

Contact: Johannes Kleis: press@beuc.eu
Date: 23/06/2020
Reference: BEUC-PR-2020-022

EU institutions reach historic deal on EU-wide collective redress law

The EU institutions approved a law which would allow citizens in all EU countries to go to court as a group if they have suffered the same damage^[1]. Consumer groups have been advocating for such a law for more than 30 years.

As a result of today's agreement, access to justice for consumers will significantly improve in most Member States. For consumers, going to court as an individual – especially when facing a deep-pocketed multinational – is often an insurmountable barrier.

It is especially positive that collective redress will be possible in a wide range of areas. Consumers will be able to lodge group actions when companies break passenger rights, health services, financial services, data protection and product liability laws among others.

Monique Goyens, Director General of The European Consumer Organisation, comments:

"This deal is a huge landmark to make justice available to all EU consumers. Consumers can finally go to court as a group when their rights have been harmed by the same trader. And companies who do play by the rules will benefit if unfair competitors will finally have to face the consequences.

"What is essential now is that when governments implement this law, they do not make it unnecessarily complicated for consumers to group together when they want to go to court to defend their rights. For one, they should allow consumer organisations to represent consumers directly in court.

"When companies like Volkswagen can ignore the harm done to 8 million people just because going to court alone is too onerous for most, it shows how much this collective redress law was needed."

Several technicalities will be up for Member States to decide when they transpose the EU law:

- When Member States define which entities will be allowed to bring group actions in their countries they should in particular appoint consumer organisations, as they are best placed to represent consumers' interests
- Member States should make an "opt-out" procedure, where everyone who suffered damages is included by default unless they decide to withdraw from the court action, the standard procedure.

END

^[1] The deal struck yesterday has to be formally approved by the European Parliament and the Council of Ministers of the EU.

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