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More enforcement of consumer law and better rights in digital economy, demand MEPs

The European Parliament committee for the internal market (IMCO) is pushing for stronger rules when companies do not abide by EU consumer law. Enforcement is rightly seen as the weak link in consumer protection rules.

MEPs today voted for a maximum fine to be at least €10 million, or 4% of the trader's annual turnover in the countries concerned, whichever is higher. However, BEUC regrets that the maximum fine amount can only be imposed following a coordinated action [1] between several national authorities.

Currently, many Member States are limited by the size of the fine they can impose on a company for breaking consumer law, which is not a deterrent. For example, in Lithuania the maximum imposable fine is €1,448 [2].

The vote today also supports plans to better inform consumers when they shop online. For example, shoppers would be told which products have been placed higher up the ranking because the trader paid for that rank. Shoppers would in future also be told what parameters have been used to make up the ranking and what was the order of their importance. However, the Parliament disappointingly chose not to make online marketplaces liable for their own promises or statements provided on the platform, nor has it made them liable where they control important aspects of the supply of goods or services so that platform operators and suppliers should be jointly responsible for contract performance duties.

Monique Goyens, Director General of The European Consumer Organisation (BEUC) said: "When companies break the law, authorities should be able to impose a fine that is a real deterrent. MEPs are right to confirm the proposed maximum fines up to at least the 10-million-euro mark. But we regret that this is made conditional on there being an action conducted by several national authorities.

"In the digital economy, people need to know how ranking parameters of search results are made and why a product or service is ranked at a certain place, particularly if the only reason is that the supplier has paid to be there. These changes voted today are a step in the right direction for consumers in the digital age."

We welcome that MEPs deleted the Commission's proposal to remove the right of withdrawal for consumers who try out the goods more than necessary before returning them. The right of withdrawal is the best-known consumer right and 95% of shoppers consider it important [3]. It must not be weakened.

ENDS

- [1] Existing national rules would apply if no coordinated action by different national authorities has taken place.
- [2] European Commission, [Evaluation of the Consumer Rights Directive](#) (2017, webpage accessed 21/01/19), p. 33-34.
- [3] European Commission, [Study on the application of the Consumer Rights Directive](#) (2017, webpage accessed 21/01/19), p. 160.

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