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Consumer law enforcement gets a welcome boost

The EU Parliament has approved the outcome of negotiations between the EU institutions that should see consumers better protected when a company breaks the law [1].

The reform includes the obligation for Member States to foresee higher fines against rogue traders and grants consumers the possibility to terminate the contract if they are faced with an unfair practice. Unfortunately, the higher penalties are only possible if there is a coordinated enforcement action by the network of national consumer authorities, which reduces the likelihood of these higher penalties being imposed [2].

The reform also provides more transparency for consumers when they shop on online platforms. Currently it can be confusing to know who the seller is or why product offers are ranked the way they are. In future, consumers will receive information about the seller, the parameters used to make up a ranking, whether a seller has paid to be placed higher up a ranking and how the review system on the website works.

Consumers should also be informed if prices are personalised, which is of enormous importance as we enter an era where markets are becoming dominated by algorithmic decision-making backed up by vast amounts of data.

There will also be some other improvements for consumers, such as a rule to ban overpriced helplines in the travel sector. In future, it will not be possible to charge consumers who call up a railway company or airline more than the basic call cost rate.

Monique Goyens, Director General of The European Consumer Organisation (BEUC), said: "This is a helpful reform which will better protect consumers. The biggest problem with consumer rights today is how poorly enforced they are. Authorities will have more teeth to protect consumers.

"Shoppers will have the possibility to end a contract and be reimbursed if they've been victims of an unfair practice. Consumers will also be better off when they shop on online platforms because they will know who the seller is and whether a product is ranked high up the list because its seller has paid to be there. There is also an end in sight to the unfair practice of charging consumers ludicrous rates when they call up a customer service number in the travel sector."

BEUC regrets the poor solution found for the issue of dual quality goods. This is where goods, often food, are of inferior quality to the ones sold in other countries despite having identical marketing. Nevertheless, BEUC believes it is better to have had this reform approved now. Re-opening the file to find a better solution on the issue of dual quality

goods would have led to a long delay in its adoption because of the upcoming elections in the EU Parliament.

ENDS

[1] The legislative text will, after Member States rubber stamp it, become EU law and will have to be applied at national level within 2 to 4 years' time.

[2] The European network is called the Consumer Protection Cooperation (CPC) network.

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