

# The Consumer Book

A Vademecum for the new Commission



The Consumer Voice in Europe

# Table of content

<b>Introduction</b>	<b>3</b>
<b>I. Food</b>	<b>5</b>
1. Food Safety	7
2. Food Information	8
<b>II. Consumer Rights and Enforcement</b>	<b>9</b>
1. Revision and completion of the consumer law acquis	11
2. Rights of passengers and holiday-makers	12
3. Redress	14
4. Enforcement	15
<b>III. Digital Rights</b>	<b>17</b>
1. Copyright	19
2. Data Protection and Privacy	20
3. Telecoms	21
<b>IV. Financial Services</b>	<b>23</b>
1. Payment Services	25
2. Enforcement	25
3. Over-indebtedness	26
4. Financial advice	27
5. Product intervention	27
<b>V. Sustainability</b>	<b>29</b>
<b>VI. Safety</b>	<b>33</b>
1. Chemicals in products	35
2. General Product and Market Surveillance	36
<b>VII. Health</b>	<b>39</b>
1. Healthcare	41
<b>VIII. Energy</b>	<b>43</b>
1. Energy markets : future energy and climate policies	45
<b>IX. Transatlantic Trade and Investment Partnership (TTIP)</b>	<b>47</b>

Dear Member-designate of the European Commission

The European Consumer Organisation (BEUC) is the European umbrella association for 40 well-respected, independent consumer organisations in 30 European countries. Our objective is to promote the consumer interest across all EU policy areas.

Consumer organisations have high hopes for the new European Commission and we urge you to put EU citizens/consumers firmly at the centre of your agenda.

Our enclosed Consumer Book, highlights what is particularly important for European consumers in numerous policies, such as **consumer rights and enforcement, the digital society, financial services, food, health, energy, safety, sustainability and trade policy**.

Our policy recommendation as outlined in the following pages aim to help you identify consumers' interests and needs in these policy domains.

Therefore this booklet aims not only to aid you in preparing for the **Parliamentary confirmation hearings**, but also serve as **"vademecum" for your work over the next 5 years** when integrating consumer interests into the EU policies. We all hope tangible benefits for European consumers will be the result and that the obligations of the European Commission towards European consumers under the Treaty for the Functioning of the EU will be met.

Below are some **cross-cutting subjects** we would ask you to take into account when designing EU policies affecting European consumers:

- **Smart regulation and regulatory fitness**

Reducing unnecessary administrative or regulatory burdens has become an important objective of the European Commission and in many Member States. The creation of a portfolio for "Better Regulation" for the First Vice President of the new Commission underlines this policy shift.

From the point of view of the consumer, it is important to highlight that the EU regulatory framework benefits the development of our societies and European citizens. A reduction of regulation should never be done to the cost of consumers, workers or the environment.

Too often "smart regulation" is equated with a reduction of regulation and administrative costs, without first taking into account why the respective regulation or administrative requirements have been put in place or considered. We urge you to take a holistic, societal welfare approach to the work, rather than a focus only on promoting business activities.

For improved "fitness" of EU regulation it is also crucial that the allocation of portfolios within the European Commission is done by respecting essential safeguards. We are particularly concerned that competency for medical products and health technologies may be moved from the Commissioner in charge of Health to the Commissioner in charge of the Internal Market and Industry. It is obvious that combining the responsibility for medicines policy with responsibility for promoting the pharmaceutical industry is problematic. Pharmaceutical policy is an essential part of public health policy and should first be considered in that context. We urge the Commission President to resolve this proposed shift within the new structure.

- **Consumers' empowerment versus information overload**

Information overload, increasing complexity of markets, living situations, indecipherable information e.g. small print, lengthy and legalistic contract terms, all hamper consumers' chances of making well-informed choices.

Simplifying essential information, better understanding among policy makers of how consumer choices are made and intelligent use of choice filters such as price comparison websites are all ways of helping to simplify our lives. We urge you to consider the real-life consumer experience and the findings of behavioral economic scientists when drafting EU policies.

- **Essential services and sectors most problematic and basic services increasingly unaffordable**

A look at the European Commission's Consumer Scoreboard shows that top of the list of consumer concerns are financial services, housing, heating, electricity, mobile phone services, internet provision and fuel for vehicles. Consumer policy should reflect the economic difficulties consumer increasingly face to make ends meet and include the principle of affordability and avoid discrimination against vulnerable consumers, particularly those on a low-income.

- **Liberalised markets not living up to expectations**

The liberalisation of many sectors has been promoted to the public as having delivered lower prices, better functioning markets and more consumer choice. However, it has become evident over the years that the liberalisation of markets does not automatically mean more competition and that in many such sectors consumers witness increasingly contracted markets and increasingly powerful oligopolies.

- **Commercial strategies can prevent consumers from shopping across borders**

Consumers are often confronted with companies' artificial barriers to cross border shopping. This is particularly relevant online, where technology is used to restore barriers despite the borderless nature of the internet. Traders should not build unjustified hurdles disadvantaging consumers from benefitting from the Single Market. Refusal to provide a service can only be justified for clearly defined objective reasons.

- **An EU enforcement policy is key**

It is essential consumers have the possibility to enact their rights and enforcement authorities are willing and able to effectively protect them. However, individual consumers are deterred from going to court by high costs and the bureaucracy of the judicial system. To ensure consumers can avail of their EU rights, enforcement needs to be stepped up alongside improved access to justice and redress. A new EU policy of enforcement adapted to a market without borders must be created in cooperation with Member States and stakeholders such as consumer organisations.

For the **EU to have greater resonance with its citizens and restore their confidence** in the European project as announced by President Juncker, the benefits of the EU and the internal market must be better understood and **reach out to the final consumer**. This endeavour should also be a prominent part of the review of the **EU2020 Strategy**.

BEUC and our members are always at your disposal for any co-operation or exchange of views concerning the consumer perspectives in the design and implementation of EU policies.

Yours sincerely,

Monique Goyens  
Director General

Örjan Brinkman  
President



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# Food

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# Food Safety

## Consumers should have access to safe food.

The 2013 'horsegate' crisis was a wake-up call to EU policy makers: while food safety and consumer health was luckily not at stake, it showed how inter-connected and globalised today's food supply chains have become, making them more vulnerable to fraud and potential safety incidents.

As a result of the economic crisis, EU governments are cutting back on official food control and label check budgets. Moreover, as the EU is engaged in negotiating a series of bilateral trade agreements, trade interests are increasingly weighed against EU food safety and consumer protection standards.

Not only might the EU's 'farm to fork' food safety paradigm be called into question but, as the EU General Food Law is being evaluated under 'REFIT', fundamental principles of EU food law such as the 'precautionary principle' and the consideration of "other legitimate factors" than science (including environmental, socio-economical and ethical factors, consumer expectations) in food policy making might also be threatened.

### What you can do as a Commissioner:

- Safeguard the core principles of EU food law, namely the Precautionary Principle, the EU's approach to food risk analysis and the 'farm to fork' concept.
- Strengthen official controls to ensure food is both safe and authentic. The ongoing update of the EU's official controls framework should not lead to giving inspection tasks to slaughterhouse staff or food companies.
- As the EU legislation on novel foods is revised, support a robust legal framework for novel foods (e.g. nano-food) safety assessment and pre-market approval.
- Curb the overuse and misuse of antibiotics in farm animals.

# Food Information

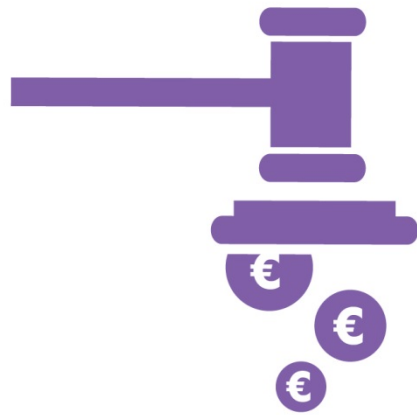
Consumers should have the means to make informed choices.

While consumers are increasingly aware of the link between what they eat and their health, they are often waylaid by food product labels. Either the nutritional information is incomplete or they are faced with a variety of ways of presenting the nutrition information. Such things make it difficult to compare products.

In addition, evidence shows there is strong consumer demand for information on the origin of food, how it was produced or if new technologies such as cloning and nanotechnologies were applied. This is particularly true for meat.

## What you can do as a Commissioner:

- Introduce mandatory 'Country of Origin Labelling' (COOL) for meat used as an ingredient in foods, for milk and milk used as an ingredient in dairy, as well as 'single ingredient' foods, unprocessed foods and the primary ingredient of composite foodstuffs.
- In the context of the ongoing discussions on the cloning proposals as well as the expected update of nanomaterial definitions for food labelling purposes, allow consumers to make informed choices when it comes to food produced with the use of technologies such as cloning or nanotechnologies.
- Request EFSA (The European Food Safety Authority) to swiftly resume assessing health claims on botanicals, using as high a scientific standard as for all other food claims.
- Publish a proposal for nutrient profiles which reflects the purpose of the Health Claims Regulation i.e. is to ensure claims cannot mask the overall nutritional status of a food.
- Propose an EU-wide regulation restricting the advertising and marketing of food and drinks high in fat, sugar and salt to children.
- Keep food reformulation high on the agenda of the EU Platform for Diet, Physical Activity & Health.



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# Consumer Rights and Enforcement

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# Revision and completion of the consumer law acquis

When purchasing goods and services in the Single Market, consumers need transparent information and a set of modern and solid rights, including for digital products.

Consumers conclude contracts on a daily basis. It is essential that consumer rights before, during and after the contract is concluded are efficient and enforceable.

Over the last 30 years, the European Union has created a wide-ranging consumer law acquis, which has brought direct, tangible benefits to the daily lives of European consumers.

After the adoption of the Consumer Rights Directive in 2011, we hope the European Commission will continue to be the motor for updating and modernising the existing consumer law acquis in particular as regards legal guarantees and digital products. Any merger or consolidation of consumer law directives should provide for a truly high level of protection and enforceable rights, recognising existing best practice from national legislation.

In this context, initiatives in context of the European Commission's fitness-check of EU legislative acts ('REFIT') envisaged for 2015-2016 should aim to achieve a solid and modern framework for business-to-consumer transactions in the internal market. It is important a good balance is struck between what should be harmonised and to what degree and what is better left to national consumer rights.

In particular, the challenge to establish a modern consumer protection policy requires clear rules for using and purchasing digital products and services. These are currently lacking.

The European Commission's recent proposal of an 'optional' European contract law (the Common European Sales Law), which would apply also to consumer contracts is inappropriate. Only within a solid and equally applicable legal framework can the Internal Market work better for both consumers and businesses while developing its full potential for citizens' welfare.

## What you can do as a Commissioner:

- Propose initiatives to improve consumer protection for the use and purchase of digital content so European consumers can fully exploit the potential of e-commerce, new technologies and new business models in legal certainty and that clear modern and consumer-oriented rights are provided in this field.
- Ensure the European Commission's forthcoming 'REFIT' initiative which will evaluate and consolidate parts of the current EU consumer law acquis (such as the rules on unfair commercial practices, advertising, legal guarantees) puts consumers' interests upfront and establishes a solid legal framework for all consumers.
- Modernisation of the consumer law acquis should not only be seen as the simplification and lessening of burdens for business, but must first aim to increase welfare and address consumer detriment consumers/citizens.
- For any proposed EU consumer legislation, seek a flexible harmonisation technique whereby full harmonisation is only applied where it sets a very high level of consumer protection and provides clear benefits to consumers.
- Any new proposal on consumer law should not be an "optional" instrument as optional law is inappropriate for regulating business to consumer transactions. If work on the proposed Common European Sales law is continued, consumer contracts should be excluded from the scope.
- Guarantee any EU harmonisation initiative on insurance contract law is not an optional instrument, focuses on protecting the insured consumer and does not deprive consumers from the well-established rights they enjoy under their current legal system.
- Any forthcoming review of the Rome I regulation stipulating the applicable contract law in cross-border situations should not deviate from the current consumer-friendly EU conflict of law regime, but instead concentrate on clarifying the respective rules and their enforceability.

## Rights of passengers and holiday-makers

Travellers in the EU need to have modern and enforceable rights, be they for individual travel services or package holidays.

Over the last years 10 years, the European Commission undertook several legislative initiatives to promote the liberalisation of transport markets including the establishment of a set of passengers' rights in all means of transport.

However, the transport sector and thus consumer's expectations in this sector evolve fast and new challenges appear. Air transport is one example of such an evolution. In particular the

Regulation on Air Passengers' Rights is now being revised and aims to clarify existing rights and address new situations in the contractual relations between passengers and air companies.

We regret that the proposed review fails to take into account the various rulings of the European Court of Justice (ECJ) on its interpretation of the right to compensation for delays. Moreover, the new regulation should fully prohibit the use of 'no-show' clauses in transport contracts, maintain the right to accommodation in "extraordinary circumstances" and establish an obligation of airlines to guarantee the reimbursement and repatriation of passengers in the event of insolvency of the airline.

In addition, the proliferation of unfair contract terms in air transport contracts is hardly addressed by the ongoing review. Many terms and conditions frequently used by airlines have been declared unfair by national courts

The travel market has changed profoundly. Consumer's demands and expectations have evolved and 'alternative' business models appeared, in particular in the online environment.

A revision of Package Travel Directive of 1990 was long overdue. The ongoing update provides few improvements of the current situation. Yet, we are concerned that due to the proposed application of the principle of full harmonisation, national general contract law and national rules on package travel, which represent a higher level of consumer protection than the level in the reviewed Directive, would be precluded in many instances.

Moreover, the extension of the scope of application should genuinely reflect the development of the market and evolution of consumers' expectations, mainly in the online context. In particular BEUC supports extending the scope to tailor-made packages and 'click-through' packages. A future-proof scope is key to ensure the new directive is not obsolete soon after entering into force.

### What you can do as a Commissioner:

- Support the European Parliament first reading Resolution on the revision of the Air Passenger Rights Regulation including: supporting the application of the right to compensation for all flights as of 3 hours of delay following the ECJ rulings and a full ban of 'no-show' clauses in air transport contracts.
- Put forward a legislative proposal to guarantee the right to reimbursement and repatriation of passengers when airlines go insolvent.
- Propose legislation of a blacklist of unfair terms in air transport contracts which puts an end to systematic consumer detriment in this sector.
- As regards the review of the Package Travel Directive, support a case by case approach to full harmonisation and maintain the principle of minimum harmonisation as the default. A future-proof approach on the pending revision of the Directive including the extension of its scope to online 'click-through' contracts which follows the same business model as traditional packages.

# Redress

## Consumers need judicial collective redress instruments, both for national and cross-border cases.

The Internal Market enables consumers to increasingly engage in cross-border transactions across 28 Member States and allows traders to reach more than 500 million consumers. Within this market, non-compliance with legal rules can easily affect a high number of European consumers who may suffer damage or harm.

Individual redress is often impractical or not at all achievable due to expensive, complicated and lengthy procedures. Therefore, collective redress mechanisms ought to be available for all consumers in order to ensure better access to justice.

Unfortunately, this is not the case across the EU. National redress mechanisms, where established, differ considerably and often most fail to provide efficient redress to consumers, particularly in cross-border and mass claims.

A European Commission recommendation on common principles for collective redress, issued in 2013, is not binding and therefore unlikely to fill in the important gaps. A binding EU instrument that which requires Member States to introduce collective judicial redress mechanisms in their national legislation is needed, one which offers both a wide scope and covers both national and cross-border cases.

### What you can do as a Commissioner:

- Involve European and national consumer organisations at an early stage in the preparatory work for the assessment of the 2013 Recommendation on common principles for injunctive and compensatory collective redress mechanisms, due by 2017.
- Assess the full dimension of the functioning of the national collective redress tools, potential strengths/weaknesses of national systems and improvements made by Member States.
- Accompany this report with a proposal for a binding measure in case the recommendation did not provide the necessary results for European consumers.
- Create a platform between the European Commission, national authorities, consumer organisations and other stakeholders to compare and draw conclusions in the light of a potential need for further binding measures to ensure collective redress is available and can be efficiently used in all Member States for cross-border claims.

# Enforcement

In a Single Market, consumers rightly expect that cross-border and pan-European infringements of EU consumer law will be tackled effectively.

Giving European consumers new or better rights is not worth much if those rights only exist on paper. Enforcement is one of the major consumer policy priorities for the EU, as indicated by the EU Consumer Programme and the European Commission's Consumer Agenda.

The European Commission is rightly seeking ways to improve enforcement throughout the EU. The review of the Consumer Protection Cooperation Regulation which creates a network of national enforcement authorities and gives them powers to investigate cross-border infringements will be an important future step within this new policy.

Due to national divergences in enforcement approaches, cooperation is not always easy and needs to be further developed. European consumers increasingly face infringements of a pan-European nature and tackling such unfair commercial practices by separate national strategies is an inadequate option.

What is needed is a shift in enforcement perspectives from cross-border infringements to genuine enforcement without borders in the EU. If the Single Market is to deliver for consumers, modes must be found to effectively tackle both cross-border and pan-European infringements and guarantee coherent results.

## What can you do as a Commissioner:

- In the framework of the review of the Regulation on consumer protection cooperation (CPC Regulation), strengthen the investigative and sanctioning powers of national enforcement authorities so they can effectively target infringements and facilitate consumer redress.
- In order to properly address pan-European infringements, launch a discussion on the European Commission's powers in the enforcement of consumer rights.
- Find ways to strengthen the relationship and information sharing between consumer organisations and national enforcers, as well as the dialogue with the European Commission. The coordination of resources and efforts of public and private enforcement are needed to effectively tackle various infringements of consumer rights in Europe.
- Closely follow the implementation of the Alternative Dispute Resolution Directive and make sure Member States establish schemes which are independent, transparent and consumer-friendly.



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# Digital Rights

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# Copyright

Europe's outdated copyright regime needs being adapted to the digital environment to facilitate access to content for consumers while encouraging creativity and fair compensation.

The objective of establishing the Digital Single Market requires the current copyright rules to be reformed with the aim of ensuring fair balance between the rights of consumers to content and knowledge with the right of authors to fair compensation of their work.

The development of new technologies provide opportunities for new business models to emerge, enhanced access to online content, thereby fostering innovation and access to knowledge and creativity.

However, the current EU policy to achieve the Digital Single Market is underpinned by copyright rules which impose territorial barriers and intellectual property right (IPRs) enforcement measures which are repressive and disproportionate.

## What you can do as a Commissioner:

- Revise the EU Copyright Directive with the aim of establishing a single market for online content and providing both consumers and creators with legal certainty of their rights.
- On distribution of audio-visual content, revise the current system of nationally-based release windows and eliminate 'media chronology' in audio-visual content distribution.
- Recognise a clear set of consumers' rights for content legally bought and ensure permitted uses cannot be overridden by unfair contractual terms and/or the use of technical protection measures.
- Protect the public domain as an essential tool of access to knowledge, information and content.
- Adopt a Recommendation to make national systems of copyright levies more coherent in those Member States with a system in place and launch a discussion on their progressive phasing-out and the development of alternative systems of fair compensation.
- Ensure measures for enforcement of copyright online are proportionate and respect consumers' fundamental rights, such as the right to fair licence conditions and the constitutional principles of privacy, confidentiality of communication and due process.

# Data Protection and Privacy

Consumers want to have control over their personal data and privacy.

Digital information technologies and the emergence of new services, although beneficial to consumers, also represent a major challenge to consumers' fundamental rights to privacy and protection of their personal data.

It is important to provide consumers with a secure digital environment they can trust, including effective control of their personal data.

The data protection framework is currently being updated and proposals on the table of the Council of Ministers and the European Parliament would ensure that consumers remain in control of their personal data. The introduction of a general transparency principle, the strengthening of data minimisation and the introduction of a horizontal data breach notification obligation are crucial to ensure consumers remain in control of their personal data.

In addition, the principle of privacy and privacy-by-design built in to all digital products and services, needs to be recognised as a regulatory principle. Enforcement of legislation needs to be improved and the powers of data protection authorities must be strengthened.

## What you can do as a Commissioner:

- Maintain strong support for the proposed Data Protection Regulation and push for concluding legislators' negotiations on the new rules in first half of 2015.
- Ensure the future Transatlantic Trade Agreement between the EU and US does not undermine the EU privacy framework and European consumers' fundamental rights.
- Reform the Safe Harbour Agreement for the transfer of personal data between the EU and the US to ensure EU privacy standards are met when the data of Europeans are transferred to the US.
- Address the specific issues related to 'new' digital practices, including online tracking, mobile apps, the 'Internet of Things' etc., by closely monitoring technological developments, clarifying the application of the current rules and ensuring their enforcement.



# Telecoms

## Consumers' rights should be safeguarded when reforming the telecommunications regulatory framework.

For consumers to reap the benefits of the Digital Agenda, access to telecom networks and services is essential and needs to be guaranteed. Yet, the current regulatory rules of the telecoms sector have not delivered a vibrant broadband market in all markets across the EU. Consumers still face choice limitations, significant barriers to switching, undue restrictions and unfair conditions in their contracts, roaming charges remain high and competition does not always deliver the expected welfare to consumers.

The Telecoms Single Market legislative proposal, currently being debated by the Council and awaiting trilateral negotiations with the Parliament and the Commission, must respond to the legitimate expectations of consumers in the Digital Era.

In this regard, consumers must have clear rights reflecting the current state of technology and which are enforceable across the EU. The right to fair and transparent contract terms, including the right to switch operator free of charge and the right to access an open and neutral internet without undue discrimination, are key components of consumer trust. Furthermore, it is time to fully abolish roaming charges and make sure consumers can use their telecom services abroad as if they were in their home country.

### What you can do as a Commissioner:

- Guarantee the telecommunications regulatory framework reform safeguards consumers' interests, reinforces their rights and tackles the most important issues on which the markets fail to deliver - namely guaranteeing a high level of consumer protection and establishing a true Single Market for electronic and digital communications.
- Protect the internet's economic model based on the principle of Net Neutrality, securing the consumer's right to access the open internet without undue discrimination and preventing internet access providers from becoming gatekeepers of content and services online.
- Work towards the scope of the Universal Services Directive being extended to fast internet access.
- Promote thriving competition within telecom markets to the benefit of consumers, boosting innovation, increasing choice and putting downward pressure on prices.



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# Financial Services

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# Payment Services

The EU should become a truly single market for payment services.

Retail payment services are ubiquitous in consumers' daily lives. Therefore, consumers should be able to rely on a wide range of secure, efficient, cheap and convenient payment options for both face-to-face and remote transactions. With the rapid emergence of innovative payment solutions, such as mobile payments, consumers face further challenges, especially with regard to safety and privacy.

Despite the fact several EU initiatives were taken in the past few years and many others are in the pipeline, a true Single Market of payment services, where differences between making domestic and cross-border payments have disappeared and consumers are able to rely on a wide range of efficient, secure and inexpensive payment options, is still a distant reality.

## What you can do as a Commissioner:

- Ensure all retail payment services, irrespective of the technology used and the underlying payment method, are efficient, safe and respectful of consumers' privacy.
- In cooperation with the European Central Bank, consumer organisations and other relevant stakeholders, identify and address all the remaining barriers to the completion of the single market of payment services for consumers.
- Push for the emergence of alternative pan-European payment solutions in the area of card payments, as well as innovative payments.

# Enforcement

All consumers expect their financial supervisors to deal with consumer protection in a powerful and independent way.

In the past few years several EU legislative texts have been adopted in the retail financial services area, e.g. on mortgage credit, retail investments, payment services and payment accounts as a response to the financial crisis and the difficulties faced by consumers.

The big challenge in coming years is to ensure the legislation adopted is properly implemented and enforced at national level.

However, supervision in financial services varies a lot from one Member State to another, leading all too often to poor consumer protection. Supervising consumer financial services requires a minimum degree of harmonisation. A key ingredient to successfully implementing financial markets laws is to have powerful national supervisors in charge of consumer protections in all Member States.

### What you can do as a Commissioner:

- Use all existing powers at the disposal of the European Commission to ensure EU legislation is properly enforced in each member state and be vocal in cases of insufficient enforcement.
- Adopt binding measures ensuring in all member states there are financial supervisors with a strong consumer protection mandate, sufficient resources and powers to fulfil it.
- A stronger financial supervisor is in charge of consumer protection at EU level (European Supervisory Authorities).

## Over-indebtedness

To help get consumers out of the heavy debt trap, preventive and curative measures are needed in all Member States.

More and more households in Europe are no longer able to cope with their debts. Over-indebtedness affects consumers in all Member States to different degrees and it has increased with the financial crisis.

The over-indebtedness of households has severe consequences for those affected, in particular a reduced standard of living and a deterioration of well-being and/or mental health leading to social exclusion. Research has also found that there are economic and social consequences for the overall health of the economy in terms of aggregate demand, employment and growth.

### What you can do as a Commissioner:

- Introduce binding measures to prevent over-indebtedness, in particular against predatory lending such as short term loans with very high interest rates.
- Adopt measures to give consumers access to debt advice.
- Introduce binding measures which facilitate restructuring of loan repayments when consumers are faced with falling incomes so as to avoid foreclosures and repossessions.
- Introduce binding protective measures to establish a personal bankruptcy procedure across the EU.

## Financial advice

All EU consumers should have access to independent, objective and affordable financial advice when making major financial decisions.

Consumers across Europe are facing an increasingly difficult task in managing their personal finances. Various life events, like planning for retirement, buying a house or making an investment require a comprehensive assessment of one's overall financial situation, so that consumers can take decisions according to their specific situation. However, the purchase of financial products is often taken when situations arise.

Several new or pending EU laws like the Markets in Financial Instruments Directive (regulating financial market instruments), Insurance Mediation Directive (dealing with sales of insurance products) and the Mortgage Directive, aim to improve the quality of advice provided by salespersons and intermediaries when they recommend a specific product. The new rules also try to limit conflicts of interest generated by the existing remuneration schemes.

However, these Directives do not address the specific issue of offering comprehensive financial guidance. To make such advice available has to move up the priority list because it would help consumers assess their overall financial and asset situation and provide them with tailored advice, including a financial plan, to achieve their financial goals.

### What you can do as a Commissioner:

- Promote affordable and independent advice everywhere in the EU.
- Introduce binding rules banning inducements for advisory services.

## Product intervention

Financial products should be created to suit the consumer, not those emitting them.

Consumers and small investors are facing an ever-increasing influx of often opaque and complex products, not always designed to cater for their financial needs. Effective product intervention must prevent financial services providers from luring consumers into unnecessary costly, risky or toxic products.

Investor protection has been traditionally pursued by disclosure requirements, conduct-of-business rules and financial education. However, there is growing sense that a mere empowerment of consumers and detailed business rules 'on the book' are not enough to prevent unsuitable or even toxic products being marketed and sold to retail investors.

Therefore, other complimentary regulatory options, such as engaging with investment firms to ensure (new) financial products truly serve consumers' needs, or outwardly banning specific harmful products, should be explored fully.

### What you can do as a Commissioner:

- Strengthen the relevant European Supervisory Authorities and national financial supervisors in their capacity to actively intervene in the market by giving them the necessary mandate and resources.
- Adopt measures which aim to improve the design of financial products and thereby truly serve consumers' needs.



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# Sustainability

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# Sustainability

## Sustainable choices should be the easy and affordable ones.

The economic and climate crisis, combined with the soaring cost of living means consumer policy needs to focus on improving quality of life for current and future generations.

Concurrently, developing more sustainable consumption and production patterns are essential for our societies. Such an emphasis on innovation is a way of emerging from the economic crisis with positive longer term impacts.

Making 'green' choices should not be the preserve of well-off consumers, but should be easy and affordable. Less affluent consumers often pollute less because they drive smaller cars and do not have the means to fly as frequently if at all. Furthermore, they cannot benefit to the same extent from sustainable products such as organic food, double-glazed windows or A+++ rated washing machines, as they are often more expensive.

The EU's resource efficiency agenda should be developed further, with ambitious measures changing the legal and commercial framework offering a wider range of sustainable products and services at sustainable prices to all consumers.

Legal standards, fiscal and information programs are complementary measures.

Environmental taxation at point of sale can provide a strong signal to opt for more sustainable choices. Product information helps consumers to make more informed buying decisions.

Although better designed information and taxation instruments should help increase demand for sustainable products, sustainability will not be driven by consumer choice alone. Government intervention, e.g. in the form of product eco-design standards or CO2 emission standards for cars, are essential to drive uptake of more sustainable products and lifestyles.



## What you can do as a Commissioner:

- Drive the EU's agenda on resource efficiency as outlined in the EU Commission Communication on Circular Economy of 2014. This underlines the importance of sustainable product design, lasting longer, repairable, upgradable, recyclable. Encourage better consumer choice through renting, lending or sharing services while ensuring that consumer's legal rights are respected.
- Implement the goals on sustainable consumption and production and for a non-toxic environment as outlined in the 7th Environment Action Programme: "Living well, within the limits of our planet".
- Implement an ambitious sustainable product policy which will phase out 20% of the worst performing appliances per product category via Eco-design.
- Reform the EU Energy Label scheme which will ensure consumers receive meaningful information on products low in energy consumption and which stimulate demand for the most energy efficient appliances.
- Support and promote the EU Flower as a label of environmental excellence, awarding it to only 10-20% of the best products on the market and addressing all environmental expectations including substitution of dangerous chemicals.
- Implement an ambitious European transport policy further improving the energy efficiency of cars; providing transparent information to consumers about real life fuel consumption; and strengthening the integration and use of different transport modes.



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# Safety

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# Chemicals in products

## Consumer products should be free of hazardous chemicals.

Every day, Europe's 500 million consumers come in close contact with an enormous range of man-made chemicals. Despite the EU's regulatory framework for chemicals (REACH) and sector specific legislation the use of these chemicals in consumer products is currently inadequately regulated.

BEUC's concerns over people's health and the environment are threefold:

First, there is the justified assumption that the combined effects of chemicals may be much more harmful than can be expected from the individual substances. However, this is not reflected in European risk assessment and risk management methods. Hence, we see urgent need for the new European Commission to start taking concrete measures based on the Commission's communication of 2012 on mixture toxicity which will ensure less exposure to consumers and the environment.

Secondly, many of the chemicals found in consumer products are known to disturb the hormonal system. These hormone disrupters are associated with common chronic diseases such as obesity, diabetes, cardiovascular diseases, cancer and infertility. We see an urgent need for the European Commission to act on endocrine disrupters and to develop science-based criteria which allow classifying all endocrine disrupters as 'Substances of Very High Concern'.

Finally, nanotechnologies and nanomaterials are increasingly used by various industry sectors to create new products or applications. Unfortunately, nanomaterials may also present new risks which have never been evaluated. Therefore BEUC is concerned by the increasing number of consumer products containing nanomaterials, such as cosmetics, textiles and food products that are already sold on the EU market without having been subject to a proper safety assessment. BEUC sees an urgent need to better regulate the use of nanomaterials in consumer products and to increase transparency towards consumers in which products and applications nanomaterials have been used.

The 7<sup>th</sup> Environment Action Programme 'Living Well within the limits of our planet' calls for a "non-toxic environment" by 2020. The European Commission should act with ambitious measures to realise this goal.

## What you can do as a Commissioner:

- Follow up on the Commission's Communication on mixture toxicity with concrete measures which adjust the EU's risk assessment and risk management methods taking into account the 'chemical cocktail' effect.
- As a matter of urgency, define science-based criteria for endocrine disruptors (EDCs) and listing all hazardous EDCs on the list of Substances of Very high Concern.
- Introduce a mandatory reporting scheme for manufacturers of nanomaterials which ensures full traceability along the supply chain and introduces a public inventory of all consumer products containing nanomaterials to ensure transparency and proper risk assessment.
- Make mandatory the labelling of consumer products containing nanomaterials and which consumers come in direct, close or regular contact with (such as food products and clothing).
- Bring forward the development of adequate safety and risk assessment methodologies taking account of all characteristics of nanomaterials.
- Increase funding for research on the environmental, health and safety risks of the cocktail effect, endocrine disruptors and nanomaterials.

## General Product Safety and Market Surveillance

The level of safety of consumer products in the internal market has to improve.

More than 2,000 products were reported to the EU's Rapid Alert System RAPEX in 2013. As each notification can refer to potentially thousands of products, this figure is a stark reminder that too many dangerous products can still be found in shops. It is also an obvious sign that the EU should urgently improve its safety architecture to make sure that consumers will be better protected in future.

In February 2013, the EU Commission proposed a product safety package which consists of a Consumer Product Safety Regulation and a Market Surveillance Regulation. The package contains important innovations which would enhance product safety in the internal market, such as rules on better traceability of products throughout the supply chain.

The European Parliament adopted its first reading opinion on the package of both proposals in April 2014, which included several positive elements such as the setting up of an EU-wide incident and injury database, stronger sanctions and penalties against liable traders and producers as well as strengthening the precautionary principle. (This principle ensures the withdrawal of potentially unsafe products from the market based on a justified assumption that a product is dangerous).

While the European Commission and the European Parliament propose that all products should be labelled with the country of origin, Member States are split on this and the adoption of the proposed legislation is jeopardised. From the consumer perspective, the envisaged 'Country of Origin Labelling' does not add to the safety of products and thus should be discarded to enable the adoption of these important new rules for consumer safety.

### What you can do as a Commissioner:

- Engage with the Council to unblock the issue of country of origin labelling in the proposed Product Safety and Market Surveillance Package by prioritising quick adoption of the proposal. This is urgently needed to improve consumer safety, rather than insisting on mandatory country of origin labelling which does not provide added value.
- Ensure a more effective market surveillance system by developing a European market surveillance framework and wider access to information about dangerous products. An EU-funded accident statistical system and a European complaints handling and reporting point ought to be put in place.
- Support the important amendments of the European Parliament with regard to the precautionary principle in relation to Product Safety and Market Surveillance.



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# Health

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# Healthcare

## Consumers expect to have access to safe, innovative, affordable and effective health treatment.

The economic crisis, an ageing population, technological advances and higher consumer expectations are challenging the sustainability of the EU's healthcare systems. Health inequalities are increasing both between and within Member States.

To play a more active role in the management of their health and make informed choices, consumers need better information about health, medicines and treatments. Medicines and medical devices safeguard people's health but they can also cause serious adverse events. Their safety and effectiveness should be thoroughly assessed before they are used by consumers and closely monitored after they have been placed on the market thanks to a proactive and efficient surveillance system. New health technologies (e.g. e-Health) should be patient-centred and guarantee consumer privacy.

### What you can do as a Commissioner:

- Guarantee that all European consumers have access to high quality healthcare and can afford health treatments.
- Ensure the revision of the EU legislation on medical devices will improve the safety and effectiveness of medical devices on the market and will allow consumers to have more information about the products (e.g. implants, self-testing devices, results of clinical investigations, market surveillance data).
- Guarantee that the new European Medicines Agency policy on publication of clinical data allows meaningful access to clinical trials results for consumers, healthcare professionals and independent researchers.
- Make sure that the transparency provisions of the Regulation on clinical trials are properly implemented and not undermined by an extensive definition of commercial confidentiality.
- Promote transparency and accountability in the healthcare sector.
- Ensure information about medicines and medical devices is of high-quality, comparative and not promotional.
- Promote the rational use of medicines and protect consumers from misleading advertising.
- Support independent research and post-approval safety studies on the potential long-term effects of medicines.
- Conduct public information campaigns drawing consumers' attention to the importance of reporting side-effects and the risk of counterfeit medicines.
- Closely monitor the functioning of markets in the pharmaceutical sector (e.g. Avastin vs. Lucentis case).
- Ensure consumers have clear healthcare rights in their country and when they seek healthcare abroad.



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# Energy

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# Energy markets: future energy and climate policies

Consumers need to be able to easily shop around the energy market by way of real choice and competitive prices. Energy needs to be sustainable, affordable and reliable so that consumers can trust the market and be properly empowered.

In well-functioning retail energy markets, consumers have easy access to information on offers and services, while they are sufficiently protected. They benefit from competition, can compare consumption and price information while knowing their rights.

These basic characteristics of a well-functioning retail market are still to be achieved in many Member States. As for the retail markets, transparency in wholesale markets is a must.

Energy markets are also changing rapidly and consumers need guarantees they will benefit from this ongoing transition. A transition entails large infrastructural investments, which often translate to increasing prices for consumers. As such, affordability becomes the number one challenge. It is essential that the EU's long-term energy and climate policies focus on lasting and cost-effective solutions.

With energy prices spiking, European consumers are increasingly reliant upon energy efficient solutions for their households. Any technological development should ensure user-friendliness and consumer engagement built on consumer protection and empowerment. New services or demand response programmes should be based on market needs and consumer expectations. Greater co-ordination between demand response and energy efficiency policies can create opportunities for consumers to better manage and reduce their consumption.

## What you can do as a Commissioner:

- Ensure complete and effective implementation of relevant EU legislation (such as the 3<sup>rd</sup> Energy Package and Energy Efficiency Directive). The internal energy market needs to be completed to allow consumers to reap the benefits of truly competitive, consumer-friendly energy markets, delivering real choice.
- Co-ordinate a systematic review of consumer protection rules with Member States and National Regulatory Authorities (NRAs). Assessments should be made whether the safeguards in place are fit to cope with fast-changing energy markets and if new smart technologies are designed in a consumer friendly way. Measures addressing any identified gaps and challenges should be proposed without undue delay.
- Build future energy and climate policies on the most long-term and cost-effective solutions, while keeping energy affordable and avoiding discrimination against vulnerable consumers.
- Ensure distributional impact assessments of EU and national policies distinguishing between various consumer groups are needed to tailor different initiatives.

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# **Transatlantic Trade and Investment Partnership (TTIP)**

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# The Transatlantic Trade and Investment Partnership (TTIP)

A TTIP which puts the consumer centre stage will strengthen the use of the precautionary principle, safeguard our consumer rights and discard private court schemes for foreign investors.

The Transatlantic Trade and Investment Partnership (TTIP) will likely be concluded during the first half of the Juncker Commission's mandate.

BEUC believes that a free trade agreement could benefit consumers by upping competition, improving products and services, lowering prices, increasing consumer choice or heightening cooperation on product or food safety on both sides of the Atlantic.

However, deepening trade relations between the EU and the US should not take place at the expense of the existing regulatory environment from which EU consumers derive their trust of food, medicines, consumer goods and internet sales. TTIP goes beyond standard, market access issues. It tackles regulatory issues and non-tariff trade barriers.

So it is crucial that the negotiations' are made public to the citizens who will be directly affected by the changes such as the removal trade barriers based on a high level of respect for consumer interests. It is essential to define consumer protection as an asset in order to develop a healthy and stable trade relationship across the Atlantic, not depict it as a burden or a barrier to trade.

## What you can do as a Commissioner:

- Step up the early initiatives on transparency initiated in order not to fuel citizens' mistrust and fears over the unknown content of this agreement. This can be done by publishing the EU's negotiating mandate, EU position papers detailing or explaining its position on the topic, draft and final versions of individual chapters as well as the agreement at all steps of preparation and evolution (and at least before closing the negotiations so that parliaments and the public may still assess the outcome).
- Preserve the precautionary principle in any horizontal and sectoral regulatory cooperation provisions: in many sectors such as food, current EU legislation provides high standards of consumer, environment and labour protection, even in the absence of scientific evidence of harm, since this can take years to be demonstrated. TTIP should not change this framework.
- Remove Investor-State Dispute Settlement (ISDS) provisions from the TTIP negotiations. This arbitration system empowers foreign investors to challenge national authorities and claim financial compensation if they believe their investment potential or profits are hindered by regulatory or policy changes. It discriminates against national investors, who do not have access to ISDS courts and bypasses national courts of two established and fair legal systems. Consumer protection laws as well as health and environmental regulations are at risk of being systematically challenged as violations of 'investor rights', a trend on the increase in recent years.

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The European Consumer Organisation

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<b>AT</b>	Arbeiterkammer - AK	<b>IS</b>	Neytendasamtökin - NS
<b>BE</b>	Test-Achats/Test-Aankoop	<b>IT</b>	Altroconsumo
<b>BG</b>	Bulgarian National Association Active Consumers - BNAAC	<b>IT</b>	Consumatori Italiani per l'Europa - CIE
<b>CH</b>	Fédération Romande des Consommateurs - FRC	<b>LU</b>	Union Luxembourgeoise des Consommateurs - ULC
<b>CY</b>	Cyprus Consumers' Association	<b>LT</b>	Alliance of Lithuanian Consumers' Organisations
<b>CZ</b>	Czech Association of Consumers - dTEST	<b>LV</b>	Latvia Consumer Association - PIAA
<b>DE</b>	Verbraucherzentrale Bundesverband - vzbv	<b>MK</b>	Consumers' Organisation of Macedonia - OPM
<b>DE</b>	Stiftung Warentest	<b>MT</b>	Ghaqda tal-Konsumaturi - CA Malta
<b>DK</b>	Forbrugerrådet Tænk	<b>NL</b>	Consumentenbond
<b>EE</b>	Estonian Consumers Union - ETL	<b>NO</b>	Forbrukerrådet
<b>EL</b>	Association for the Quality of Life - E.K.PI.ZO	<b>PL</b>	Federacja Konsumentów - FK
<b>EL</b>	Consumers' Protection Center - KEPKA	<b>PL</b>	Stowarzyszenie Konsumentów Polskich - SKP
<b>ES</b>	Confederación de Consumidores y Usuarios - CECU	<b>PT</b>	Associação Portuguesa para a Defesa do Consumidor - DECO
<b>ES</b>	Organización de Consumidores y Usuarios - OCU	<b>RO</b>	Association for Consumers' Protection - APC Romania
<b>FI</b>	Kuluttajaliitto - Konsumentförbundet ry	<b>SE</b>	The Swedish Consumers' Association
<b>FI</b>	Kilpailu- ja kuluttajavirasto - KKV	<b>SI</b>	Slovene Consumers' Association - ZPS
<b>FR</b>	UFC - Que Choisir	<b>SK</b>	Association of Slovak Consumers - ZSS
<b>FR</b>	Consommation, Logement et Cadre de Vie - CLCV	<b>UK</b>	Which?
<b>HU</b>	National Association for Consumer Protection in Hungary - OFE		
<b>HU</b>	National Federation of Associations for Consumer Protection in Hungary - FEOSZ		

