



# **BEUC's 8 PRIORITIES**

## **for the French Presidency**

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## Introduction

Consumer behaviour differs widely across the European Union; consumer complaints and expectations vary considerably between, for example, France, Poland, Portugal and Latvia. Nevertheless, certain sectors tend to get more “votes” than others; a quick poll of our member organisations has shown the areas in which they receive the greatest numbers of complaints are relations with telecommunications operators, high-tech and particularly digital equipment suppliers, financial service providers and energy access suppliers. Consumers are waiting for the European Union to give them the ability to defend themselves and obtain redress when faced with illegal practices that affect large numbers of them: this is why we are calling for the introduction of group action, which will be an essential step in the construction of a citizens’ Europe. If Europe wants to effectively protect the health and safety of its consumers, strengthen their rights against unfair commercial practices in many sectors, reinforce their role as drivers of the economy and allow them to benefit with confidence from the advantages of a real Internal Market, it needs to give itself the means to achieve this.

To this end we have identified **eight main areas of attack** which we describe in this document, together with **100 concrete proposals** for the French Presidency of the European Union. For the coming six months, the French government will be responsible for conducting discussions and negotiations on these dossiers. BEUC<sup>1</sup> and its French members, l’UFC Que Choisir, CLCV and OR.GE.CO, call on the President of the Republic and on the members of his government to make these a matter of priority <sup>2</sup> and, for each measure taken, to evaluate how it will benefit consumers.

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<sup>1</sup> BEUC, the European Bureau of Consumers’ Unions, is a federation representing forty-one independent national consumer organisations in 30 European countries, including most of the new Member States. Our French members are UFC-Que Choisir, CLCV and OR.GE.CO.

<sup>2</sup> The desire is also shared by the citizens of France who, according to an Ifop-Touteurope.fr poll of 956 people taken on 24 January 2008 on “French people and the French Presidency of the EU”, believe that consumer protection ought to be a priority of the Presidency.

# Objective Energy and Sustainability

## I. Promoting access, choice and affordable prices for all consumers

### a) Towards a competitive energy market

The European energy market has been liberalised for nearly a year and yet consumers are still not benefiting from real competition. A particularly worrying aspect of the European electricity market is, for example, dominance, measured in terms of market shares: in Germany four major companies generate more than 90% of electricity, the Spanish market is dominated by two companies that own 70% of the market, the largest Belgian producer has a market share of 70% and in France, EDF produces 80% of the electricity.

Choice is a fundamental consumer right, but for this it is necessary to have genuine competition in the market. To this end the Commission proposed its Third Energy Package.

#### Actions to be taken:

- Separate the ownership of production from that of energy distribution (currently described as “full ownership unbundling”).
- Give National Regulatory Authorities the mandate and the power to put an end to dominance issues in European energy markets. Also enable them to impose measures, including transitory price caps wherever markets are not competitive in order to boost competition and protect consumers.

### b) Consolidate and implement consumer rights

Consumers are faced with numerous problems related to energy. Energy is a consumer good like no other; we all need it and do not have the option not to use it. However, not necessarily everyone has access to it and energy poverty is a notion which, in the current economic climate, is taking on dramatic proportions.

Moreover, consumers are constantly confronted with high prices and consumption bills that are not transparent and sometimes cover very long periods. Consumers lack information in real-time about their consumption, even though this information would allow them to adjust their consumption. Information on consumers' rights and obligations is often difficult to access, only partial, or unclear. This is particularly the case for the options to switch providers, which leads to a very low mobility rate by consumers between competing suppliers (where they exist).

In addition, climate change and its impact is prompting many consumers to want to change their habits. But consumers can only make decisions in favour of sustainable consumption if reliable information on this is available, if procedures to switch operators are made easier and if prices are affordable.

#### Actions to be taken:

- Reinforce and implement consumer rights through a comprehensive and binding instrument (including compensation in the event of interruption, the right to representation and user-friendly complaint mechanisms).
- Broaden the area of application of universal service.
- Inform consumers about their actual consumption, notably through Smart Metering and by making bills intelligible and understandable.
- Tackle the issue of energy poverty, notably by providing social rates to vulnerable consumer groups.

## **II. Promote sustainable choices through efficient measures and tools**

### **a) Encourage a more “sustainable” design of products and eliminate non-sustainable products from the market**

More and more consumers are prepared to buy more sustainable, and particularly more energy-efficient products in order to minimise their impact on the environment. To achieve a reduction in energy consumption in Europe it is essential to impose strict and ambitious product standards on industry, and to increase the number of more ecological and sustainable products on the market. Yet the current Directive on Ecodesign, defining the principles, conditions and criteria to lay down environmental requirements in product design, is limited to consumer energy goods and their energy efficiency.

By the summer of 2008 the Commission will present its much awaited Action Plan, which we hope will be sufficiently ambitious, on sustainable consumption and production and sustainable industrial policy. It will aim to aim reinforce the Directive on Ecodesign, in order to improve the environmental performance of products during their entire life cycle, to promote and boost consumer demand for “better” products and production technologies and allow consumers to make better choices.

#### **Actions to be taken:**

- Ensure that the Commission Action Plan is complete, based on the right balance between economic and legal instruments, and complemented by the setting of ambitious regulatory goals on product standards and by voluntary instruments.
- Promote the particularly important role of retailers in “choice editing”, i.e., the withdrawal of non-sustainable or less sustainable products from their shelves, in favour of a broader range of sustainable products and services in all price ranges.
- Put in place a more sustainable economy, through tax incentives (such as tax breaks or VAT) for producers and consumers.
- Extend the scope of application of the Ecodesign Directive to a greater number of products, including products that do not consume energy, such as clothes or furniture. In addition to energy efficiency, also take into account broader environmental aspects such as the use of non-renewable

raw materials or dangerous chemical substances, as well as the shelf life and the potential to recycle products.

- Elaborate eco-design measures which allow to eliminate, for example, the majority of products with a low level of energy efficiency (e.g., the 20% of products with the worst performance record).

## **b) Promote clear and objective information on the “sustainability” of products**

Even if consumers wish to turn to more sustainable products, the lack of complete, clear, objective information and the vast number of different independent labels often stops them putting this into practice.

The “A-G” energy labelling system has been one of the only systems which has really pushed the market towards domestic appliances which are more economic in terms of energy-use, notably thanks to its simplicity, transparency and user-friendliness for consumers. It is now necessary to make this system more dynamic, and easier to adapt to technological developments in the market: in particular it is essential to regularly revise the criteria for classifying products, to ensure that the A category always contains the very best products available on the market.

### **Actions to be taken:**

- Give consumers the possibility to behave in a more sustainable way when they purchase, use and dispose of products, by giving them easy solutions. This means that greater consistency is required between ecodesign and the various EU labelling systems (eco-label and energy label).
- Discourage the industry from creating independent labels that may mislead consumers.
- Recognise the European eco-label as a label of environmental excellence and launch an awareness-raising campaign at European level to familiarise consumers with it.
- Make the energy labelling system more dynamic, so that it can be easily adjusted to new developments in the market, for example by updating the criteria for the various categories, whilst imperatively maintaining the current label design including classes “A-G”.
- Improve the monitoring and implementation of the energy labelling system and related standards at national level. Market surveillance by Member States should be reinforced by a common action (for example, spot tests at European level) supervised by the European Commission
- Promote eco-products and more sustainable consumption, also through targeted information campaigns.
- Oblige car manufacturers to provide clear and comparable information in all their communication material on the CO<sub>2</sub> emissions of vehicles and propose ambitious measures to review labelling.

## Objective Safety

### Safe consumer products and consumers protected against dangerous chemical substances

#### I. Harmless toys in the hands of our children

Children are the most vulnerable consumers and deserve the best protection possible, both from the authorities and the industry. The series of recalls of Mattel toys in August and September last year rekindled numerous legitimate concerns about the safety of toys on the European market.

Although a number of problems arise as a result of relocations to third countries which are therefore not subject to our regulations, the responsibility for toy safety on our markets lies with the economic players who import them and distribute them in Europe. They are the ones responsible for the compliance of their product with the European legislation in force. Unfortunately, even in the hypothetical scenario where this legislation were respected to the letter, it would not be sufficient to protect our children: its loopholes are such that toys posing unacceptable risks (risk of serious injury, suffocation, contact with carcinogenic or allergenic chemical substances, etc.) are authorised.

We have high expectations for the work being carried out by the European Institutions on the Commission's new proposal on toy safety.

#### Actions to be taken:

- Introduce the Precautionary Principle as a fundamental principle of the new Directive.
- Ban the use of carcinogenic, mutagenic and toxic to reproduction (CMR) substances, endocrine disrupters and allergens, including perfumes.
- Reinforce market surveillance.
- Strictly regulate the risks linked to toys contained in food products.
- Reinforce regulatory requirements concerning the risk of suffocation, the chemical properties and the flammable nature of toys.
- Put in place an obligatory CE type examination for a certain number of toys, for example those intended for children under the age of three, those that pose a risk that cannot be eliminated (for example, irons for children that actually heat up), or toys which have caused serious injuries in the past such as those containing magnets.
- Ensure more consistency between the different regulatory areas: substances which are banned in cosmetics should also be banned in toys.

#### II. Cosmetics free from dangerous chemical substances

Moisturiser, toothpaste, shampoo and soaps are products used on a daily basis by consumers. It would be reasonable to believe that they pose no risk at all to health,

either in the short or the long term: for some of them this is far from being the case, a series of risks linked to the presence of untested or inadequately tested and potentially dangerous chemical substances range from allergies, to cancer to disruptions of the hormonal system. In this respect it is also shocking to observe that substances banned from wall paint are authorised in mascaras...

The proposal to simplify the Directive on cosmetics (to transform it into a European Regulation) submitted by the Commission will be the subject of a joint decision by the Parliament and the Council.

**Actions to be taken:**

- Apply the precautionary principle in the area of cosmetics.
- Proceed to an adequate evaluation of all the ingredients used in cosmetic products before they are put on the market.
- Maintain the current ban on carcinogenic, mutagenic and toxic for reproduction substances (CMRs).
- Introduce strict and ambitious safety requirements on the use of nanoparticles in cosmetics, and notably an obligatory evaluation by the EU Scientific Committee of the safety of these substances and cosmetic products in which they are contained before marketing them.
- Define specific obligatory standards for the methods to evaluate the efficacy of cosmetic products, as well as regulations on claims and appropriate labelling.
- Imposing specific regulations for the use of substances which are dangerous for the environment.
- Put in place a system of "cosmetovigilance" where all the negative effects of cosmetics on consumers' health would be collected, reported and made public.

**III. Reduce the overall exposure of consumers to dangerous chemical substances**

We spend more than 80% of our time indoors, whether it be at home, at school or at work. The quality of the air we breathe is critical; this air, however, is sometimes five times more polluted than outside. Consumers are exposed to numerous chemical substances from various sources and the cumulative or combined effects of this multiple exposure are extremely worrying. With the European Regulation REACH<sup>3</sup>, chemical substances and their potentially harmful effects have been high on the European agenda in the past few years. While this increased visibility has allowed to bring to light a large number of concerns, it should not lead us to believe that the problems have now been solved. Reducing the use of dangerous chemical substances in consumer products must remain one of the European Union's priorities, in order to tackle the cocktail of chemical products to which we are exposed day after day.

**Actions to be taken:**

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<sup>3</sup> Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency

- Introduce strict rules during the discussions on the various initiatives planned, such as a future Green Paper on Indoor Air Quality, the review of the eco-label and of the Ecodesign Directive in order to introduce strict standards to limit or eliminate the use of dangerous chemical substances in consumer products.
- Impose maximum levels for the content and emission levels of dangerous chemical substances in consumer products.
- Address systematically and as a priority the issue of chemical risks for the health of the most vulnerable groups.
- Ensure the correct implementation of REACH through the European Union, by supporting the work by the European Chemicals Agency.

## Objective Health

### Put in place a protective, consistent and ambitious health policy at European level

Health is of critical importance in the daily life of consumers. Decision makers must therefore ensure that public health is protected, guarantee access to quality health services and to reliable, efficient and adequate treatments, at reasonable prices. In addition, for the sake of consistency, pharmaceutical policies should be fully integrated into the health policies. Consequently, the competence on medicines should be shifted within the European Commission from the DG ENTERPRISE to DG SANCO

#### **I. Better patient information from independent sources**

Patients need more information on diseases, treatment options, and in particular medicines. But it is essential that this information comes from independent and reliable sources of information. It should not come directly from pharmaceutical companies. The inherent conflicts of interests for these companies must exclude them from any possibility of directly providing "information" to consumers. In order for consumers to be able to make an informed choice, it is critical to maintain the distinction between information and advertising disguised as information.

#### **Actions to be taken:**

Draw up a detailed information strategy on health, which prioritises health by:

- being based on a detailed evaluation of consumers' information needs, on the way in which they are currently taken into account and any potential improvements;
- promoting reliable sources of information;
- allowing consumers to choose and compare medicines and different treatment options;
- putting an end to inequalities in access to information within a wide public health perspective.

#### **II. Safety of consumers in relation to side effects of medicines**

The majority of consumers will experience the side effects of medicines at some time in their life, which may sometimes prove to be fatal. It is therefore of the utmost

importance to have an efficient, transparent and proactive pharmacovigilance system; it is the only way to ensure the safety of patients in this area.

#### **Actions to be taken:**

- Set up a standardised, transparent and centralised system for authorisation procedures for putting medicines on the market and for safety issues related to medicines.
- Allow consumers to be able to report side effects for all medicines directly to the national authorities.
- Put in place simplified and balanced procedures, with strict rules in the event of non-compliance in order to guarantee high-quality standards in the field of pharmacovigilance.
- Undertake independent research and post-approval safety studies on the potential long-term effects.
- Conduct public information campaigns to draw attention to the importance of reporting side-effects.
- Transfer the competence on pharmacovigilance and medicines from DG ENTERPRISE to DG SANCO.

### **III. Counterfeit medicines and consumer safety**

Counterfeit medicines can be very dangerous for health. The supply chain must therefore be increasingly monitored and made more transparent.

#### **Actions to be taken:**

- Provide more information to the public on counterfeit medicines (including obligatory reporting).
- Educate consumers on the risks posed by counterfeit medicines.
- Put in place specific measures for Internet sales.
- Reinforce international cooperation and reliable tracing technologies that do not generate an additional cost for consumers.

### **IV. More certainty on patient rights**

It is essential for European consumers, who are increasingly mobile, to know what their rights are in the area of health services, both in their country of residence and abroad. The European Union has already encouraged mobility in numerous areas, but in terms of health a lot of work still needs to be done.

#### **Action to be taken**

- ✿ Draw up a European Charter on patient rights that provides clear and transparent information to consumers on health services and goes toward to raising standards in this area.

## Objective Digital & Telecoms

Information and communication technologies (ICT) have significantly changed consumption habits and make up an increasingly significant part of household budgets. Although these technologies offer citizens a must-have tool to access information and participate in democracy, they are also giving rise to more violations of a number of their fundamental rights than ever before. That is why the regulatory framework for telecommunications constitutes a priority sector for consumer protection organisations.

### **I. The review of the telecom package: an opportunity not to be missed...**

For consumers, non-transparent and exorbitant prices remain one of the central issues in the area of telecommunication services since; the Roaming Regulation has shown that the market alone does not allow to overcome the abuses observed in this sector. An updated regulatory framework is therefore needed to guarantee healthy competition, leading to a significant decrease in retail prices and better quality services. One of the prerequisites for a truly competitive market is the option for consumers to be able to easily switch operators. Number portability is a very welcome initiative in this area, but it will serve no purpose if consumers are tied to long-term contracts. Another major criterion is the transparency of tariffs, which for the majority of consumers are still difficult to understand and nearly impossible to compare. Lastly, more attention should be paid to the "network neutrality" principle; Internet Service Providers are becoming increasingly vertically integrated with the owners of telecom infrastructures and are technically capable of limiting access to content, to services or to applications, which could represent competition for their own services. It is therefore critical to reinforce the powers and independence of national regulatory authorities, which must be able to intervene to protect consumer interests. This is all the more important if we take into account the inherent threat of abuse of dominant positions within network industries.

#### **Actions to be taken:**

- ✿ Improve the transparency of offers and prices available in the market and allow consumers to easily change operator without being "blocked" by long-term contracts or by a long timescale for number portability.
- ✿ Strengthen the implementation powers and independence of the National Regulatory Authorities, within which consumer interests must be adequately represented.

- Make the inclusion of quality requirements in consumer contracts mandatory
- Ensure that telecom networks and service providers guarantee subscribers the right to access, send and receive any content and to use any service or application without discrimination against the latter's provider.
- In the area of mobile telephony, adopt similar measures for text messaging and data as those taken for roaming,

## II. Protect consumer rights in the digital environment

Digital technologies have given rise to new ways of promoting, buying and receiving goods or services. There is practically no area of consumption that is not affected by the rapid development of modern information and communication technologies. The Internet is also an essential way of accessing knowledge and online services (such as administrations or health services) as well as the public and democratic debate. It must therefore be ensured that consumer rights are really applied in the digital world.

### Action to be taken:

- Recognise the six basic consumer rights in the digital world, i.e.,
  - Right to choice, knowledge and cultural diversity
  - Right to the principle of "technological neutrality"
  - Right to benefit from technological innovations without abusive restrictions
  - Right to the interoperability of content and devices
  - Right to the protection of privacy
  - Right not to be criminalised

#### a) The protection of privacy

The Internet opens the door to the potential violation of the right to privacy without precedent. New technologies allow notably players from the private sector to identify consumers by collecting and using their personal details, very often unbeknownst to them. This same data is also exposed to online crime, such as theft and/or the diversion of sensitive information. In addition, radio-frequency identification (RFID) is likely to be decisive in the development of "ubiquitous computing" also referred to as "the Internet of Things", or the integration of IT into the environment and everyday objects. Its deployment could lead to a series of negative consequences for privacy (locating, targeting and profiling of consumers without their knowledge) and security (theft, viruses, electronic eavesdropping,

### Actions to be taken:

- Establish a general "opt-in" system for all types of automatic commercial communications (unsolicited e-mails/spam), and extend the definition of email to cover pop-up windows which appear on computer screens when consumers are surfing the Internet..
- Urgently introduce heavier penalties and sentences against spammers, as well as efficient complaint and redress mechanisms.

- High security should be the default definition for digital products (“secure by design”).
- Require companies to take the appropriate measures in order for telecom networks to be secure and reliable.
- Oblige Internet Service Providers and Internet-based companies that process personal details (for example, banks, health services) to inform consumers of any violation of security.
- Ensure that Internet Service Providers offer consumers adequate technology to resolve these security issues, at reasonable prices.
- Impose transparency in the use of RFID technology.

#### b) Intellectual property rights and graduated response

We fully acknowledge the need to ensure the protection of copyright and to find a solution to the increase in illegal downloading from the Internet of content protected by these rights. However, we are firmly opposed to the solution towards which France seems to be moving, i.e., the Graduated Response advocated by the Olivennes Report <sup>4</sup>. Whilst copyright must be respected, the same applies to the elementary consumer protection principles such as the right to private copying, fair licence conditions and the constitutional principal of respect for privacy.

#### **Actions to be taken:**

- Acknowledge the distinction between counterfeiting/pirating and practices carried out by numerous private consumers, at home, on a small scale and without commercial motivation.
- Take into account elementary principles of consumer protection such as the right to private copying, fair licence conditions and respect for privacy.
- Implementing regulatory measures at European level in order to enable the inventors or designers of intellectual works to legitimately benefit and create value for their works.
- Oppose any attempt to introduce the responsibility of the Internet Service Providers in terms of policing copyright violations: such a measure would be disproportionate, inefficient and, more importantly, would violate certain fundamental rights such as the right to the presumption of innocence, to a fair trial and to the protection of personal data. In practice also, numerous pernicious effects are reported (identification of a computer rather than a person responsible, application of very strict rules, despite the fact that the distinction between legal and illegal downloading is far from simple and cannot be carried out automatically,...).
- Implement measures that allow designers, in accordance with new economic models, to legitimately benefit from their works, without consumers being unfairly wronged in the exercise of their own rights. In this respect, numerous avenues, other than the graduated response, are to be explored, such as: increasing legal offers available online; adopting new types of licence such as the “global licence”; the use of interoperable DRMs guaranteeing consumers

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<sup>4</sup> The Olivennes report according to which the holder of rights could ask Internet Service Providers (ISPs) to threaten the presumed counterfeiters of intellectual property rights to suspend their access to the Internet

the right to private copying, the right to change format, to the respect for privacy and neutrality of platforms; create "one-stop-shops" (a single website in Europe for each retailer), thus doing away with geographical barriers to e-commerce, etc.

## Objective Food

### Safe, healthy foods with colourful labelling to fight against obesity

#### I. Help consumers to make the right eating choices

In some European Union countries, over half of the adult population is overweight, and one child in five is obese. Cardio-vascular disease is the cause of almost half of the total deaths in Europe, and almost one third of these cases are due to diet. Type II diabetes, which is also closely linked to diet and obesity, is also storming onto the 'hit parade' of resurgent diseases. Although the solution to the problem of obesity involves many factors, the fact remains that diet plays a key role.

In addition, even if more and more consumers are becoming aware of the link between what they put on their plates and their health, they are often bewildered when they study the labels on food products: either the nutritional information is incomplete, or else they are faced with a plethora of simplified labels on the front of the packaging which make it difficult to make any comparisons between different products.

So – how can the right choices be made in these circumstances?

#### Actions to be taken:

- Make healthy products more available and more readily accessible to all consumers, paying particular attention to disadvantaged families.
- Make it compulsory to include complete, back-of-pack nutritional information on the 'Big 8' nutrients (protein, energy, fat, saturated fats, carbohydrates, sugar, salt and fibre) as well as trans fats.
- Impose mandatory simplified front-of-pack labelling which is easy to understand and compare, showing the levels of key nutrients from a public health perspective (fats, saturated fats, sugars and salt) contained in the products. The use of a multiple colour coding system (green, orange and red) would show at a glance whether the amounts of those substances are low, moderate or high, and could be added to by Guideline Daily Amounts (GDA).
- Improve the legibility of the labels, in particular with regard to the size of the print and the contrast between the lettering and the packaging background.
- Introduce mandatory country of origin labelling, not only on foodstuffs with 'single' ingredients but also for 'significant' ingredients and 'characterising' ingredients in foodstuffs made from several ingredients.
- Ensure that the nutritional profiles developed by EFSA and designed to serve as a basis for various nutrition policies are developed in an independent and transparent manner. These profiles will make it possible to determine which foods can be promoted as being healthy, what colour should be assigned to a particular level of nutrient on a label, or which foods can be advertised to children.

## **II. Offer particular protection to children**

European Commission figures show that 14 million children in Europe are either overweight or obese. Studies by our member organisations show that most advertisements for food products (and drinks) targeting children are promoting products which are high in fat, sugar or salt. Children are heavily influenced by the frequency and content of advertising messages.

This advertising is creeping in under more and different guises: alongside the 'conventional' advertisements in magazines or on TV, we are now seeing adverts on the internet, via sponsorship of sports gear in schools, in product placement at the cinema or in SMS competitions... This puts unacceptable pressure on children – and their parents – to make them eat unhealthy food, and goes against all the declarations made by Europe's decision-makers in support of the fight against obesity.

### **Actions to be taken:**

- Ban TV advertising of food and drinks which are high in fat, sugar or salt before 9 pm, drawing on the future nutritional profiles to be defined by EFSA.
- Extend the restrictions on the advertising of food products to children to cover all forms of marketing techniques, both present and to come, whether or not they are widely used.
- Promote the adoption by the industry of the "Code on the marketing of food products and non-alcoholic drinks to children"<sup>5</sup> proposed by Consumers International, pending the setting up of a binding standard at European level.

## **III. Keep the level of food safety as high as possible**

European policy on the hygiene of food products of animal origin is based on the principle of 'better safe than sorry' and has allowed the industry to improve the safety and quality of its products and contribute towards restoring consumer confidence after the food scandals which rocked Europe in the 1980s and 1990s. Thanks to the application of, among others, the HACCP<sup>6</sup> principles, the European Union has a reliable, scientific basis recognised at international level to guarantee its consumers the safety of the food they buy.

Under pressure from the United States, the Commission is proposing to authorise the use of certain chemical substances for the antimicrobial treatment of foodstuffs of animal origin. This proposal, if it is adopted, would lead to an unacceptable relaxation of the hygiene measures applied during production, transport and slaughter, particularly in the case of imported products. Do we really want the sound hygiene practices all along the food chain in Europe to be replaced by chemical decontamination at the end of the line? For this reason the possible lifting of the ban on imports of poultry meat from the US which has been treated with chlorite-based antimicrobial substances has raised serious anxieties.

In addition, new technologies in food rearing and production processes may have an impact on food safety and although consumers can benefit from these innovations, competitiveness and innovation must not be allowed to take priority over public health and safety.

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<sup>5</sup> Recommendations in favour of a Code relating to the marketing of food products and non-alcoholic drinks to children, Consumers International, March 2008.

<sup>6</sup> The HACCP system consists of Hazard Analysis and Critical Control Points in food hygiene.

**Actions to be taken:**

- Oblige all food companies, including small businesses, to apply the procedures based on the HACCP principles.
- Defend the principle of respect for the rules of hygiene 'from the stable to the table' and categorically reject their replacement by 'chemical' treatment at the end of the production chain; do not open the gates of the EU to chlorinated chicken.
- Include on the list of 'novel' foods all those originating from a production technology not previously used, such as foods derived from plants, produced by non-traditional growing methods or modified by new production processes, such as nanotechnology and nanoscience.
- Ensure that all novel foods undergo a complete evaluation of their safety before being authorised on the European market.
- Ban animal cloning for food purposes.

## Objective Financial Services

### A dynamic Internal Market for retail financial services

To this date there is no Internal Market for financial services: today it is still nearly impossible to open a current account or a simple savings account in another Member State if one is not a resident there. It is impossible to obtain credit in another Member State. Yet major differences in rates exist between Member States from which consumers could benefit. In addition, the financial sector does not operate in a perfect competitive system, far from it.

#### **I. Encourage banking mobility, at both national and European level**

The difficulties which consumers encounter when they wish to transfer their accounts to another establishment are common knowledge: costs, complexity, lack of information and other risks linked to the transfer of direct debits abound. The European Commission's desire to entrust the matter of banking mobility to self-regulation is worrying if we look back on the experience of the European Code of Conduct on mortgages, which has clearly shown the limits of soft law. This future code will far from cover all consumer needs.

##### **Actions to be taken:**

- Extend the scope of the future code, in order that it is not limited to only national level and only to current accounts and simple saving accounts.
- Closely monitor both the Code's content and its actual application.
- If no rapid changes are observed to benefit consumers, impose a legislative initiative without further delay.

#### **II. Impose access to a minimum service for all consumers**

Financial exclusion is a problem for many European consumers, principally in new Member States. The result is that they thus do not have access to any basic financial services (current account, savings product, insurance), which is often accompanied by social exclusion. There is also a European cross-border dimension to this issue: a citizen who wishes to settle abroad must often overcome a real banking headache. In order to be able to open a bank account in a State, they must reside there; but in order to secure housing, or rent it in any case, a bank guarantee must be provided...

##### **Action to be taken:**

- Start on work with a European scope aimed at recognising the right of citizens to have access to basic banking services.

#### **III. Facilitating payment services**

From lack of information to banks that try to dodge their obligations in the event of card theft, to excessive fees on cross-border transfers, we have all been faced at

least once with a problem with our payment services provider. In addition, payment methods such as certain debit credit cards or automatic debits can still not be used everywhere in Europe in the same manner as at national level (no interlinking).

**Actions to be taken:**

- Ensure the correct transposition and implementation of the Directive on Payment Services, which aims to make
  - domestic and cross-border payments reasonably inexpensive, but also secure and practical;
  - cross-border payments as efficient as domestic payments.
- Ensure that the Single Euro Payments Area (SEPA) also provides concrete advantages to consumers.
- Redirect ongoing discussions within the European Payment Council to address the technical and commercial features of automatic debits, in order to meet users' expectations of this payment method.

**IV. Mortgages**

Taking out a mortgage is, to most European consumers, the most important financial decision of their life. The recent subprime crisis reminded us of the need to approach this matter with extreme caution. We also have to admit that there is no real possibility for consumers to choose to cross-border mortgages.

**Actions to be taken:**

- Analyse the need for a regulatory intervention on European mortgage markets in a balanced and constructive way.
- Evaluate any potential impact of a single mortgage market on the wellbeing of European consumers.
- Take rapid measures on intermediaries in order to best protect consumers and ironing out differences between the legislations governing this profession in the various Member States.

## Objective Review of the Acquis

### Clear protective regulations adjustable to technological developments

In 2007 the European Commission launched the revision of eight “consumer protection” Directives<sup>7</sup>. In this context it is important to evaluate to what extent these eight directives have, in practice, achieved their goals. To do so a mixed approach seems to meet with universal approval: the adoption of a framework legislation regulating horizontal matters common to all consumer contracts and the review, where necessary, of sectoral Directives. This review, whose aim is more than commendable, should not however, paradoxically lead to the weakening of consumer protection standards. The generalisation of the maximum harmonisation principle (identical regulations in all Member States, where they cannot go further in the protection granted) could in fact be harmful to the protection currently provided to consumers in numerous Member States. Moreover, the acquis is much larger than the Directives being addressed, and this review should include an examination of all the Community instruments on private law which affect consumer contracts. The inconsistencies between the requirements on pre-contractual information in the Directive on Distance Selling and the Directive on E-commerce are striking examples of this. In addition, the Directive on the Distance Selling of Financial Services is not covered by this review and the financial sector, which is nonetheless among the top three with respect to complaints received by our members, could even be excluded from the application of future legislative measures.

#### Actions to be taken:

- Adopt a horizontal instrument harmonising the various key definitions and foreseeing:
  - A single common definition for the terms “consumers” and “professional”.
  - A withdrawal period, of at least 14 calendar days, only commencing when all relevant information has been provided.
  - A consistent approach in the area of pre-contractual information requirements.
  - The introduction of a joint and several responsibility system on the part of vendors and manufacturers.
  
- Update sectoral Directives by:
  - Broadening their scope to take into account the new products and services on the market, as well as the changes of consumer behaviour.
  - Taking into account technological developments.
  
- Adopt as a founding principle for the review the concept of minimal harmonisation and evaluate, on a case-by-case basis, when maximum harmonisation is best adapted: meaning it is acceptable when it is based on a high level of consumer protection and it provides for a regular review in order to take into account the development of consumer markets.

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<sup>7</sup> Directives on timeshares, package travel, price indication, guarantees, distance selling, door-to-door sales, abusive clauses and injunctions

- ✿ Categorically reject the application of the mutual recognition principle, or the country of origin principle, which could lead to the weakening of consumer protection in the EU.
- ✿ Allow for, as part of this review, the genuine adaptation of the rights attributed to consumers to the digital environment, to which they are increasingly exposed in daily life.

## Group Action

### Or how to make our rights a reality

As we have just seen, in many sectors consumers need regulatory action to put an end to the abuses of which they have been victims. New communication methods are a challenge in this respect, which must be dealt with urgently.

However, whilst existing legislation must be reinforced up to improve the situation of consumers, it is not enough; it must be possible to implement the rights which have been defined.

Very often, the costs of a lawsuit are higher than the compensation consumers might receive when they are the victims of faulty or even dangerous goods or services. Who would file a lawsuit under these conditions?

A European Group Action is therefore essential to enable numerous consumers to secure compensation for a similar loss resulting from the same trader. In countries where such an action exists, its efficiency no longer needs to be proven; but now all consumers must be able to benefit from it. In addition, and contrary to what its critics lead us to believe, a Group Action does not accord any new rights to consumers: it only provides them with new means to implement the said rights. Consequently, it does not impose any additional charge on companies. On the contrary, in addition to the advantages offered to consumers, Group Actions will also benefit companies that respect the rules of the game. All this shows that Europe needs and is ready for Group Action!

#### **Actions to be taken:**

- Define and put in place a European Group Action as soon as possible for violations of consumer protection rules in order to:
  - minimise litigation costs for both consumers and defendants;
  - reduce overloading of courts;
  - reduce inequality between consumers residing in the various Member States depending on whether or not these countries provide such a mechanism;
  - allow companies to overcome difficulties due to the existence of various types of redress mechanisms depending on the Member State, which can lead to market distortion;
  - Improve the functioning of the Internal Market, as consumers will have much more confidence shopping abroad.
  
- Support the implementation of European Group Action for victims of anti-competitive practices, recognising the right to compensation for all victims of such practices.



- (AT) Arbeiterkammer
- (AT) Verein für Konsumenteninformation
- (BE) Test Achats – Test Aankoop
- (BG) Bulgarian National Consumers Association
- (CH) Fédération Romande des Consommateurs
- (CY) Cyprus Consumers' Association
- (CZ) Sdružení Obrany Spotřebitelů České Republiky
- (DE) Stiftung Warentest
- (DE) Verbraucherzentrale Bundesverband
- (DK) Forbrugerrådet
- (EE) Eesti Tarbijakaitse Liit
- (ES) Confederación de Consumidores y Usuarios
- (ES) Organización de Consumidores y Usuarios
- (FI) Suomen Kuluttajaliitto
- (FI) Kuluttajat-Konsumenterna ry
- (FI) Kuluttajavirasto
- (FR) Confédération de la Consommation, du Logement et du Cadre de Vie
- (FR) Organisation Générale des Consommateurs
- (FR) UFC – Que Choisir
- (GB) National Consumer Council
- (GB) Which?
- (GR) Ένωση Καταναλωτών η Ποιότητα της Ζωής – ΕΚΠΟΙΖΩ
- (GR) Γενική Ομοσπονδία Καταναλωτών Ελλάδος
- (GR) Κέντρο Προστασίας Καταναλωτών – ΚΕΠΚΑ
- (HU) Országos Fogyasztóvédelmi Egyesület
- (IE) Consumers' Association of Ireland
- (IS) Neytendasamtökin
- (IT) Altroconsumo
- (LU) Union Luxembourgeoise des Consommateurs
- (LV) Latvijas Patērētāju interešu aizstāvības asociāciju
- (MK) Organizacija na Potrosuvacite n Makedonija
- (MT) Għaqda Tal-Konsumaturi
- (NL) Consumentenbond
- (NO) Forbrukerrådet
- (PL) Federacja Konsumentów
- (PL) Stowarzyszenie Konsumentów Polskich
- (PT) Associação Portuguesa para a Defesa do Consumidor
- (RO) Asociația pentru Protecția Consumatorilor din România
- (SE) Sveriges Konsumenter
- (SI) Zveza Potrošnikov Slovenije
- (SK) Združenie Slovenských Spotrebiteľ'ov

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