good at providing for their members).

4.1.4. Essential services and product sectors most problematic

Invariably, the most essential sectors for consumer wellbeing are also the most troublesome. Energy and financial services are top of the list of consumer

The supposed liberalisation of energy markets exemplifies a failed liberalisation policy bringing little benefit to consumers. (Test-Achats/Test-Aankoop, Belgium)

concerns throughout member states, closely followed by digital and telecommunication services and the food sector. Constantly rising prices are of universal concern — but each of these sectors displays its own failures.

- In the energy market, there is concern over complex tariffs, rising prices, poor service or miss-selling, difficulty in switching and confusion over what consumers can do to lower their bills, including energy efficiency. The result is a large increase in the number of consumers paying too much for their energy and even unable to afford to light and heat their homes. Markets do not function properly, leading to dramatic price increases, and there is little choice or added value in choosing between providers.
- In the food sector, as well as concerns about dramatic increases in prices, the biggest concerns were related to exposure to risks and hazards and health, and in particular tackling increasing obesity rates and diet-related diseases. Our members point to marketing to children and sponsorship of children's programmes by companies producing foods high in fat, sugar and salt, perpetuating these problems into the future.
- In the retail financial services sector there is an even longer catalogue of concerns: needless complexity of financial products, a lack of transparency within businesses and lack of trust in the business itself; bad or insufficient advice and hidden commissions for intermediaries resulting in financial product miss-selling to consumers; high costs and risk compared to revenues in investments; and no access to basic banking for some of the most vulnerable consumers. On top of all this, there is snail-pace progress in measures to

42 members

BEUC's EU Consumers' 2020 Vision

> Members

Austria



Verein für Konsumenteninformation (VKI)

- Founded in 1961
- A BEUC member since 1991
- 98 staff
- Subscriptions in 2011: 58,600 magazine and 9,500 online subscriptions
- Consumers advised in 2011: 116,641
- www.konsument.at

Belgium



Test-Achats / Test-Aankoop

- Founded in 1957
- A BEUC founding member
- 354 staff
- Members in 2011: 350,000 private individuals
- Consumers advised in 2011: 320,000
- www.test-achats.be
www.test-aankoop.be

France



Organisation Générale des Consommateurs (OR.GE.CO)

- Founded in 1959
- A BEUC founding member
- 2 permanent staff
- 174,656 website visits in 2010
- Consumers advised in 2011: 78,833 contacts including phone calls and emails
- www.orgeco.net



UFC – Que Choisir

- Founded in 1951
- A BEUC founding member
- 124 staff
- Members in 2011: 155,000
- 388,740 subscribers to magazine and 50,000 in free copies
- Consumers advised in 2011: 200,000 by 160 local UFC-Que Choisir organisations and approximately 100,000 complaints tackled
- www.quechoisir.org



Consommation, Logement et Cadre de Vie (CLCV)

- Founded in 1952
- A BEUC member since 1991
- 15 staff
- Members in 2011: 31,000
- Consumers advised in 2011: 100,000
- www.clcv.org

Finland



Kuluttajaliitto – Konsumentförbundet ry

- Founded in 1990
- BEUC member since 1993
- 11 staff
- Consumers advised in 2011: 2,693
- www.kuluttajaliitto.fi

Bulgaria



Bulgarian National Association Active Consumers (BNAAC)

- Founded in 1999
- A BEUC member since 30th November, 2007
- 4 staff
- Registered users in 2011: 12,162
- Consumers advised in 2011: 7,368
- www.aktivnipotrebiteli.bg

Cyprus



Cyprus Consumers' Association

- Founded in 1973
- A BEUC member since 2002
- 4 staff
- Members in 2011: 5,000
- Website visits: 5,000 per month
- Consumers advised in 2011: 4,000
- www.cyprusconsumers.org.cy

Denmark

FORBRUGERRÅDET

Forbrugerrådet

- Founded in 1947
- A BEUC member since 1973
- Staff: about 100 employees
- Members: About 83,000 individuals and more than 30 organisations
- Consumers advised in 2011: 14,000
- www.taenk.dk

Estonia



Eesti Tarbijakaitse Liit

- Founded in 1994
- A BEUC member since 2004
- Members in 2011: 7 regional consumer associations
- Website visits since 2003: 2,912,070
- www.tarbijakaitse.ee

Germany



Verbraucherzentrale Bundesverband (VZBV)

- Founded in 2000 as a result of the merger of 3 consumer organisations: Arbeitsgemeinschaft der Verbraucherverbände (AGV) founded in 1953, Verbraucherschutzverein (VSV) founded in 1966 and Verbraucherinstitut (VI), founded in 1978.
- A BEUC founding member
- 119 staff
- Members in 2011: 41 (16 consumer centres with 190 advice centers, 25 consumer-oriented organisations) and 9 supporting members
- www.vzbv.de

Greece



Association for the Quality of Life (E.K.PI.ZO)

- Founded in 1988
- A BEUC member since 1988
- 18 staff
- Members in 2011: 12,500
- Consumers advised in 2011: 86,455
- www.ekpizo.gr



Consumers' Protection Center (KEPKA)

- Founded in 1982
- A BEUC member since 1984
- 3 staff and 21 volunteers
- Members in 2011: 2,207
- Consumers advised in 2011: 12,000 contacts
- www.kepka.org



General Consumers' Federation of Greece (INKA)

- Founded in 1970
- A BEUC member since 2002
- 46 member organisations
- www.inka.gr

Hungary



National Association for Consumer Protection in Hungary (OFE)

- Founded in 1982
- A BEUC member since 1998
- Staff: 5 employees, 80-100 volunteers, 36 advisory offices
- Members in 2011: 900
- Consumers advised in 2011: 12,500
- www.ofe.hu

Iceland



Neytendasamtökin (NS)

- Founded in March, 1953
- A BEUC member since May 1995
- 7 staff
- Members in 2011: 9,700 (subscription on website)
- Consumers advised in 2011: 8,828
- www.ns.is

Ireland



Consumers' Association of Ireland (CAI)

- Founded in July 1966
- A BEUC member since 1973
- 5 staff
- Members in 2011: 3,800
- Consumers advised in 2011: The organisation's free telephone advice line currently generates 5,000 plus calls per annum
- www.consumerassociation.ie

Italy



Altroconsumo

- Founded in 1973
- A BEUC founding member
- 188 staff
- Members in 2011: 346,000
- Consumer advised in 2011: 393,106
- www.altroconsumo.it

Spain



Confederación de Consumidores y Usuarios (CECU)

- Founded in 1983
- A BEUC member since 1991
- 12 staff
- Members in 2011: 68,967
- Consumers advised in 2011: 205,806
- www.cecuc.org

Sweden



Sveriges Konsumenter

- Founded in 1992
- A BEUC member since 1993
- 23 staff
- Members in 2011: 26 organisations
- Subscribers to member magazine Råd & Rön: 80,000
- Consumers advised in 2011: 8,900
- www.sverigeskonsumenter.se

United Kingdom



Consumer Focus

- Founded on October 1st 2008 as a result of a merger of 3 consumer organisations: The National Consumer Council, Postwatch and Energywatch.
- Consumer Focus (first as National Consumer Council) is a BEUC member since 1975
- 155 staff
- Consumers advised in 2011: 18,359 contacts, mainly by telephone and email
- www.consumerfocus.org.uk



Which?

- Founded in 1957
- A BEUC member since 1972
- 469 staff
- 580,840 subscribers to Which? Magazine
- Consumers advised in 2011: 100,000s via helpdesk, magazine and campaigns
- www.which.co.uk

Latvia



Latvian National Association for Consumer Protection (LPIAA)

- Founded in 1999
- A BEUC member since 2002
- 4 staff
- Consumers advised in 2011: 3,600
- www.pateretajs.lv

Luxembourg



Union Luxembourgeoise des Consommateurs (ULC)

- Founded in 1962
- A BEUC founding member
- 25 staff
- Members in 2011: 44,000 families
- www.ulc.lu

Malta



Ghaqda tal-Konsumaturi

- Founded April 3rd 1982
- A BEUC member since 2004
- Staff: six volunteers
- Members: 145
- www.camalta.org.mt

Netherlands



Dan weet je het.

Consumentenbond

- Founded in 1953
- A BEUC founding member
- 210 staff
- Members in 2011: 480,000
- Consumers advised in 2011: Around 200,000 customer contacts on a yearly basis
- www.consumentenbond.nl

> Affiliates

Norway



Forbrukerrådet

- Founded in 1953
- A BEUC member since 1994
- Staff: 130
- Consumers advised in 2011: 100,000
- www.forbrukerportalen.no

Poland



Association of Polish Consumers (SKP)

- Founded March 14th, 1995
- A BEUC member since May 2005
- 5 staff
- Consumers advised in 2011: 47,700 contacts
- www.skp.pl



Federacja Konsumentów

- Founded in July 1981
- A BEUC member since 1999
- 18 staff
- Members in 2011: 2,500
- Consumers advised in 2011: 73,899. 9,000 incoming calls since the set-up of a consumer hotline in 2011
- www.federacja-konsumentow.org.pl

Portugal



Deco

- Founded in 1974
- BEUC member since 1978
- 83 staff
- Members in 2011: 413,000
- Consumers advised in 2011: 369,767 contacts
- www.deco.proteste.pt

Austria



Arbeiterkammer

- Founded in 1920
- A BEUC member since 2000
- www.arbeiterkammer.at

Croatia



Potrošač

- Founded in May, 2002
- A BEUC member since November 2008
- 23 staff and more than 500 volunteers
- Members in 2011: 14 associations with more than 20,000 individual members
- 181,102 website visits in 2011
- Consumers advised in 2011: 15,979
- www.potrosac.hr

Czech Republic



Czech Association of Consumers TEST

- Founded in 1992
- A BEUC member since April 2010
- 11 staff
- Members in 2011: 25,000
- Website visits (2011): 3,642,218
- Consumers advised in 2011: 11,796
- www.dtest.cz

Finland



Kuluttajavirasto

- Founded in 1990
- BEUC member since 1993
- 70 staff
- www.kuluttajavirasto.fi

Romania



Association for Consumers' Protection (APC)

- Founded in 1990
- A BEUC member since 2005
- 21 staff
- Members in 2011: 26,147
- Consumers advised in 2011: 2,717 given advice and 7,431 information requests
- www.apc-romania.ro

Slovakia



Association of Slovak Consumers (ZSS)

- Founded in 1990
- A BEUC member since 2001
- 5 staff
- Consumers advised in 2011: 15,000 contacts
- www.zss.sk

Slovenia



Zveza Potrošnikov Slovenije (ZPS)

- Founded in June 1990
- A BEUC member since 1995
- 35 staff
- Members in 2011: 8,000
- Consumers advised in 2011: 10,000 consumers and 3,000 ZPS members require ZPS' advice on a yearly basis
- www.zps.si

Spain



Organización de Consumidores y Usuarios (OCU)

- Founded in 1975
- A BEUC member since 1978
- 300 staff
- Members in 2011: 304,701
- Consumers advised in 2011: 411,120
- www.ocu.org

Germany



Stiftung Warentest

- Founded in 1964
- A BEUC member since 1965
- 291 staff
- The main magazine 'Test' has a circulation of 497,000 (retail + subscription)
- 32 million website visits in 2010
- www.test.de

Italy



Consumatori Italiani per l'Europa (CIE)

- Founded 8th March 2010 by ACU, Codici and Casa del Consumatore
- A BEUC member since November 6th, 2010
- Staff: ACU: 400, Codici: 310, Casa del Consumatore: 120
- Members in 2011: Codici: 33,000, Casa del Consumatore: 91,214, ACU: 42,000
- Consumers advised in 2011: ACU: 120,000, Casa del Consumatore: 80,000, Codici: 35,000
- www.cie-europa.eu

FYROM



Consumers' Organisation of Macedonia

- Founded in 1996
- A BEUC member since 2000
- 7 staff
- Members in 2011: 750
- Consumers advised in 2011: 3,330
- www.opm.org.mk

Switzerland



Fédération Romande des Consommateurs (FRC)

- Founded in 1959
- A BEUC member since 1992
- 18 staff
- Members in 2011: 26,200
- Consumers advised in 2011: 7,000
- www.frc.ch

31
Countries



improve consumer protection in this failed sector. Powers are on the side of banks, rather than the people they are supposed to serve.

Many consumers do not understand or know what to expect from financial services products. Moreover, consumers profoundly mistrust the sector. (Which?, UK)

- In the digital sector, which has become not only an essential service, but also the new market driver and life-blood of innovation, the key concerns are of a lack of privacy, covert means of data mining and breaching data protection, security and fraud issues, a shift towards repressive enforcement of intellectual property rights, and limited legal offers of digital content (such as catch-up tv), which is often available in only some member states. In the related telecoms market, BEUC members highlight the complex tariff structures and contract lock-ins which make changing providers difficult, abusive practices in some countries, complicated contracts and unfair contract terms. Increasingly, if you are not connected, you are excluded, and many of Europe's consumers still are. Moreover, we are still in the stone age of digitalisation with a lack of consumer-driven innovation – most digital products are

designed in a way that leaves consumers helpless if they're not tech-savvy.

Our TVs, mobile phones, radios, cameras should be intuitive to the point where a person with little knowledge of the product can use it without special instructions. (Forbrugerrådet, Denmark)

4.1.5. **Liberalised markets not living up to consumer expectations**

Many of the examples in the previous paragraphs relate to formerly regulated markets that have been liberalised under EU policy. This liberalisation process has been launched towards the public by promoting the positive effects that such an approach will have on markets, prices and consumer choice. The reality is

So far liberalisation means many new regulatory requirements, the 'tariff jungle' and competition at consumers' expense. Is there a need to reconsider? (VZBV, Germany)

more than disappointing: it has become evident over the years that the liberalisation of markets does not automatically mean more competition and that in

In 20 years, we have gone from government monopolies to the dictatorship of very large companies. (CECU, Spain)

many, if not all, of the liberalised sectors, consumers witness more and more concentrated markets and the advent of increasingly powerful oligopolies.



5. A consumer policy for sustainable growth and welfare

5.1. Consumer policy as an element of growth

A strong and modern consumer policy is an important part of providing the way out of the current crisis, and to avoid crisis in the future. It must be a pillar of a

strong, solid and modern EU single market.

The role of consumer policy as a driver for growth has never been really taken to heart by the EU policy-making community, whose principal goal, certainly in more recent years, has been to decrease business transaction costs for inter-community trading. Politicians encourage consumers to consume ever more because this means more state income, more employment, more production and consequently more growth. The realities of increasing consumer deprivation, uncertainty and an alarming increase in bankruptcies have not been addressed adequately, yet the lack of consumer confidence has a huge effect on the economy (consumer spending accounts for 50-75% of the GDP in industrialised nations). More than ever, we need EU and national policymakers to see consumer policy as one of the essential drivers of economic recovery, alongside competition policy, industrial policy and — equally importantly — social justice in markets. Also, it is crucial to acknowledge that sound consumer policy needs strong consumer representation at the various levels of policymaking. The identification and formulation of consumer interests cannot be left to other stakeholders. Together, all these measures should work in harmony to deliver outcomes that are beneficial to people and the economy as a whole. Economic policy is a means to an end, not an end in itself.

5.2. Consumer policy key to sustainable growth

Sustainability is about meeting the needs of today's generations without preventing future generations from meeting theirs. Sustainable growth therefore needs to be at the heart of policymaking.

We need to develop models of consumption that deliver more welfare to households without an obligatory increase in the current metrics of GDP and continued environmental damage, consumer indebtedness at home and subsistence labour abroad.

The lack of a real opportunity to make sustainable choices is a big problem. A more complex market, a lack of time, unclear and complex contract terms and sophisticated marketing make consumer choices difficult. (Sveriges Konsumenter, Sweden)

These include models that use smart technologies (cloud computing); models that can reduce consumer vulnerability; and models of collective purchasing and collaborative consumption that reduce the need for producing more goods (car clubs, and refund schemes). These call for a new kind of smart, sustainable and inclusive consumer policy, with more focus on the use and service of products.

While the consumer movement has an important role to play in raising awareness, making sustainable consumer choices easier, and putting pressure on the supply-side of the market to deliver sustainable products and services, it is important not to make 'consumer empowerment' an excuse for not taking much-needed political action; the key current concerns over climate, water scarcity and biodiversity involve difficult choices related to our food, housing and transport and cannot be addressed by consumer choices alone. EU consumer policy must tackle these difficult issues, and it must make the sustainable choice the cheapest and the easiest one, through a combination of 'carrot and stick' measures for industry and consumers.

Further, the demographic challenge that Europe has to face, in the form of an increased ageing population, requires new types of products and services. An older population will have different levels and forms of vulnerability, and these must be taken into consideration when designing products and services and providing information.



6. Towards a future strategy

The acute consumer concerns highlighted by our member organisations are well documented and researched. And we realise that some of the problems listed above have been addressed in recent legislative and policy measures, such as the Third Energy Package and the Telecoms Reform Package or the more recent ‘flagship initiative’ for a Resource Efficient Europe 2020. The impact of these is still to be felt and evaluated, on the basis of measurable outcomes for consumers.

Many of the current challenges are going to be with us for years to come and will be exacerbated by continuous technological developments, the digitalisation of our daily lives, and the globalisation of our economies.

An EU consumer strategy must consider the impact of the recession, which has affected the welfare of consumers in key areas of everyday life, and has resulted in a rising number of vulnerable and disadvantaged people. It must be comprehensive and cut across all sectors within the EU portfolio of responsibilities, and should be coordinated with other key EU strategic initiatives and priorities, such as the Europe 2020

initiatives, with a clear consumer dimension, which is often missing or not sufficiently developed. We need a pan-EU visionary consumer policy strategy which includes all the market sectors relevant to consumers, as well as the cross-cutting issues of enforcement and redress. The strategy must address key concerns and identify consumers’ future needs. It should not be limited to the current Commission’s term of office, but must go beyond and provide guidance for the next decade. Finally, it must proceed in line with good governance principles.

6.1. Objectives for a 2020 strategy

Within the EU market economy, consumers must be given the right tools if they are to play their role of drivers of the market. They must be able to trust markets and have the skills and competencies to make the right choices. Their welfare, and that of future generations, should be at the centre of policymaking, providing them with affordable prices for all life’s essentials, as well as safe and sustainable products and services, and access to effective redress in case of market dysfunction.

To meet the ambitious goals of smart, sustainable and inclusive growth, we have identified the following objectives that we consider to be achievable by 2020 through an ambitious EU consumer policy that can be embedded into the Europe 2020 priorities. These objectives have to be set across consumer services and products markets and sectors. To ensure they

are met, measurable targets and key performance indicators must also be created, and BEUC is ready to collaborate here.

The objectives below are not exhaustive, but aim to provide orientation for identifying and addressing the major challenges ahead and for setting up a modern, ambitious and efficient EU consumer policy strategy to these ends:

6.1.1. **Consumers have straightforward, meaningful choices in fair and competitive markets and can exercise them**

- Establish tools to ensure proactive implementation of competition and consumer protection policies and swift action by regulators and enforcement authorities against misleading and unfair practices;
- Make strategic use of available research data to anticipate and prevent consumer detriment, rather than having to cure it;
- Make use of research data also to develop a member states ranking system for their implementation of consumer policy;
- Ensure that any new or revised regulation is focused on consumers, based on robust, independent evidence and provides essential safeguards for vulnerable people;
- Ensure that where industry is entrusted with self-regulatory initiatives, a monitoring and reporting system is established to allow the legislator to

swiftly intervene in case of self-regulatory failure, based on concrete indicators defined when the self-regulation was adopted.

6.1.2. **Consumers get access to and better value from all goods and services**

- Ensure that all EU consumers have access to safe, affordable and healthy food, produced in a sustainable way;
- Require that all EU consumers have access to a basic financial service;
- Extend access for all EU consumers to very fast broadband telecoms networks and improve the reach of existing technologies;
- Embed a ‘design for all’ principle into all products and related information, to ensure they are fully accessible by people with disabilities;
- Ensure that energy is affordable for all by designing a consumer-oriented retail market and energy efficiency policies;
- Guarantee that all consumers have access to safe and innovative health products and services.

6.1.3. **Consumers benefit fully and safely from advances in technology**

- Ensure product safety through promoting ambitious safety standards and efficient market controls to ensure an internationally level playing field;

- Ensure that advances in technology improve consumers' standards of living, respond to their needs and expectations and take account of the maturing society;
- Define an efficient, transparent and robust regulatory framework that is future proof;
- Involve consumers in research and development processes to make sure that advances in technology are demand-driven, consumer-centred and accepted for use;
- Require that all digital communication tools have integrated privacy by design;
- Mandate default rules that are most favourable to privacy and consumer protection;
- Ensure that all EU consumers benefit from a neutral internet, where they are able to access, use, send, post, receive, or offer any content, application, or service of their choice irrespective of source or target, while respecting existing laws on e-commerce and intellectual property;
- Establish a forward-looking and balanced copyright framework, by creating a clear set of mandatory consumer rights for lawful use throughout the EU.

6.1.4. Consumers have access to impartial information and advice, and acquire the knowledge to exercise their rights

- Guarantee that information provided to consumers on goods and services is easily accessible, clear, unbiased, accurate, up-to-date, based on independent evidence and easy to compare with similar products or services;
- Encourage effective consumer education as part of the curriculum in EU primary and secondary schools, either standalone or as part of a wider citizenship education programme;

*A low level of consumer rights' awareness is the main problem in Bulgaria. Knowing this, many unscrupulous traders mislead consumers unaware of how to protect themselves.
(BNAAC, Bulgaria)*

- Devise policy approaches that seek to reduce the complexity of products and services for consumers, keeping in mind consumer expectations and behaviour;
- Test information with the people who have to use it, on a regular basis.

6.1.5. Consumers benefit from efficient enforcement and are given adequate tools to obtain redress

- Ensure that, through training programmes and relevant information, traders are increasingly aware of consumer rights and respect them when designing their standard contracts and preparing their marketing tools;

Even if consumer rights are clearly defined, things often work out differently in practice: customer complaints are often dealt with by goodwill and not on the basis of consumers' legal rights. (VKI, Austria)

- Mandate that all EU consumers benefit from an effective EU-wide collective judicial redress, to prevent and compensate harm, both at national and cross-border level and for the whole range of rights that they have in law;
- Equally require that all market sectors provide for independent and effective systems of alternative dispute resolution that are also open to cross-border litigation;
- Ensure that in all product and service sectors, national enforcement authorities can take effective and dissuasive actions against all infringements of consumer rights, and especially against unfair contract terms and unfair commercial practices;

- Encourage national enforcement authorities to work closely together, as well as with consumer organisations, to close any enforcement gaps that could arise within the EU.

6.1.6. Consumers find sustainable choices to be the easy and affordable ones

- Ensure that consumers benefit from a wide choice of sustainable products and services at affordable prices;
- Guarantee that consumers are not exposed, directly or indirectly to hazardous chemicals;
- Mandate EU standards to ensure that social and environmental factors are taken into account when designing a product and during its life-cycle;
- Continue with market policies that result in the removal of less sustainable products from markets, and their replacement with resource efficient alternatives;
- Ensure that all products and services are labelled with transparent, accurate and comparable sustainability information, while green claims are evidence-based and misleading claims are proactively sanctioned.

6.1.7. Consumers trust that EU policy-making fully takes account of their interests

- Proactively consider and use research data on consumer markets and consumer behaviour in EU policy and decision-making across all sectors;
- Ensure that all proposals for EU legislation which have an impact on consumer wellbeing provide for a consumer impact assessment, based on consultation with consumer representatives;
- Provide for a balanced representation of different stakeholders in all EU expert groups and make it possible for consumer representatives to influence their decisions;
- Make certain that all EU legislation with an impact on consumers' welfare is based on a high level of consumer protection, meets the needs and expectations of European consumers and is efficient;
- Provide for an obligation on EU institutions to demonstrate integration of consumer policy into other policies through regular publicly available reports.

*The development of consumer organisations should be reflected in EU policy. There is a need of resources, capacity building and to create a consumer-friendly environment.
(Federacja Konsumentów, Poland)*

6.1.8. Consumers benefit from a strong and influential consumer movement at national and at EU level

- Formally recognise and support the importance of a strong and well-resourced consumer movement, both at national and at EU level;
- Identify more sustainable models of funding European and national consumer organisations and facilitate their implementation;
- Include consumer representation at EU and at national level as a horizontal policy objective in all the EU consumer policy financial programmes, and ensure that significant funds are allocated for this purpose;
- Provide specific funding and capacity building for consumer organisations and consumer policy in the CESEE countries, taking account of the need for continuous updating of their capacities, as a response to market and social developments.

- AT - Verein für Konsumenteninformation - VKI
- AT - Arbeiterkammer - AK
- BE - Test-Achats/Test-Aankoop
- BG - Bulgarian National Association Active Consumers - BNAAC
- CH - Fédération Romande des Consommateurs - FRC
- CY - Cyprus Consumers' Association
- CZ - Czech Association of Consumers TEST
- DE - Verbraucherzentrale Bundesverband - vzbv
- DE - Stiftung Warentest
- DK - Forbrugerrådet - FR
- EE - Estonian Consumers Union - ETL
- EL - Association for the Quality of Life - E.K.PI.ZO
- EL - General Consumers' Federation of Greece - INKA
- EL - Consumers' Protection Center - KEPKA
- ES - Confederación de Consumidores y Usuarios - CECU
- ES - Organización de Consumidores y Usuarios - OCU
- FI - Kuluttajaliitto - Konsumentförbundet ry
- FI - Kuluttajavirasto
- FR - UFC - Que Choisir
- FR - Consommation, Logement et Cadre de Vie - CLCV
- FR - Organisation Générale des Consommateurs - OR.GE.CO
- HR - Croatian Union of the Consumer Protection Associations - Potrosac
- HU - National Association for Consumer Protection in Hungary - OFE
- IE - Consumers' Association of Ireland - CAI
- IS - Neytendasamtökin - NS
- IT - Altroconsumo
- IT - Consumatori Italiani per l'Europa - CIE
- LU - Union Luxembourgeoise des Consommateurs - ULC
- LV - Latvia Consumer Association - PIAA
- MK - Consumers' Organisation of Macedonia - OPM
- MT - Għaqda tal-Konsumaturi - CA Malta
- NL - Consumentenbond - CB
- NO - Forbrukerrådet - FR
- PL - Federacja Konsumentów - FK
- PL - Stowarzyszenie Konsumentów Polskich - SKP
- PT - Associação Portuguesa para a Defesa do Consumidor - DECO
- RO - Association for Consumers' Protection - APC Romania
- SE - The Swedish Consumers' Association
- SI - Slovene Consumers' Association - ZPS
- SK - Association of Slovak Consumers - ZSS
- UK - Which?
- UK - Consumer Focus



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The Consumer Voice in Europe

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