

Press Statement

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Member States push for more consumer law enforcement without going the full mile

Representatives of EU Member States have reached a position that more needs to be done to protect consumers from companies that break consumer law, particularly by strengthening the penalties national authorities can impose. National governments also want to provide consumers with the right to terminate the contract, or to get compensation in case of damages, when they are faced with an unfair practice.

The position reached today means negotiations between the EU institutions can now start towards a deal on this targeted reform to EU consumer law.

Member States are in favour of increasing the maximum fines that authorities can impose but have added conditions about when these fines can be applied, which limits their effectiveness. BEUC urges the EU institutions not to make the new maximum penalty provision dependent on whether a coordinated enforcement action has been launched by the network of national consumer authorities [1].

The Member States' position also includes consumers receiving better information when they shop on online platforms, such as being able to see the parameters used to make up a ranking's results and their relative importance. BEUC nevertheless strongly recommends the EU institutions create rules which regulate consumer reviews and make sure fewer fake reviews make it onto platforms.

BEUC supports the resolution by Member States to reject any changes to the right of withdrawal. This is the right the consumer has to change their mind and withdraw from the contract within 14 days when they have bought something online [2].

Monique Goyens, Director General of The European Consumer Organisation (BEUC), said: "People enjoy strong rights as consumers in the EU, but poor enforcement of the law lets the system down. The EU is right to want to impose tougher fines when a company breaks consumer law but these shouldn't come with so many strings attached. Breaking the law is unacceptable, and there should be real consequences.

"Online platforms have such power over our daily decisions, it's only right that people can see why a product or service is ranked where it is in listings. But more needs to be done to improve transparency and ensure consumers make a real and informed choice when they buy something.

"It is very positive that Member States dismissed changes to the right of withdrawal from an online purchase within 14 days, which the Commission had wanted to introduce. Tinkering with this right would only cause problems for people who shop online and would hurt the e-commerce economy in the long run."

ENDS

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

[2] A survey carried out by the EU Commission found that 95% of consumers rate this right as important (European Commission: <u>Study on the application of the Consumer Rights Directive</u> (2017), p. 160.)

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