

The European Commission

# Time is running out to hit the target



**BEUC**  
Progress Chart

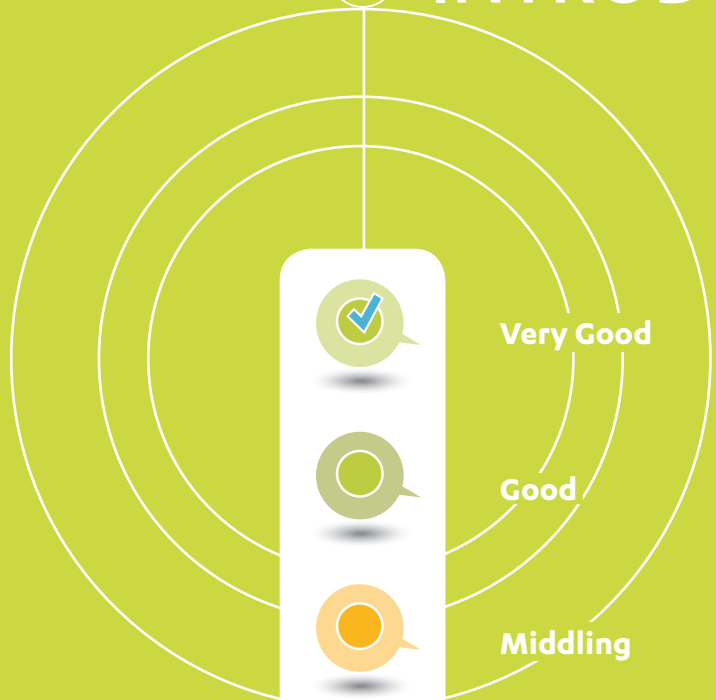


**BEUC** The European  
Consumer  
Organisation

The Consumer Voice in Europe

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# INTRODUCTION



A vertical white rounded rectangle containing four circular icons. From top to bottom: a green circle with a white checkmark, a green circle with a white outline, an orange circle with a white outline, and a red circle with a white outline. Each icon has a subtle drop shadow.

Very Good

Good

Middling

Bad

A white circle containing a green right-pointing arrow. The circle has a subtle drop shadow.

Action needed

Since José Manuel Barroso first took the reins of the European Commission in 2004, the consumer environment has transformed substantially.

With the current Commission mandate coming to a close in just under a year, it is time to run the rule over some of the Commission's achievements. We chose to focus on those regulations with a strong impact on consumers and which the Commission has issued within the past four years.

Reflecting on these, we have then formulated recommendations for actions needed during the remainder of its mandate to further improve the lives of consumers in Europe.



## Work done



**Very Good** – The Commission’s proposal updating the existing framework of **data protection** strengthened consumers’ rights in light of today’s rapid technological developments. Despite intense pressure from the industry, the Commission adopted its proposal on time.



**Good** – The Commission’s **roaming regulation** review further lowered price caps for phone calls and SMS when abroad and introduced the first retail price caps on data usage. This was a decisive move towards eradicating roaming in the EU.

## Action needed



The **Copyright Directive** outlaws everyday activities of consumers, such as the back-up and copying of legally bought music, films and e-books to play on different music players. The Directive has failed to achieve the objective of harmonising EU Member State copyright laws: what is legal in one country can be illegal in another. Significant divergences exist with regards to the scope of the exceptions and limitations, which create legal uncertainty for both consumers and creators. A review of the Directive which tackles such consumer unfriendly discrepancies is urgently needed.

The European Commission is expected to adopt proposals to establish a **Single Market for Telecoms**. The current regulatory rules of the telecoms sector have failed to deliver a vibrant broadband market in the EU, with consumers still facing limited choice, barriers to switching, restrictions and unfair conditions in their contracts, to name a few. While net neutrality is being violated across Europe, the legislative proposal should safeguard it, abolish roaming charges and address issues related to consumers’ contracts with telecoms.



## Work done

**Bad** – The 2011 plan for a **Common European Sales Law** deviates from the traditional means of regulating consumer contract law by introducing an ‘optional’ regime. This would prompt lower standards of protection than those currently enjoyed in key consumer law areas in many countries. It would give the trader the choice as to what level of protection the consumer benefits from.

**Middling** – The proposal to update the **Package Travel Directive** has succeeded in making travel agents more liable for the ‘packages’ they sell. However, the proposal should go further providing full protection in the context of new business models. Examples include when a consumer buys a tailored combination of travel products (i.e. a flight, a hotel and a car rental service) from several related websites.

**Middling** – The European Commission’s proposal to review the current **air passengers’ rights** regulation would provide for a number of improvements, for example as regards to better enforcement for passengers’ rights or new rights for passengers who miss their connecting flights. The proposal however falls short of ensuring sufficient protection in several other situations, for example in the case of cancellation or delay of flights due to extraordinary circumstances, financial compensation for long delays, and the proliferation of unfair terms in carrier contracts, including the use of the “no-show” clause.

## Action needed

The European Commission’s Multi-Stakeholder Dialogue on Comparison Tools elaborated conclusions which were presented to the European Consumer Summit in March 2013. Overall, the conclusions of this dialogue are very positive for consumers and recommended that the European Commission provides **guidelines** that should **promote good comparison tools**. Such guidelines for stakeholders, and in particular for national enforcers, would be a necessary EU minimum standard to ensure better quality comparison tools for consumers who increasingly depend on these across many markets. The Commission should prioritise working on these guidelines.



## Work done



**Middling** – The Commission’s proposal for an **Energy Efficiency Directive** lacked ambition. It was particularly the case for provisions on energy saving obligation schemes, metering and billing, energy audits, demand response and the creation of a Single Point of Contact.



## Work done



**Good** – BEUC had long called for EU legislation in the area of home loans and welcomed the Commission’s proposal in 2011. Most aspects of the **Mortgage Credit Directive** were based on minimum harmonisation, which takes into account various national markets. In other words, it provides certain protection to consumers in Member States where previously no legislation in this area existed, while it allows other Member States to preserve their stronger rules or adopt higher standards to protect consumers.



**Very good** – In May 2013, the Commission proposed a Directive on the transparency and comparability of payment **account fees, account switching, and access to a basic payment account**. After the industry self-regulation fell short of consumers’ expectations, BEUC welcomed the proposal when it came as providing a good basis for negotiations in the Parliament and Council.



## Action needed

Regarding **cross border payment** within the EU, BEUC calls on the Commission to propose a revision of the Regulation to include non-euro transactions within the EU/EEA.



## Work done



**Very Good** – Despite a lot of pressure, the Commission published the **Article 13 list of general function health claims** which have been substantiated and those which did not stand up to scientific scrutiny. This should result in consumers finally being able to trust the claims that appear on food products, such as “good for your heart” or “reduces cholesterol”.



**Good** – The Commission’s proposal on **official controls** was a step in the right direction, reflecting some of the key learnings on food fraud from the recent horsemeat scandal.



## Action needed

The proposal on **nutrient profiles** – due in 2009 – is an essential element of the nutrition and health claims Regulation as it should identify those foods which can bear a health and nutrition claim. Without profiles, such claims can still appear on food products high in salt, fat and/or sugar and therefore mislead consumers about the overall healthiness of a product. BEUC urges the Commission to issue its proposal promptly to end such misleading practices.

Just like any other foods, **botanical supplements** – like ginkgo capsules or ginseng powder – can come with all kind of health claims. However, the EU legislation as it is today grants special treatment to botanicals, i.e. they do not undergo rigorous scientific assessment like other ‘normal foods’. BEUC calls on the Commission to end this confusing situation by assessing the claims and taking the misleading ones off the market.

Consumers increasingly want to know where their food comes from as evidenced by the recent BEUC survey on consumer perceptions of origin labelling. Future proposals on the extension of **country of origin labelling** should reflect consumer demands in this area.





## Work done



**Bad** – The Commission’s proposal on **information to patients** opened the door to the advertising of prescription medicines, befalling consumers in terms of information and tangible benefits. Although the proposal has been abandoned by the Council, it has remained in the Commission’s drawer. We strongly hope the proposal will not be brought to the table again as it would lead to a push towards high margin medicines, an unnecessary increase in healthcare costs and a bias against non-drug therapies.



**Good** – The Commission proposal on **cross-border healthcare** clarified the rights consumers are entitled to when seeking healthcare abroad and reinforced their right to be informed about care quality and safety; prices and reimbursement as well as complaint mechanisms. Cooperation among Member States was enhanced among others on eHealth, health technology assessment and medicines’ prescriptions making healthcare systems across Europe more efficient and more transparent.



## Work done



**Middling** – A lot of positives came from the proposal on **Alternative Dispute Resolution**, especially the obligation to make ADR bodies available for consumer complaints in a wide range of sectors and the setting of binding quality principles. This should aid a strong push to improve ADR systems throughout the EU to the benefit of consumers. However, there was a missed opportunity to require trader adherence to the ADR bodies.



**Bad** – Despite years of studies and consultations showing the redress gap in mass claims situations, the Commission disappointingly opted for a non-binding Recommendation on **Collective Redress**. Now, implementation in the Member States should be closely monitored and the framework strengthened with legislative measures in a couple of years.



## Work done

**Middling** – In February 2013, the Commission published a package on **product safety** and **market surveillance**. While the intention to improve product safety is encouraging, many of the provisions remain unclear. The deletion of the precautionary principle is a very bad signal. Moreover, the Commission should go a step further and publish a proposal to introduce an EU-funded accident and injury database – a worthwhile, accident preventative.

**Good** – In 2012, the Commission proposed mandatory **CO<sub>2</sub> emission limits** to be achieved by 2020. Once adopted, the 95 gram/km target will lead to a substantial decrease in fuel costs for car drivers, in CO<sub>2</sub> emissions from the transport sector and dependence on foreign oil imports. However, the proposal lacked ambition on specific details such as super-credits, allowing car manufacturers to count low emitting cars (e.g. electric cars) as more than one vehicle in their overall fleet.

## Action needed

Although the second regulatory review on **nanomaterials** and the **REACH review** (both in 2012) revealed some shortcomings in the legal framework, the Commission has not proposed new legislative measures and is not planning to amend the REACH Regulation. These would be two important measures to improve the safety of nanomaterials in consumer products. In our view it is problematic that REACH does not contain a definition for the term “nanomaterial” and that the tonnage threshold is too high. As a result, some nanomaterials produced in lower quantities might potentially go unregistered. Currently no mandatory reporting scheme has been proposed which would require manufacturers to notify of the nanomaterials used in their products.

The European Commission has been weighing up the opportunity to revise the **Car Labelling Directive** for several years already. In 2007, the Commission announced a revision of this law. Disappointingly the Commission’s 2013 Work Programme did not foresee any intention to do so. Therefore the revision of the Directive is urgently needed to encourage consumers to buy more efficient cars and thereby steer the market towards more sustainable vehicles.

- 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
- EE - Estonian Consumers Union - ETL
- EL - Association for the Quality of Life - E.K.PI.ZO
- EL - Consumers' Protection Center - KEPKA
- ES - Confederación de Consumidores y Usuarios - CEUCU
- ES - Organización de Consumidores y Usuarios - OCU
- FI - Kuluttajaliitto - Konsumentförbundet ry
- FI - Kilpailu- ja kuluttajavirasto - KKV
- FR - UFC - Que Choisir
- FR - Consommation, Logement et Cadre de Vie - CLCV
- HU - National Association for Consumer Protection in Hungary - OFE
- HU - National Federation of Associations for Consumer Protection in Hungary - FEOSZ
- IE - Consumers' Association of Ireland - CAI
- IS - Neytendasamtökin - NS
- IT - Altroconsumo
- IT - Consumatori Italiani per l'Europa - CIE
- LU - Union Luxembourgeoise des Consommateurs - ULC
- LT - Alliance of Lithuanian Consumers' Organisations
- LV - Latvia Consumer Association - PIAA
- MK - Consumers' Organisation of Macedonia - OPM
- MT - Għaqda tal-Konsumaturi - CA Malta
- NL - Consumentenbond - CB
- NO - Forbrukerrådet
- 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 Futures



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