Juncker Commission interim balance
Consumer performance check

2.5 years
5 years

BEUC The European Consumer Organisation
The Consumer Voice in Europe
Juncker Commission

interim balance

Consumer performance check
Big or small on consumers?

When Jean-Claude Juncker became president of the European Commission, he promised “to be big on big things and small and modest on smaller things”. In the first two-and-a-half years of its five-year tenure, the Juncker Commission has launched several big initiatives, including bringing down barriers in the EU’s Digital Single Market and building an Energy Union to make energy more secure, affordable and sustainable. In both areas, the Commission released a cascade of draft laws, many of which will bring direct benefits for consumers.

However, much less action has been taken towards tackling the EU’s obesity crisis, towards reducing the long-term health risks of toxic chemicals, and towards nudging the market to offer the safe financial products that consumers actually need.

So while the Commission is moving ahead on its priorities, which did indeed lead to actions that benefit consumers, its ‘Better Regulation’ objective seems to delay or block action in other areas.

At half-time in the Commission’s term, we have undertaken an analysis to determine whether actions to date have been big or small from the consumer perspective. Taking into account that many citizens feel estranged from the European Union, measures that lead to concrete improvements in people’s daily lives may help to bridge the divide between public expectations and policy achievements. For that reason, we also put forward proposals that we hope the Commission will focus on during the remainder of its term.
Car emissions

The Commission (and Member States) agreed on a new emissions and fuel consumption test for cars (known as the WLTP). When implemented, it should provide more realistic information to consumers purchasing cars, and should incentivise car makers to invest more in improving fuel efficiency. We are currently expecting the Commission to come forward with guidelines for the phase-in of the test and consumer access to the new information.

Consumer Protection Enforcement Cooperation

As much as 68% of the cross-border complaints received by European Consumer Centres in 2015 were related to e-commerce. Thus, the Commission proposed to review and update its Consumer Protection Enforcement Cooperation law, which lays out rules for collaboration between national authorities in the case of cross-border infringements of consumer law. The review foresees that authorities will be able to oblige companies to compensate consumers, and that consumer organisations should be given an official role in alerting authorities about suspected misconduct.

Portability of online content

This Regulation has already made it through the legislative process and will enter into force in 2018. It will enable consumers to use their subscriptions to online content services (e.g. music, films and series, sports and games) when travelling across the EU. At present, due to outdated copyright rules, consumers often cannot access online content that they have legally acquired at home when they are abroad.
Sale of digital content

The proposal harmonises guarantee rights for digital content products such as films, music, eBooks and digital services like social networks and online subscriptions. The proposal is a novelty under EU consumer law, and an important step in improving rights for consumers buying digital content or subscribing to digital services.

Type approval and market surveillance of motor vehicles

BEUC welcomed this proposal, as it would set up a stronger and more harmonised European system for overseeing the automotive sector. This would deter car manufacturers from manipulating type approval tests and in turn reduce the risk of another Dieselgate. The Commission proposed a new system of market surveillance, which would provide for a more efficient use of existing resources in Member States through better coordination and quality control of inspections. The proposal also foresees a reduction in conflicts of interest between manufacturers and technical services in the type approval procedure.

Competition law enforcement in digital markets

Online platforms play a very important role in today’s digital economy, and the European Commission has started several investigations against anti-competitive market practices. It is important that enforcers promptly address abuses by companies in dominant positions that could affect the functioning of the EU’s Single Market to the detriment of consumers. The European Commission’s investigation into Google’s abuse of dominance is of crucial importance and a decision on this case is urgently needed. Similarly, the European Commission must ensure that mobile markets remain open to competition and innovation in order to benefit all European consumers.

Additionally, the European Commission is stepping up efforts to tackle contractual restrictions in cross-border access to online content. BEUC supports these initiatives: they will stimulate the development of competitive legal offers across the EU so that all consumers have equal chances to watch their preferred TV programmes, films and sporting events.
Energy efficiency

The Commission proposes a reduction in energy consumption by 30% by 2030, as well as measures that would make it easier for consumers to monitor their consumption (for heating, cooling and hot water). This is a necessary signal from the EU that it has not lost sight of the importance of energy efficiency. We welcome proposals that steer energy efficiency measures towards energy poor households and improve consumption information and bills. Nevertheless, more focus should be placed on the needs of vulnerable consumers and tenants, as well as on the price tag of new technologies and how consumers can benefit from them.

GOOD

ePrivacy

This Regulation would replace the current ePrivacy Directive, in light of the adoption of the General Data Protection Regulation (GDPR) in 2016 and new technological developments. It aims to ensure stronger privacy in all electronic communications services (including communication apps for example) and to protect users against the unwanted monitoring of their online behaviour as well as spam. The proposal is overall positive, but important improvements are needed: the lack of ‘privacy by default’ obligations is particularly disappointing.

GOOD

Geo-blocking

The European Commission proposal would allow consumers to shop for products across borders without fear of discrimination due to their country of residence, or because they pay with a foreign bank card. On the downside, the Commission’s proposal does not sufficiently address geo-blocking in sectors like transport and audiovisual services.

GOOD

Online transmissions and retransmissions of television and radio programmes

This proposal extends the application of the country of origin principle to certain online services of broadcasting organisations. The country of origin principle allows broadcasters to clear the rights for their content in their home country and its transmission abroad through satellite or cable. While this proposal is an important step towards a real Digital Single Market for consumers, it applies only to broadcasters’ online services, leaving behind any other type of online distribution (e.g. video-on-demand platforms).

GOOD
Renewable energy

The proposal on renewable energy stamps out the EU’s plans to fight climate change and cut its dependency on carbonised energy sources. It introduces a right for households to consume, store and sell renewable energy. Any consumer wishing to build and operate a (small) renewable power plant would only have to deal with a single administrative contact point in the application process. The proposal would also create a legal basis for business models that help tenants to generate their own energy on their premises. However, the progress of renewable energies is at risk due to changes in priority grid access.

Electricity Directive

This proposal aims at making energy bills clearer and improving energy consumer rights. Member States are tasked to protect energy poor consumers. The Directive also proposes to make energy consumption more ‘flexible’ in order to better match peak electricity production. Currently, peak consumption tends to happen in the morning or evening when renewable energy, and especially solar power, is limited. The Commission wants to make it easier for the innovative services that help consumers to shift their energy consumption to enter the market. From a consumer perspective the proposals are a mixed bag: although opening the market to services that help consumers transfer their electricity consumption is welcome, concrete proposals to make the transition fair and worthwhile for consumers are lacking.

European Electronic Communications Code (EECC)

The European Commission’s proposal to establish a European Electronic Communications Code (EECC) is a far-reaching initiative. On the positive side, it would upgrade the sector’s consumer protection framework by expanding its scope to cover all types of digital communications services and by adding new protective measures that are much needed in today’s markets. We welcome the proposal to make quality internet access a basic right for all consumers as part of the Universal Service Obligation. On the negative side, the Commission’s numerous proposed changes to the current telecom rules amount to a significant deregulation of markets. It would become harder for access seekers and alternative providers to enter the market and compete with the largest network operators on better prices, higher quality and more innovative services.
**Wholesale roaming markets**

The original Commission proposal to reform roaming wholesale markets lacked ambition: it left the initial maximum price cap for roaming data too high, and proposed only limited decreases for the following years. Fortunately, EU legislators adopted a more ambitious approach. The end result can be considered as a good basis for the introduction of ‘Roam like at Home’ in June 2017.

Co-legislators significantly improved the proposal.

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**Audiovisual Media Services Directive (AVMSD)**

The objective of this proposal is to extend and adapt the existing AVMSD to new market realities. Unfortunately, while the reform is welcome and necessary, the proposal would weaken existing TV advertising and product placement rules. It also fails to properly address problems related to the marketing of unhealthy food to children. Furthermore the Commission missed an opportunity to clearly recognise the World Health Organisation’s nutrient profiles as the official guidelines for defining which foods can and cannot be advertised to children.

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**Investment Court System**

In response to criticism of the controversial Investor-to-State Dispute Settlement Mechanism (ISDS), the Commission proposed that it be replaced with an Investment Court System (ICS). While better than the original, the ICS does not address the core flaws of its predecessor; for example, foreign investors can still sue a state for taking measures in the public interest. The ICS also lacks safeguards against the so-called ‘chilling effect’, i.e. governments refraining from legislating in the public interest for fear of being sued.

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**Online sales of tangible goods**

The Commission proposal sets the bar too low. It would harmonise consumer rights throughout the EU, resulting in reduced essential rights for several Member States. EU citizens would thus lose their domestic protections when products purchased online break.
Copyright in the Digital Single Market

Current EU copyright laws aren’t fit for the digital age. But the Commission’s proposal fails to provide a system that would benefit all actors in the copyright chain. Measures that would require platforms hosting copyrighted content to apply filter technologies totally ignore the reality of online consumers, and jeopardise fundamental rights and freedoms.

Endocrine disruptors

EU laws oblige the European Commission to adopt scientific criteria in order to identify chemicals that can disturb the hormonal system. Without such a definition for these endocrine disruptors, it is difficult to regulate them effectively under existing laws on biocides, pesticides, waste water, medical devices and cosmetics. However, the Commission has failed to comply with every legal deadline over the past three years. And the criteria proposed by the Commission in 2016 are simply unambitious, showing neither political will nor leadership.
Performance check of Commission action plans & communications

‘Trade for All’

The Commission’s publication on the future of trade paved the way for a more consumer-oriented, sustainable and transparent trade policy. However, more than a year after its publication, there has not been much concrete implementation. For instance, the Commission is still negotiating its trade deals (EU-Japan and the Trade in Services Agreement) in the utmost secrecy.

Good but needs proper implementation.

Ecodesign

After a long delay, the European Commission published a new workplan for Ecodesign at the end of 2016. Although it includes very few new product groups relevant to consumers, the fact that the Commission decided to continue this excellent tool is a success in itself. In addition, it has been strengthened to include environmental criteria such as product durability, reparability, upgradeability, reusability and recyclability. Two longstanding BEUC requests – guidelines on voluntary agreements and a measure to end cheating through the abuse of tolerances – have also been taken up.

Circular economy

Products should last longer and be less harmful to the environment. The Commission’s Circular Economy Action Plan contained some encouraging proposals in this respect, particularly the emphasis on the important role of Ecodesign in prolonging product lifetime. The plan also proposed better information for consumers about how long a product should last, as well as measures to cut food waste. However, a January 2017 progress report revealed that to date very little has been done.
Collaborative economy

The Commission’s Communication on the collaborative economy is a welcome overview of all the issues that need to be considered in order to ensure that consumers reap the benefits of the collaborative economy. The Communication also did a fairly good job in identifying the relevant laws at stake: market access, consumer protection, taxation, and so forth.
Juncker Commission
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- Type approval and market surveillance of motor vehicles
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A consumer checklist for a successful term in office

Redress & Enforcement

Collective redress
There is a major legal loophole in regards to consumers not being able to receive compensation for harm they have suffered. The beneficiaries of these injustices are the businesses that are able to retain illegal profits. Going to court as an individual is often too costly and is perceived as a large obstacle for consumers. In many EU Member States, it is not possible to go to court collectively. And where such means exist, procedural rules may be too burdensome.

BEUC is again calling on the European Commission to propose a binding EU law that will ensure that effective procedures for collective redress are available to all EU consumers.

Injunctions
In many countries, consumer organisations can use injunction procedures to halt consumer harm. However, this procedure is risky in terms of financial investment: in most cases, although traders are stopped, consumers are not helped in obtaining compensation for the harm they have sustained.

The Commission should propose a review of the Injunctions Directive in order to allow consumers and consumer associations the use of injunction decisions to seek redress. In addition, an obligation for traders to publish the injunction decision should be introduced.

Trade

Transparency of trade deals
The EU should only engage in new trade negotiations if the future trade partner accepts to conduct them in a fully transparent way. The public must have access to the negotiations texts. Stakeholder events should be organised for each rounds of each trade talks.
Product safety and chemicals

REACH
The EU’s chemicals law should be updated so that industry is obliged to take account of possible combination effects from chemicals in their registration dossiers, for example in the form of an extra assessment factor. Testing requirements should further be updated so that the impact of total chemicals exposures and cumulative impacts are fully assessed, corresponding to the reality of our exposure. The Commission should also publish guidance documents as soon as possible that promote an integrated and coordinated assessment across all relevant EU laws, including REACH.

Nanomaterials
REACH must be revised to adequately regulate nanomaterials. As a first measure, REACH annexes must urgently be updated to ensure that nanomaterials are correctly registered with the EU’s chemicals agency ECHA and that manufacturers provide information on all nanomaterials they place on the market. In the legal text, a definition of nanomaterials, a provision to ensure that nanomaterials are considered as new substances to be registered independently of any corresponding bulk substances, and lower tonnage thresholds should be introduced to guarantee that manufacturers provide correct and comprehensive information on the safety and the uses of their novel materials. In parallel, a compulsory nano register needs to be implemented at the EU level to ensure transparency for consumers and traceability of nanomaterials in the supply chain.

Enforcing product safety more effectively
EU consumers deserve future proof product safety laws. Product safety rules need to be adapted to digital markets and the emergence of connected products. Overall, consumers need better traceability of dangerous products: the manufacturer’s and importer’s address as well as a batch-type or serial number must become mandatory information on the product or packaging. The Commission must come up with swift procedures for market surveillance and, where needed, product recalls. Under current market developments, including the rise of online platforms, it must be crystal clear who is responsible for removing unsafe products.

Cross-cutting

Product liability & connected products
BEUC agrees with the Commission that there is a need to analyse whether product liability rules are fit for purpose in the connected products era. The concept of liability under the current 1985 Directive is outdated when it comes to digital technologies. We are very doubtful it would apply to digital technologies, such as embedded software, cloud services or automatic systems. For instance what should be clarified is who is liable when it comes to the Internet of Things as these products typically require involvement from a manufacturer, the supplier of the software as well as the network provider.
Health

Health Technology Assessment
Vast quantities of new medicines and other pharmaceutical products enter the market each year. The price for these products depends in part on the assessment of their added value in comparison with similar existing products. A Commission proposal for collaboration between the bodies carrying out these assessments is due in 2017. High standards for assessing medicines should be maintained, and the Commission needs to guarantee the integrity and independence of these authorities in order to ensure their credibility with patients and governments.

Sustainability

Clean vehicles
The European Commission is expected to present a legislative proposal on low emissions cars before the end of 2017. We support the development of post-2020 CO₂ targets for cars in order to help consumers cut their running costs. Such a proposal for CO₂ targets must go hand-in-hand with a real-world test to complement laboratory testing. We also need to see a reform of labelling rules to ensure that consumers are getting relevant and clear information about the cars they are buying.

Ecolabel
The EU Ecolabel is the only Europe-wide label that helps consumers to identify products with the best environmental performance. The Commission has delayed the publication of the Ecolabel Regulation fitness check, and an evaluation report is more than two years overdue. We expect the Commission to rapidly conclude this process in order to end the political uncertainties on the future of the scheme. We call on the Commission to reinforce and further develop the Ecolabel to strengthen sustainable consumption and production in the EU.
In its first two-and-a-half years in office, the Juncker Commission has not proposed a single concrete initiative to enhance consumer protection in retail finance. There has been no change in the poor quality of financial products and advice, financial mis-selling and insufficient supervision and enforcement.

**Trustworthy financial advice**
Consumers are not getting the advice they really need when looking for mortgages, insurance or better investments for their savings. The low quality of advice has been documented widely, both by our members and by public authorities, and particularly in the retail investment area. BEUC calls for a ban of third-party commissions and in-house sales incentives that tend to steer consumers towards overly complex and expensive retail investment products, which are often not suitable for their risk profile. No EU initiatives have so far been proposed to address these issues.

If the Commission – as stated in its Capital Markets Union – wants to channel more consumer savings to financial markets it must act to boost consumer trust in financial intermediaries.

**Product complexity**
Not only have financial products become increasingly complex, but they are also often unsuitable for meeting most consumer needs. Consumers don’t need necessarily more choice, but better choice. Product simplification and standardisation (including across the EU) could be highly beneficial. We want the Commission to develop rules on simple, portable and safe financial products, and to set default product options (as requested by the European Parliament last year).

We support the EC initiative to develop standardised Pan-European Pension Products (PEPP) that could improve consumer outcome in this market. BEUC calls for a simple, cost-efficient and transparent pension product.

**Supervision and enforcement**
Many national supervisors lack a clear statutory objective to check if financial service providers abide by consumer protection laws, or they may not have sufficient resources to perform this task. Despite the Commission’s intention to “step up enforcement of EU law for the benefit of citizens, consumers and businesses”, we have not yet seen any concrete actions. The Commission should use the planned review of the European Supervisory Authorities’ funding and governance rules to establish an EU authority for financial consumer protection. This new authority would, among other roles, ensure the development, implementation and monitoring of minimum standards of conduct-of-business supervision in Member States.
Acrylamide in food
Acrylamide is a process contaminant that forms when starchy foods (e.g. potatoes and cereals) are cooked at high temperature (e.g. fried, roasted or baked). In 2015, the European Food Safety Authority pointed to acrylamide as a public health concern. The Commission wants to oblige industry, fast food companies and restaurants to apply ‘Codes of Practice’ to minimise acrylamide formation in their products, and to maintain levels of the chemical below specific values set as ‘benchmarks’. In practice however, this plan gives too much leeway to businesses that prefer not to act. Moreover, in the absence of binding limits, consumers will still be exposed to foods with high acrylamide content as the marketing of products with acrylamide levels above the ‘benchmarks’ will still be allowed.

The final draft of the acrylamide measures had not yet been published at time of writing, while it was expected to bring some improvements. And although the Commission recently announced it would work on setting legal limits for acrylamide in some processed foodstuffs, no more concrete information or timeframe had been communicated.

Ban on industrially-produced trans fats (TFAs) in food
An EU-wide legal limit of 2g TFAs per 100g of fat is needed to effectively protect the health of all European consumers. Legislative limits on TFAs have already been successfully implemented in several European countries since 2003. Voluntary industry agreements however have failed to provide a uniform reduction in trans fats levels across the EU.

Nutrient profiles
We are confident that the ongoing evaluation of the Claims Regulation will demonstrate that the long overdue nutrient profiles remain as necessary as ever in making healthy food choices easier for consumers. Foods that are high in fat, sugar and/or salt should no longer be permitted to claim health benefits, thereby misleading consumers about their true nutritional value. The Commission should work towards a swift completion of the Claims Regulation evaluation and come forward with a proposal for establishing the nutrient profiles.

Safety and labelling rules on food supplements
The EU food supplements market is only partially regulated, exposing consumers to potential risks and misleading information. We call on the Commission to move forward with the evaluation of health claims concerning herbal food supplements. The more than 2,000 botanical claims currently on hold should not be granted special treatment that would allow ‘traditional use’ to be considered as sufficient proof of efficacy. The Commission should also come forward with a proposal for setting maximum and minimum limits for vitamins and minerals, thereby preventing risks from overdose as well as the sale of useless and deceptive products.
Consumer rights

Passenger rights in multimodal journeys
Multimodal journeys – trips that combine several means of transport – are a fast-developing trend in Europe. In order to use them more often, however, passengers need more certainty about their rights. We support the idea of creating a new legal instrument that would clarify the protection of consumer rights during their entire journey.

Update of consumer law
As a follow-up to the ongoing REFIT of consumer law, we expect the Commission to come up with legislative proposals that improve current flaws and modernise consumer rights. It is crucial that consumers are also protected in the digital world: for example if they pay for products with data, buy digital products, or make use of online booking and other platforms. It is also important that EU consumer law rules are accompanied by better enforcement options. For example, consumers should be able to rely on civil law remedies, in particular to claim compensation or to withdraw from a contract that is based on unfair practices. Consumer organisations also need to be able to secure better enforcement and face fewer legal and practical barriers in stopping the illegal practices of traders.

Rail Passenger Rights
We support a revision of the current EU law if it will be uniformly applied and lead to the better enforcement of passenger rights across the EU. However, such a revision should not weaken the protection of passengers travelling by rail. What is needed is better protection for consumers as well as improved complaint handling. The rules and definitions set out by the Rail Passenger Rights Regulation should be clearer.

Ban online marketing of unhealthy food to children
According to the World Health Organisation, children are exposed to countless hidden digital marketing techniques that promote foods high in fat, sugar and salt. Furthermore, a study carried out on behalf of the Commission concluded that more should be done to protect children against online marketing.

The Commission should propose to amend the Directive on Unfair Commercial Practices, and add the online marketing of unhealthy food to children to the list of unfair practices.
Tangible consumer wins

Over the past decades, the EU has been a strong driver of robust and ambitious rules to protect consumers’ health and safety and to improve their legal and economic rights. For various reasons, consumers do not always associate these successes with the European project.

As the EU finds itself at a crossroads and is weighing up its options for the future, we call on the Commission to deal with consumer concerns to show people from across Europe how the EU can improve their daily lives.

1. A full description of these ‘tangible wins’ can be found in our publication ‘Tangible EU consumer wins - BEUC proposals’ (BEUC-X-2017-033)
- **Protect consumers from currency scams when abroad:** Consumers are often hit with exorbitant currency conversion fees when paying or withdrawing money in a foreign currency.

- **Give debit cards same rights as credit cards:** Many online merchants do not accept debit card payments or accept only some specific debit cards which are not readily available to all consumers. This means millions of EU consumers who have only a debit card and not a credit card are unable to take advantage of good deals.

- **Ban no-show clauses in air transport:** Consumers might be refused their return flight just because they didn’t take their outbound flight.

- **Have more fuel-efficient cars:** We ask for more ambitious binding CO₂ emissions targets and an overhaul of the EU car label.

- **Make information on energy bills clearer:** Bills are often packed with a lot of information or technical terms but consumers cannot find the necessary information to switch their energy supplier.

- **Make guarantees fit a product’s life-time:** Lots of products, e.g. washing machines or furniture, last longer than the two-year legal guarantee that comes with them. Consumers are left without a solution if the defect appears after the two-year guarantee.

- **Fair prices to call another EU country:** Consumers face abusive prices for calling and texting to a different country inside the EU.

- **Make air tickets transferable:** Consumers who cannot take their flight are asked to pay high fees if they do not want their ticket to go to waste.

- **Protect children from online marketing of unhealthy food:** While 1 in 3 children in the EU is either overweight or obese they are exposed to countless numbers of hidden digital marketing techniques promoting foods high in fat, sugar and salt.
In May 2015, the European Commission issued a set of initiatives on ‘Better Regulation’. The Commission’s objective with ‘Better Regulation’ was to put the interests of SMEs up front: to reduce their regulatory burden and to better control the results of the legislative procedure in this respect.

This approach portrays EU legislation as an obstacle for business and economic growth. It implies a reduced, one-sided simplified perspective when evaluating existing legislation, and omits the key objectives of such legislation: to empower and protect citizens, consumers and the environment, as well as to enable companies to enter the Single Market. This approach raises great concerns about whether the ‘Better Regulation’ policy – instead of ensuring improvements in our societies – will lead to a regulatory chill, the lowering of consumer, human health and environmental protection standards, and the increased corporate capture of the European Commission’s agenda.

After two years, this agenda shows poor results for consumers. Specifically in the field of food and health policies, hardly any new legislative initiatives have been put forward. This is despite an urgent need for action to protect people by for example restricting trans fats (TFAs) in food, providing better safety and labelling rules for food supplements, improving regulation of the use of dangerous chemicals, and so forth. The bottom line is that consumer and public health interests have been neglected.

In relation to the numerous ongoing fitness checks of existing legislation (REFIT), a key workstream of the Better Regulation policy, evaluations of key food, consumer, chemicals and environmental laws are still pending. It is unclear at this stage if the outcome will lead to the deterioration or the improvement of the legislation.

Overall, it is high time for the Commission to amend the ‘Better Regulation’ narrative and its implementing measures. There are still two-and-a-half years left to deliver. The ‘last chance’ Juncker Commission needs to demonstrate responsibility and invest in policies that have the general interest of all European consumers and citizens at heart.