



The European Consumers' Organisation

COMMUNIQUE DE PRESSE
PRESS RELEASE

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Strength in numbers: Hesitant EU moves on Collective Redress

The European Commission has at last decided to advance the issue of a Collective Redress mechanism with today's long awaited announcement of a public consultation.

Judicial collective redress for consumers currently operates nationally in 14 Member States. It is a wide-ranging instrument to access justice and appropriate compensation and would respond to many scenarios e.g. over-charging for mobile phone use, negligent financial advice, malpractice by airlines, food poisoning, harmful medicines, unsafe toys, etc.

Lack of compensation is a major loophole in a legal system and allows for illegal profit to be retained by business. In EU anti-trust situations alone, unrecovered damages are estimated to surpass €20 billion each year¹. Beyond these figures, the current situation is not only unacceptable from the point of view of victims, but also imposes unequal market conditions on those businesses who abide by the rules. Therefore BEUC believes the introduction of Collective Redress for mass damages in the EU would help not only consumers, but business also.

Monique Goyens, Director General of the European Consumers' Organisation (BEUC) said:

"This announcement has been a long time coming. Collective redress operates today in 14 Member States, with no reports of excesses or insolvencies. The introduction of such a system has been withheld for many years principally on the basis of an inaccurate comparison with the excesses of the US system. These excesses have been thoroughly analysed and the relevant safeguards identified e.g. by ruling out punitive damages and compensation decided by judge not jury.

"We now expect the EU to enter into a democratic debate on a judicial system which is fair and efficient, while responding to the fundamental right of victims to be compensated."

ENDS

¹ <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/10/554>

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