



Consumer priorities for the 2019 European Parliament elections

Europe 2019
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for **consumers**

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The European Parliament elections of 2019 could be a watershed for the European Union. They will define the future direction of the EU. Migration policy, the security of the EU's borders, its internal coherence and democratic values will all be hotly debated.

And yet, we are convinced that consumer issues should figure prominently in the list of themes that policy makers should campaign on. EU citizens are consumers and consumers care about the food they eat, the safety of the products they buy, their online privacy, the cost of healthcare and much more.

Over the past decades, the EU has been a strong driver of robust and ambitious rules in many of these areas. Its air passenger rights are strong, people love making phone calls and surfing the internet when travelling, online shopping is made easy thanks to a 14-day right of withdrawal period, consumer products must be safe and all Europeans now have a right to open a bank account – just to name a few recent consumer successes. The EU should be bold in telling citizens how its actions have impacted their lives for the better.

The EU finds itself at a crossroads and is weighing up its options for the future. We believe that by making the EU a champion of consumer rights, future Members of the European Parliament will be building a better relationship with people across the EU.

The European Consumer Organisation (BEUC) is calling on all political parties participating in the European Parliament elections to make consumer issues one of their top campaign themes.

These five priorities are what we want to focus on¹

- 1 Artificial intelligence must serve, not harm consumers
- 2 Consumer products should last longer
- 3 Food labels should make the healthy option the easy option
- 4 Medicines should be accessible and affordable
- 5 Consumers should not be exposed to harmful chemicals

Those five issues have an important impact on people's lives – now, and in the years to come. They deserve the attention of the newly elected European legislators.

We are committed to work with MEPs and offer solutions to find consumer-friendly approaches for these upcoming challenges.

1. BEUC will publish a broader elections manifesto covering all its areas of work. It would outline our general expectations policy initiatives to benefit EU consumers.

**1**

Artificial intelligence (AI) must serve, not harm consumers

Why it matters to consumers

The use of automated decision-making based on algorithms for commercial transactions will change consumer markets and our societies.

The massive uptake of AI will lead to new products and services which promise to increase convenience and efficiency for consumers. However, challenges will arise and they require ambitious answers. Legislators must make sure that products are safe and law-compliant by default. They must ensure that risks, such as discrimination, loss of privacy and autonomy and lack of transparency are avoided.

State of play

On 25 April 2018, the European Commission published its Communication on Artificial Intelligence where it sets out the different areas of future EU action based on the pillars of (1) boosting financial support, (2) preparing for socio-economic changes and (3) ensuring an appropriate ethical and legal framework.²

However, the Communication does not propose any concrete measures to address consumer concerns, for example when it comes to necessary updates of mandatory EU consumer rights, safety or liability.

2. In addition, the Commission has launched two expert groups: A High-Level Group on Artificial Intelligence and an Expert Group on Product Liability and High-Tech to which BEUC has successfully applied.

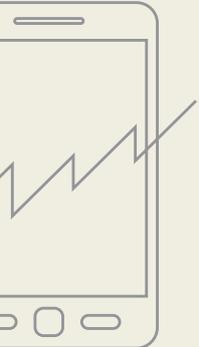
Our recommendations

- AI based products and services must be user-friendly and legally compliant by default and by design. They must in particular respect EU consumer, safety and data protection rules. Discrimination and lack of transparency or privacy should be avoided.
- There should be the right to object to an automated decision making (ADM) process and to contest the decision it generates. Users should have a right to transparency on which parameters offers are based and why the machine has come up with its result.
- The EU should adopt modern liability rules for situations where consumers are harmed by unsafe or defective products, digital content products and services.
- Policy makers should analyse whether horizontal EU consumer law is fit for the challenges of AI and the data economy. The EU should also examine whether sector-specific rules regarding health, financial, and energy services are fit for purpose.
- It should be a general principle that companies must introduce effective mechanisms for auditing AI's use of data. ADM auditing should be carried out by independent third parties or specific public bodies.

2

Consumer products should last longer

Why it matters for consumers



Printers or smartphones that cannot be fixed shortly after the guarantee expires, electric toothbrushes that break down too quickly, coffee machine spare parts that are unavailable... many consumers are forced to deal with the early failure of products, also called 'premature obsolescence'. The negative consequences are financial loss and tremendous pressure on the environment.

State of play

The European Commission adopted in 2015 an Action Plan for the Circular Economy. It proposed to ensure that products will be designed to last longer and become easier to repair. The European Parliament followed suit³ and called on the European Commission to propose new measures in particular regarding standardisation and improving the design of products to ensure longevity and reparability. It also wanted to take measures on software updates and to better inform consumers about durability.

However, none of this has materialised. The EU still needs to take serious action to prolong useful product lifetimes, reparability and upgradeability. Unfortunately, and contrary to the policy objective of sustainable production, the European Commission has proposed to limit the legal guarantee period for consumer goods to two years across the EU.

While national measures such as lower VAT rates on repair services and spare parts can make an important contribution, EU action could ensure all products are better designed and provide easy and comparable information about product lifetimes to consumers.

3. EP own initiative report (2017): Longer lasting products: Benefits for consumers and companies.

Our recommendations

- Durability should be in the DNA of product design: Ecodesign rules make some products greener from the design phase. For example, these rules have made sure fridges, washing machines etc. use less energy for the same performance. We could make the most of this tool if the EU systematically included durability requirements on top of energy-using requirements.
- Lifetime information should be provided prior to purchase. Consumers need to know about the expected lifetimes of products and related costs, repair options and availability of spare parts when they are shopping. It would help them choose more sustainable products that suit them better.
- Consumers need stronger guarantee rights. The legal guarantee period is a minimum of two years by law, but only for the first six months is it up to the seller to prove there was no defect when the product was sold. Afterwards, it shifts to the consumer who often struggles to get his/her rights enforced. The burden of proof should stay on the trader's shoulders for two years (as put forward by the Commission in its proposal regarding contracts for the sales of tangible goods).
- Products with a longer lifespan should get a longer legal guarantee. The two-year period is inappropriate for long-lasting appliances such as washing machines, audio-visual devices or cars. In short, guarantees should match the expected lifetime of a product.
- Spare parts should become more systematically available and affordable. That way, consumers can have their broken washing machine or printer repaired instead of having to buy a new one. Spare parts and repair manuals should be available for a duration that reflects the product's expected lifetime.
- Software updates should be available during the expected lifetime of the product. Also, consumers should be informed at the time of purchase about how long updates will be available and for what purpose (security, functionality updates etc).
- Cybersecurity must be ensured for all connected products during their expected lifetime.

3

Food labels should make the healthy option the easy option

Why it matters to consumers

One in two European adults is overweight or obese. Figures are particularly alarming for children, with one in three overweight or obese. Obesity and its health effects have severe consequences, not only in terms of personal health, but also public health, because of the additional burden on government budgets due to health care costs. In today's busy world, consumers make their purchase decisions in a matter of seconds, therefore food labels must make the healthy option the easy option.

State of play

Since December 2016, all food and non-alcoholic drinks must carry a nutritional declaration on the back of the pack. Yet many consumers struggle to make sense of the numbers. They lack an interpretative element, such as colour-coding, to help them figure out the nutritional value of a product. Sadly, EU food labelling rules do not currently mandate any simplified way of conveying the nutritional information to consumers. They leave the possibility for Member States and food companies to develop their own simplified nutrition labelling schemes, and some governments and private operators have seized the opportunity to do so. Several schemes are now in use across and/or within various Member States. Some are more helpful than others.

The Nutrition and Health Claims Regulation has applied since 2007. On paper, it aims to ensure that any health-related claim made on a food's label or advertising is accurate and based on scientific evidence and that it does not mislead consumers into believing the food is healthier than it really is. In practice, however, many products high in



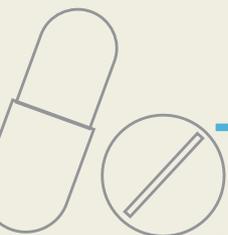
fat, sugar and/or salt continue to claim health benefits as the EU is almost ten years late with the establishment of so-called 'nutrient profiles'. These are a set of nutritional criteria meant to determine which foods are healthy enough to advertise health benefits.

Our recommendations

- All EU consumers can make healthier food choices when they shop for groceries thanks to an EU-wide mandatory front-of-pack nutritional labelling scheme with colour-coding.
- Consumers are no longer misled by food and drinks which claim health benefits while they are high in fat, sugar and/or salt.

4

Medicines should be accessible and affordable



Why it matters to consumers

High prices and shortages of medicines have become a barrier for consumers around Europe to access the treatments they need. Many new medicines are approved with less robust clinical data: when reimbursed, these medicines potentially expose consumers to higher risks, but they remain on the market despite a lack of certainty about their safety and usefulness.

State of play

In the past, access to medicines was a challenge for developing countries alone. Today European consumers also struggle to access the treatments they need. For sure, there are new ground-breaking medicines to treat severe forms of cancers or debilitating conditions such as Hepatitis C. Yet, their price is so high that governments have to make very hard choices about which treatments to reimburse. As a result, when effective medicines are developed, they might not reach the patient. This is the case for example in Scotland, where the new drug to treat breast cancer is so expensive that governments refuse to reimburse it.⁴ In other cases, because of high prices, countries ration the treatment and decide to provide it to only a limited number of patients.⁵

An important part of the research and development of medicines is conducted by public universities or through research projects, both subsidised by taxpayers' money. In spite of that, this contribution is not reflected in the final price that the pharmaceutical industry sets, leading consumers to pay twice for medicines – as a taxpayer and as a patient.

4. <https://www.commonspace.scot/articles/12974/holding-patients-lives-ransom-scottish-cancer-patients-call-government-intervention>

5. This was the case in Italy, where the initial price of drug to treat Hepatitis C touched upon 80.000€ per treatment.

Despite their high price, patients cannot always be sure that treatments actually deliver what they promise. Many new drugs are approved with limited data, at the condition that industry collects this data as soon as patients start taking the drug. Unfortunately, this post-marketing collection often fails to deliver the expected results, either because data are not available or because the promising benefits are not effectively delivered.

Our recommendations

- The adoption of an EU law to ensure more cooperation on health technology assessments to identify the safest, most clinically effective treatments, thereby reducing medicine prices.
- The EU Transparency Directive should be reformed to ensure that pharmaceutical manufacturers are required to provide all relevant clinical data to set pricing and reimbursement decisions.
- Rules are put in place to ensure that patients using 'early access' medicines are given the same protection as participants in clinical trials through additional safety monitoring.
- Many medicines, who have often been developed thanks to public funding, are becoming unaffordable or unavailable. The EU should make public funding for medicines conditional on them being accessible and affordable for patients.

5

Consumers should not be exposed to harmful chemicals

Why it matters to consumers

Chronic and severe diseases such as cancer, cardiovascular diseases, fertility problems, obesity and allergies are on the rise in the EU. Chemicals are believed to play a causal role in this trend. Still, most chemicals can be used in consumer products with little actual control. Product tests by BEUC members, national consumer organisations, frequently detect chemicals of concern in products consumers come in very close, regular and prolonged contact with, such as clothes, shoes, toys and child care products, cosmetics, hygiene products, food packaging, and the list goes on. Sadly, much of the consumer exposure could be avoided as these chemicals are found in some but not in all tested products, meaning that alternatives are available.

State of play

The European Union boasts the world's most advanced and ambitious chemicals management framework. EU laws for example automatically prohibit the use in cosmetics, toys, and (plastic) food packaging of chemicals that may cause cancer, change DNA or harm reproductive health. Thanks to the REACH regulation, the EU has further shifted the burden of proof from public authorities to the companies that produce and use chemicals (the so-called 'no data, no market' principle). In 2017, the EU became the first jurisdiction globally to agree on a legal definition of endocrine disruptors, paving the way for a long overdue regulatory response to these harmful chemicals.

Despite these landmark achievements, robust chemicals provisions are absent for most consumer products. An extensive study for the European Commission recently found⁶ that "legislation preventing

6. <https://publications.europa.eu/en/publication-detail/-/publication/89fbbb74-969c-11e7-b92d-01aa75ed71a1/language-en>

the presence of toxic substances in products (where possible) is scattered, neither systematic nor consistent and applies only to very few substances, articles and uses, often with many exemptions". Where rules do exist, enforcement is often weak and patchy. A recent joint EU enforcement project showed⁷ that one in five toys contained dangerous phthalates – despite a ban in effect for close to two decades. A significant proportion of other tested consumer products contained toxic metals or other restricted chemicals known to have adverse health effects.

Consumers are often not aware about which chemicals are in which products and how to reduce their exposure. But consumers are concerned: in a 2017 Eurobarometer survey⁸, 84 percent of Europeans reported concerns about chemicals in everyday products, up from 43 percent in 2014⁹. Consumers moreover report that they lack information about chemicals in the products they buy: the 2014 survey for example found that the health impact of chemicals used in everyday products is the issue most people (39 percent) would like more information about.

Our recommendations

- Childcare products (prams, play carpets, trollies) must be free of cancer-causing chemicals.
- The adoption of an EU law to set limits of chemicals in hygiene products (e.g. nappies).
- EU legislation is modernised to account for our cumulative exposures (the 'chemical cocktail'). Maximum limits must not only look at an individual substance but consider that consumers are exposed to numerous others simultaneously.
- Consumers receive accurate, easy to understand and reliable information about chemicals in the products they purchase, through clear and coherent labelling.

7. https://echa.europa.eu/documents/10162/13577/ref_4_report_en.pdf/b53f5cd9-64a4-c120-1953-e9e176b9c282

8. Special Eurobarometer 468 'Attitudes of European citizens towards the environment' (2017)

9. Special Eurobarometer 416 'Attitudes of European citizens towards the environment' (2014)



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