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Member States lukewarm on tearing down obstacles for borderless shopping in the EU

Today, EU ministers agreed on plans to make it easier for consumers to buy products online from shops located in other Member States. Following the publication of a proposal in May of this year to stop geo-blocking, EU governments and the European Parliament are now deciding on what amendments they want to put forward. Geo-blocking is a common practice under which retailers refuse to sell goods and services to people living in other EU countries.

Regrettably Member States did not follow the European Commission's original plans to prohibit anti-competitive agreements between producers/distributors and retailers which make it harder for the latter to serve consumers in another country. According to recent evidence from a European Commission investigation, these kinds of agreements are often the reason for consumers not being able to buy products from the trader of their choice¹. BEUC asks that such practices are banned as they have no place in a single market.

Furthermore, Member States have not sufficiently addressed the risk that the regulation would be wrongly used by traders to prevent consumers from turning to courts in their country if there is a problem with a product bought from a retailer in a different country.

On the positive side, Member States upheld rules which would prohibit re-routing. This is a frequent technique used by traders to redirect consumers to websites in their home country preventing them from looking for better deals abroad. Member States also confirmed that, in the future, retailers should no longer be able to refuse foreign credit or debit cards.

Monique Goyens, Director General of BEUC, commented:

"We welcome the progress made by EU governments to tackle geo-blocking. However, it is disappointing that Member States did not go the full mile. There is no single market if consumers are blocked from buying the product or service of their choice while business have unrestricted access to a market of 510 million people.

"Governments should have listened to consumers' expectations and favoured more cross-border competition and choice. We hope the European Parliament will do better in the upcoming negotiations."

ENDS

¹ According to the European Commission Preliminary Report of the ecommerce sector inquiry, 1 out of 10 retailers selling goods block consumers on the basis of contractual agreement, see page 136. This number is much higher in digital content services with 7 out of 10 contracts requiring service providers to apply geo-blocking techniques, see page 233.