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**Date:** 28/11/2019  
**Reference:** BEUC-PR-2019-028

### **Member States agree position in decisive step towards collective redress in EU**

Member States have agreed on a position which would make it possible for consumers across the EU to go to court as a group when a trader has harmed them. Four years on from the dieselgate scandal, [1], this is a major step for consumers. In 2015, Volkswagen was found to have sold millions of cars fitted with defeat devices which cheated pollution tests, but European consumers have still not been compensated.

Member States were initially sceptical about the proposal but now seem to have solved the major issues. BEUC hopes that a positive outcome for consumers can now emerge from the negotiations with the EU Parliament.

What is worrying is that Member States want to limit the possibilities for associations representing consumers to get financing for undertaking a collective redress action. Litigation costs are one of the biggest impediments to launching a group action for non-profit organisations like consumer groups. Quite a number of consumer organisations in the EU would struggle to finance litigation costs by themselves.

On the positive side, Member States expanded the scope of the EU system for collective redress to also cover damages for unsafe products or medical devices. It is also positive that Member States do not want to leave the door open to limit the possibility for collective redress in complicated cases.

Monique Goyens, Director General of The European Consumer Organisation (BEUC), said: "I welcome the Member States' position which is solid ground on which negotiations towards a final text can now begin. With the finishing line now in sight, it is crucial the negotiators remember what the directive must achieve if it is going to be a success: the creation of a system that is easy-to use and efficient for consumers.

"It is essential that the new collective redress tool can be applied in all situations where consumers are harmed, such as when their personal data is stolen or when their flights are delayed. It would be an own goal if the system created didn't apply to major pieces of consumer legislation.

"To make this directive a success and a game changer for consumers, the EU legislators must now ensure this new tool applies to as many laws affecting consumers as possible. There should also be a system which allows financing of litigation costs when consumer groups intend to start a group action.."

ENDS

## Notes

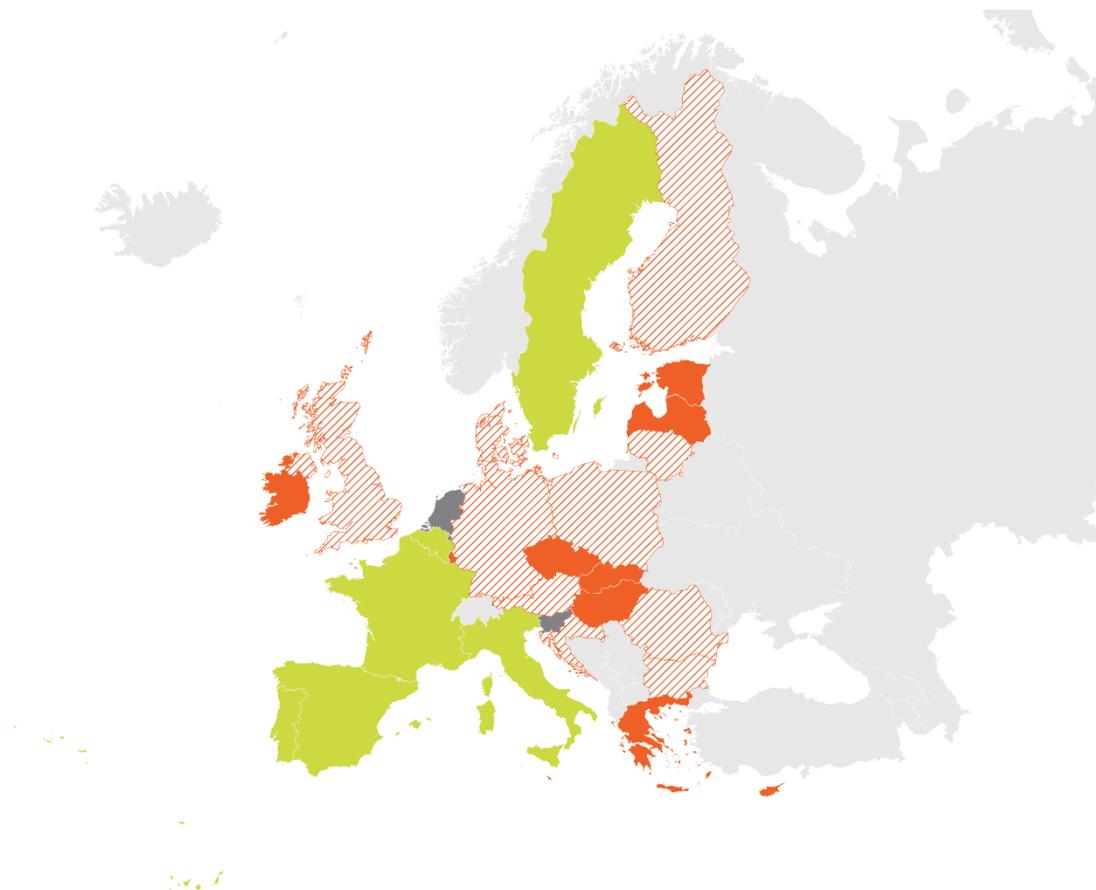
The map below highlights the existing situation of collective redress procedures across the EU.

Only a handful of EU countries have a functioning and relatively easy-to-use collective redress system that consumers can use. These countries are in **GREEN** on the map below.

Other countries have a system in place, but the procedure isn't used either because it is too rigid, too lengthy or because there is a feeling the costs might outweigh the benefits. These countries are in **RED STRIPES** on the map.

Some countries have recently introduced a system that allows collective redress but it is too early to assess whether the system works well to the benefit of consumers. These countries are in **GREY**.

Finally, there are still countries in the EU where there is no way for consumers to claim compensation collectively in court. These countries are in **RED**.



[1] For a complete report into the situation for European consumers and the reaction of consumer groups to the dieselgate scandal, click [here](#).

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