

The Consumer Voice in Europe

BEUC'S PRELIMINARY INPUT FOR THE CONSUMER AGENDA 2021 – 2027

Response to the Roadmap Consultation



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EC register for interest representatives: identification number 9505781573-45



Co-funded by the European Union

Ref: BEUC-X-2020-064 - 09/07/2020

1. Consumer policy as a driver for a sustainable and green recovery economy and a fair digital society

This document presents preliminary reflections by BEUC on the New Consumer Agenda to respond to the European Commission's Roadmap consultation.

These initial comments are only a first step as BEUC will make a more profound contribution to the public consultation launched on 29th June on the same topic and the envisaged legislative initiatives.

1.1. Rethinking EU consumer law: Consumer protection 2.0 to tackle vulnerability by default

Objective:

An important achievement of the European Union has been the development over the last four decades of a robust consumer law acquis, providing rights and empowering consumers to make informed choices. EU consumer law is largely based on the belief that through information disclosure consumers can make the best choice and get a fair deal.

However, the increasing complexity of consumer markets and the increasing power and possibilities of market players, are challenging the assumption that an informed consumer is a protected and empowered consumer. This is because throughout their interaction with the digital world, the consumer has become a source of behavioural surplus to the eyes of many companies who want to use those insights to their own benefit (e.g. by estimating consumers' willingness to pay or to serve them with products and ads they are likely to buy according to the details profiles companies have about them). Thanks to seamless integration of data harvesting, distributing, and processing systems with behavioural analysis and influence technology, the consumer becomes locked in a vicious circle of monitoring, behavioural analysis and being pushed towards commercially desired behaviour.

These developments lay bare the blind spots of the current consumer protection framework in the EU. The continued relevance of notions of 'average consumer' and 'vulnerable consumer' as used in EU law needs to be put in question where the consumer is faced with constant monitoring and manipulation when interacting in the digital world, creating a state of **permanent digital vulnerability**, or 'vulnerability by default'.

Additional to the much-needed shift away from the average consumer sometimes being vulnerable the needs of the often-discriminated consumer groups like children, persons with disabilities and the elderly must be adequately addressed in EU consumer protection.

It is true that tackling information asymmetries through transparency obligations is an important tool to protect consumers but to be successful it must be framed, designed, contextualised and presented in such a way that they truly become informed consumers. The assumption should not be that consumers must always read terms and conditions; rather, the opposite should be assumed. In addition, consumer information is not an all-purpose panacea: there are limits to consumer choice, and protection through mandatory information is simply not enough in many market situations. In these cases, EU decision makers should establish **the principle of 'protection by default and by design'** as an EU consumer legislation parameter and also build it into relevant EU laws. This would then also materialise the obligation on EU bodies to take consumer protection requirements

“into account in defining and implementing other Union policies and activities” (Article 12 TFEU), a principle also laid down in the EU Charter of Fundamental Rights (Article 38).

Consumers require a legal framework that corresponds to today’s and, hopefully, to tomorrow’s reality. A legal framework that takes into account how consumers really are and how they are perceived by companies whose primary interest is to maximise profits and who are provided with new technologies that further shift the balance between business and consumer powers in their favour.

EC initiatives we recommend:

The European Commission should use the Consumer Agenda to kick-off a re-thinking exercise of EU consumer law in light of the new market and consumers realities as well as considering its horizontal nature applying to almost all sectors of the economy. While it is true that a reform has been recently undertaken in the context of REFIT, we have not yet asked the most important questions about whether EU consumer law is fit for purpose for the new economy under the green and digital transitions. Particularly in the data economy characterised by AI-powered connected and automated products and services, consumers are exposed to complex scenarios and business practices for which disclosure falls short to protect consumers.

Reconsider the concept of the “average” and “vulnerable” consumer

The normative image of the consumer under EU law needs to be adapted to the consumer of flesh and bones, who is subject to permanent profiling, complex manipulation and automated decisions. This state of vulnerability he or she experiences across markets needs to be reflected in the way we protect and empower consumers in the future. An analysis against this background followed by an adaptation of the most important EU consumer legislation is necessary. BEUC will provide more concrete proposals by end 2020.

➤ ***Measurement of achievements – What do we want to see in 5 years’ time?***

The European Commission has introduced in EU consumer law a principle of “**consumer protection by default and by design**” which is based also on sustainability principles and translates into specific obligations for companies when designing their products and services and makes legislative proposals to revise key EU consumer law instruments to this end.

1.2. Green transition

Objectives:

The 2019-2024 European Commission’s major political project is an ecological modernisation of our societies to act against climate change while increasing people’s quality of life. Consumer policy is an essential tool to bring about the needed systemic changes in how we produce and consume and ensure the buy-in of people in the green transition. A sustainable society needs real consumer rights contributing to functioning markets.

In the area of consumer products, price needs to better reflect the long-term real costs and price signals must be corrected to ensure that the most sustainable choices become the most affordable ones. Consumers should be provided with long-lasting products that are better designed, need minimal repair and maintenance, are easily repairable, upgradeable, and recyclable. Environmentally harmful products should be kept off the market. Consumers should be provided with strong rights, such as the ‘right to repair’ and longer guarantee periods. Consumers also need much more reliable information about sustainable products and services and must be protected against misleading green claims.

A strong EU chemicals policy is essential to achieve the European Green Deal objectives, including the sustainable use of resources and the protection of human health. To protect the health of current and future generations, the EU needs to radically scale up actions to minimise cumulative exposures to harmful chemicals, including through a response to known policy gaps, such as combination effects and endocrine disruptors. The COVID-19 crisis further highlights the need for a revitalized chemical policy to reduce the impacts of future pandemics and to support socio-economic recovery by incentivizing production of safer, sustainable chemicals.

EC initiatives we recommend:

NB: In this section, we only mention a certain number of initiatives that contribute to the green transition. Additional initiatives, that from the consumer perspective are as crucial, are listed in section 5.

Circular Economy Action Plan:

The Ecodesign framework should become a horizontal legislation covering as many product groups as possible and **looking at their environmental impact way beyond energy consumption**: impact on biodiversity, harmful substances, raw materials consumption, durability, recyclability, upgradeability. These stronger and more horizontal Ecodesign requirements must be complemented by more targeted **sector specific strategies**, for instance for textiles or furniture.

The consumers empowerment initiative should lead to **new consumer rights** such as the right to repair and longer guarantee periods. Consumers should also be protected against misleading green claims, by establishing a pre-approval procedure for all green claims and labels (with some very strict exceptions for products holding an EU Ecolabel or its equivalents) as is currently the case for health and nutrition claims on food.

Chemicals Strategy for Sustainability:

Based on the precautionary principle, the EU should ensure swift action on early warning signs, including across sectors: where health concerns are raised in one area, it should automatically trigger risk evaluations across legislative silos to enable rapid, protective action. To achieve a holistic, protective approach, the EU should implement generic risk considerations and grouping approaches across the legislative framework.

The legislative framework urgently needs to be strengthened to minimise exposures to endocrine disruptors. The EU should regulate EDs consistent with chemicals of equivalent concern, such as those that cause cancer. EU cosmetics and toys legislation for example prohibit the use of known, presumed and suspected cancer-causing chemicals. The EU should adopt a parallel approach in all relevant laws based on a horizontal legal definition of endocrine disruptors.

The EU should modernize the legislative framework to address and regulate cumulative exposures and low-dose effects. Linked to the Circular Economy Action Plan, particular attention must be paid to the need to design the chemicals strategy in a way to prevent toxic circles due to recycling of dangerous chemicals in different categories of consumer products.

➤ **Measurement of achievements – What do we want to see in 5 years' time?**

Sustainable Product policy:

- Most new consumer products put on the market will be sustainable by design thanks to horizontal and ambitious **Ecodesign** requirements and strong sector-specific regulations
- Producers and retailers will be obliged to **repair and/or replace** faulty products for a period of time which is in line with its legitimately expected lifespan. Software updates will be available for connected products for a longer period of time to fight against premature obsolescence.
- **Advertisements or packaging promoting the sustainability of a product** will have been thoroughly checked against objective criteria before being admitted and consumers won't be flooded with **misleading green claims**. Uncompliant producers and retailers will be held liable through strengthened UCPD provisions.

Reduction of overall exposure to harmful chemicals:

- A **one substance, one hazard assessment process** supports systematic identification of chemicals of concern, while automatic risk evaluation triggers have been introduced across the legislative framework to enable swift, protective action in the face of scientific uncertainty.
- An overarching EU framework on **endocrine disruptors** is established that reduces the exposure of people and the environment to these harmful chemicals. EU laws on e.g. cosmetics and toys have been amended to regulate endocrine disruptors based on a horizontal EU definition.
- New tools and explicit legal mandates for assessing and regulating **combination effects** have been introduced across the legislative framework. Risk assessment and risk management processes systematically address possible low-dose effects.
- Chemicals of concern which prevent recycling and reuse will have been eliminated from virgin materials. By 2030 the EU should have established a harmonised mandatory and public information system on chemicals in products, materials, and waste. Strict rules are available which **prevent toxic recycling** such that for example, recycled food packaging does not contaminate our food with legacy chemicals¹.

1.3. Digital transition

Objective:

Ensure that the digital transformation of our society and economy is fair, sustainable and beneficial to consumers. As human beings and economic actors, consumers shall be free to choose and make up their mind about what they want to do, what services to use or which product they want to buy without being constantly watched, coerced, misled or surreptitiously manipulated.

¹https://www.beuc.eu/publications/beuc-x-2019-089_our_call_for_a_revitalized_eu_chemicals_policy_eeb_beuc_etuc.pdf

They should be able to enjoy the innovations and benefits that digital technology can offer without compromising their rights. The digital society must be characterised by a high degree of transparency, accountability, privacy, personal data protection, security, safety, sustainability, choice and protection for consumers. Finally, nobody should be left behind: For (the growing number of) people who can't or won't join the digital transition there should be, and remain, alternatives, like paying with cash.

EC initiatives we recommend:

A new strategy for the digital single market and beyond:

The digital transformation is affecting all layers of our economy and society. The challenges and the response to the COVID19 pandemic have further demonstrated how consumer-related issues and broader societal challenges are more and more closely interlinked (e.g. tracing apps developed and distributed in partnership with commercial entities, the importance and risks of online platforms and online shopping).

Surveillance has become an increasingly dominant business model of the digital world, putting consumers' freedoms, rights, autonomy and self-determination at risk. Consumers' online and offline activities and behaviour are constantly monitored and analysed by a myriad of entities. Assumptions – regardless of these being accurate or not – are being made and scrutinised for commercial purposes. This is soon to become the norm in all business sectors and at least parts of the public sector. The problems this creates will only be exacerbated as connected devices and AI-based products and services become ubiquitous in consumers' lives. The power and tools that companies have is unprecedented. Consumers' behaviour and decisions are and will increasingly be influenced in ways beyond their knowledge, understanding and control. In this context, every consumer is a vulnerable consumer and those consumers that were already particularly vulnerable (such as young consumers) are even more vulnerable.

The **new Consumer Agenda should put forward a new strategy to deal with these issues and safeguard consumers choice, freedom, autonomy and self-determination in the digital age.** We need specific measures to ensure better protection in the digital transition including specific measures to protect young consumers and children and consumers with different cognitive abilities. Ambitious measures aimed at ensuring consumers are adequately protected when buying goods and using services online (e.g. to stop fraudulent, opaque, unfair and abusive business practices, and the sale of unsafe products online, establishing a new liability regime for online marketplaces in the context of the upcoming Digital Services Act, adoption of a strong ePrivacy Regulation, etc).

Remaining barriers for consumers in the Digital Single Market (e.g. geo-blocking of audiovisual services) need to be removed and consumers should be empowered to use digital products and services in an open and non-discriminatory manner in practice (e.g. ensuring net neutrality and device neutrality).

Last but not least measures are needed to guarantee competition and consumer choice in the digital single market, at the same time acknowledging that all groups of consumers are not fully able to embrace the digital society.

A consumer protection legal framework that is fit for new technologies

AI-powered products and services and IoT devices are becoming more and more prominent in consumers' lives. Technology is revolutionising products and services and redefining the relationships between consumers and businesses, and between all actors involved in the value chain more broadly. Their uptake comes with the promise of increasing convenience and efficiency for consumers and of bringing wider societal

benefits. However, new technologies also bring huge challenges and risks (e.g. in relation to consumer protection, data protection and privacy, non-discrimination, security and safety). Ambitious solutions are necessary to ensure that the EU legal framework is fit for purpose to protect consumers and guarantee that new technologies do not harm them.

The new Consumer agenda should envisage a **broad review and update of all consumer related legislation** in light of the challenges created by AI and new technologies. This should include *inter alia* the revision of the General Product Safety Directive, the Product Liability Directive and the e-Commerce Directive.

The Agenda should also support the adoption of a horizontal law introducing basic mandatory **cybersecurity** requirements for connected products (including the provision of security updates during the expected lifespan of products) and call for a strong consumer focus in the upcoming **AI** legislative framework. The scope of this framework should be sufficiently broad to also include appropriate obligations for AI applications that have an impact on consumers' everyday lives but might not necessarily be considered a 'high risk' in a broader context. Because of the potential of discriminatory practices through the use of ADM, consumers risk to pay more or being excluded from products or services. ADM is always based on business decisions and these should become fully transparent.

The Agenda should push for a strong set of AI rights for consumers² to be concretised and translated into enforceable rules.

➤ **Measurement of achievements – What do we want to see in 5 years' time?**

- Specific measures aimed at ensuring **consumer freedom and autonomy in the digital world** (e.g. protections against commercial surveillance such as additional restrictions regarding profiling and micro-targeted advertising, and ensuring transparency, freedom of choice and non-discrimination in relation to behaviourally tailored/personalised products and services).
- Specific protections for **young consumers and consumers with different cognitive abilities** in the digital world, for example to prevent the exploitation of their privacy and personal data and limit their exposure to manipulative practices and commercial communications.
- A **REFIT of the consumer law** acquis to examine its fitness for reaching its legislative objectives in the digital transition.
- A **horizontal cybersecurity law** that introduces basic mandatory requirements for connected products and online services.
- A strong set of **AI rights for consumers** concretised and translated into law, including a horizontal legal framework that regulates the development and use of Artificial Intelligence and Automated Decision Making.
- Revised General Product **Safety and Product Liability** Directives that adequately protect consumers against the risks created by new technologies and digital products and services.
- A **Digital Services Act** that has consumer protection at the core and establishes a special liability regime for online marketplaces, as well as ex-ante rules to protect healthy competition and consumer choice in the digital services area.
- A digital single market with **no territorial barriers** for consumers.

² https://www.beuc.eu/publications/beuc-x-2019-063_ai_rights_for_consumers.pdf

- **Device neutrality** protected in EU law, to give consumers control over their devices and guarantees access to the open and non-discriminatory internet in all parts of the value chain.

1.4. Global markets

Objective:

EU trade policy must bring benefits to consumers while preserving the ability of the EU to regulate in the consumer interest. By making trade agreements, regulatory dialogues and investment disputes friendlier to consumers, the Commission could restore public trust in trade and guarantee a more consensual ratification process.

To protect consumers in global markets, the EU also needs to reinforce the cooperation between authorities across the globe (e.g. market surveillance, enforcement, competition, customs).

EC initiatives that we recommend:

At the end of 2020, the Commission will announce its plan to review EU trade policy. We call on the Commission to propose concrete tools to deliver benefits and protections to consumers in global markets. The Commission should also bring proposals to enhance the resilience of the supply chain, which is essential in critical consumer markets such as pharmaceuticals and food.

The Commission should also use the ongoing reform of the World Trade Organization to make international trade rules compliant with the sustainable development goals.

The UK will fully exit the EU at the end of 2020. The EU must secure positive outcomes for consumers after Brexit. This should be done in the future partnership but also by urgently finding arrangements to maintain the cooperation between EU and UK authorities. This is for instance important in areas such as enforcement and redress.

Trade policy has become much more transparent and inclusive these past years. The Commission is now evaluating how to further improve this. We recommend to focus on establishing a group of experts to guide trade negotiators.

➤ **Measurement of achievements – What do we want to see in 5 years-time?**

- Following the review of EU trade policy in 2020, **new trade agreements such as WTO e-commerce and EU-Australia deal include strong rules benefiting consumers** (e.g. on online consumer trust and roaming in a consumer chapter) and increase consumer choice at competitive prices. These agreements encourage voluntary cooperation between authorities to better protect EU consumers in global markets (e.g. cooperation on market surveillance, food safety, competition, redress, enforcement of consumer rights and customs). Moreover, they **fully preserve the EU's rights to regulate** (e.g. food safety, chemicals, financial services, data protection and privacy and artificial intelligence). They also support the EU's efforts to achieve the sustainable development goals. In addition, EU trade policy contributed to make supply chains more resilient in critical consumer markets.
- The **WTO reform** led to a review of old trade agreements on technical barriers to trade and sanitary and phytosanitary measures to ensure that consumers can make healthy and sustainable choices. Trade rules are now compliant with the sustainable development goals. Consumer protection measures are no longer labelled as barriers to trade by our trading partners.

- The **UK withdrawal agreement** has been carefully implemented. The EU-UK partnership secures benefits for consumers. There is a well-functioning cooperation between EU and UK regulators on key consumer areas (e.g. market surveillance, food safety, enforcement of consumer rights, redress and energy).
- A group of **civil society experts** guides EU trade negotiators and has access to draft EU proposals and consolidated texts.

2. Specific sectors

2.1. Food

Objective:

What and how much we eat, and how it is produced is a major driver of environmental impacts and climate change. As such, a sustainable food system lies at the heart of a successful green transition. Two-third of Europeans are open to changing their food habits for environmental reasons, a BEUC survey found.³ But to get there, consumers must be empowered to identify the healthier and sustainable choices more easily when they shop for food. Information is not enough, however, and the consumer food environment must also change. This includes clamping down on promoting food that is unhealthy and/or unsustainable, making healthy and sustainable food more widely available whether in the supermarket or when consumers eat out, and getting food prices right reflecting the real long-term cost.

EC initiatives we recommend:

The European Commission '**Farm to Fork**' *Strategy for a fair, healthy, and environmentally friendly food system*,⁴ a key component of the overarching Green Deal, bears the potential for healthier and greener food for consumers. It sets ambitious targets to reduce the use of e.g. pesticides and antimicrobials in farming; yet, those need to become binding if food production to become more sustainable.

We look forward to the proposals on **front-of-pack nutrition labelling and origin information** announced under the Strategy. We welcome the development of a sustainable food labelling framework to empower consumers to identify sustainable food options, as well as the setting of the long-overdue **nutrient profiles** to restrict the use of claims on unhealthy food. The revision of the Food Contact Materials regulation is also much needed to protect consumers from harmful chemicals migrating from packaging into their food.

While we support the Strategy's aim to address **food marketing** and stimulate product reformulation to reduce levels of unhealthy nutrients, binding measures are needed in these areas – as opposed to relying on companies' voluntary commitments or a 'Code of conduct'.

Finally, the announced legislative framework for a sustainable food system offers a unique opportunity to finally bring all policies affecting food (agriculture, trade, health, fisheries, etc.) into coherence and in line with the EU's sustainability objectives.

³ BEUC. [One bite at a time: consumers and the transition to sustainable food](#). An analysis of a survey of European consumers on attitudes towards sustainable food. June 2020.

⁴ European Commission. ['Farm to Fork' Strategy for a fair, healthy and environmentally friendly food system](#). 20 May 2020.

➤ **Measurement of achievements – what do we want to see in 5 years' time**

- Nutri-Score becomes the mandatory, EU-wide front-of-pack nutritional label.
- Country-of-origin labelling is required on milk, as well as meat and milk used as ingredients.
- Unhealthy food can no longer claim health benefits thanks to **robust nutrient profiles**.
- Any **sustainable food labelling framework** is based on solid, independent, and transparent scientific evidence – including on consumer understanding and use of such labelling.
- The reform of the **EU food packaging law** introduces strict new rules on harmful chemicals in all food packaging,
- Binding restrictions on the **marketing and advertising** of unhealthy food to children are being proposed.
- The legislative framework for a sustainable food system paves the way for an integrated **EU Common Food Policy** bringing all policies affecting food into coherence and in line with the EU's climate and environmental goals.

2.2. Energy

Objective:

The decarbonisation and decentralisation of energy generation, as well as the digitalisation of the energy sector are bringing big changes for consumers. Policy makers and regulators should ensure that consumers are at the heart of - and driving - the green transition, rather than just paying for it. In particular, the transition towards a climate-neutral economy should benefit consumers through lower bills, greater comfort and easy access to sustainable solutions and energy efficiency measures. Smart, sustainable and inclusive consumer policies should be integral to the EU's approach. Energy is an essential service, so energy supply must be secure, affordable and sustainable and the green transition must be inclusive and provide consumers with the right tools and sufficient protections.

EC initiatives we recommend:

Energy efficiency and home renovations should be at the core of the European economy's recovery and are essential for the EU to meet its target of a decarbonised economy by 2050. We welcome the Commission's plan to launch **the Renovation Wave** initiative and believe that this should rollout policies steering renovations in the residential sector to ensure consumers have easy access to clear information and advice by skilled professionals helping them to identify the best solutions for them when renovating their homes. While it is important that the EU framework for rolling out the Renovation wave promotes access for households to support for renovation of their homes, the national context should also be taken into account when implementing these policy measures.

Various financial incentives and well-designed funding schemes encouraging consumers to invest in building renovations are key. It is also important that under the next **Multiannual Financial Framework** specific funding is earmarked for home renovations and trickles down to consumers and civil society. Special attention should be paid to tenants and to those consumers in energy poverty and vulnerable situations.

The EU has put a lot of effort into ensuring that electricity markets in particular are digitalised, decarbonised, competitive and consumer-centric. However, there is a need to increase efficiency and shift to renewable sources in the heating and cooling sector. Consumers of gas, electricity and heating and cooling services should be equally well protected, and should benefit from equivalent rights, redress and enforcement. **Heating and cooling** should become greener, smarter and protective of consumers and the EU needs a clear strategy for this sector.

Fiscal tools such as **an effective carbon price** can encourage households to buy fewer emissions-intensive products and motivate energy producers to use cleaner sources. However, a carbon price needs to be accompanied by **available, practical and affordable alternatives**. Also, social measures that reduce energy costs for households, especially for those on low incomes and in vulnerable situations, need to be adopted.

Revenues from carbon pricing should be steered towards energy efficiency improvements in households. At the same time, EU's **energy taxation** rules should support Europe's decarbonisation efforts. As energy taxes represent a high share of final energy prices, clear price signals should nudge consumers to use less energy and switch to renewable energy.

The path towards decarbonisation demands, amongst others, a greater investment in European energy infrastructure and the increasing deployment of clean, renewable energy technologies. The EU needs to find the most **cost-efficient measures**, and a way to distribute the costs and benefits fairly among consumers and different market players. For example, sector coupling by direct use of electricity for heating in consumers' homes in combination with energy efficiency measures could be attractive for consumers and a climate friendly solution. At the same time, decarbonisation of the gas sector is necessary but green gases will be scarce and expensive and hence, better used in end-use sectors such as industry or ships.

➤ **Measurement of achievements – What do we want to see in 5 years' time?**

- The EU's **Renovation Wave** initiative leads to higher renovation rates, a switch to renewable heating and cooling, and the use of the most efficient products and appliances.
- EU policies lead to fully integrated, decarbonised, digitalised and flexible energy system which is built on **affordability and transparency**.
- **Fiscal policies** incentivise sustainable choices and the EU's **Energy Taxation Directive** is revised in line with its climate objectives while policies are in place to limit the negative impact on households, especially those in vulnerable situations.
- EU Guidelines on **State aid** for environmental protection and energy ensures costs are fairly shared by all consumers.

2.3. Financial services

Objective:

EU policy initiatives in financial services should be fit for the digital age, allowing consumers to reap the full benefits of digital and innovative tools, while at the same time ensuring that no one is left behind. Consumers should be able to rely on trustworthy financial advisors, responsible lenders and intermediaries. A green and sustainable financial sector should become the new normal.

EC initiatives we recommend:

Consumers must be able to rely on qualified advisers to help them navigate what is often a jungle of complex financial products. However, **sales incentives** that financial intermediaries and advisers receive for selling a particular financial product prevent advisers from acting in the client's best interest, and instead trigger recommendations for the products that bring the highest possible benefits to the adviser. The Commission should propose a ban on the payment of sales incentives for all investment products and other complex financial products.⁵

The Commission's **Renewed Sustainable Finance Strategy** should set out ambitious proposals on how to green the financial sector and nudge consumers to opt for sustainable financial institutions and products. Ensuring the availability and easy choice for sustainable financial offers is essential to promote the green transition. There is an urgent need to increase transparency and consumer awareness about the climate impacts of financial products. More and better value offers for green savings and investments must be made available to consumers. We also need to reduce investments in 'brown' activities and ensure that consumers can rely on trustworthy financial advice that takes environmental, social and governance (ESG) criteria into account. Besides that, financial advisers should be required to assess the sustainability preferences of their clients when providing financial advice and be adequately trained to provide advice on ESG financial products that are available on the market.

The expected revision of the Consumer Credit Directive should foresee strict **responsible lending** obligations for all consumer credit providers and intermediaries. Responsible lending should follow a consumer-centric approach with a main goal to prevent over-indebtedness. The Commission should also propose rules on **private insolvency** covering all types of debt, including consumer credit and mortgage credit. The importance of measures to tackle over-indebtedness has considerably increased in the light of COVID-19, as many consumers are being hit by unemployment and income loss.

As part of a new digital finance strategy for Europe expected later this year, the Commission should propose a legislation on **open finance** allowing access, under certain conditions, by financial services providers to all types of financial accounts held by consumers, including for savings accounts, mortgage, life insurance, retail investments, pension products, consumer credit, etc.

Wider access to consumer financial data by third parties must take place in a safe and ethical environment and under full control of the consumer, with the informed and explicit consent and easy withdrawal of consent, clear liability rules in case of security breaches and data misuse.⁶

Fintech companies often analyse information about consumers which is not relevant for their financial situation, but easily obtainable on the Internet, such as location (GPS) or that provided by social networks (number of friends, likes, fan pages ...) and can be used to discriminate. Similarly, insurance firms are increasingly relying on **Big Data and artificial intelligence** to personalise the offering of insurance products to consumers. While such evolutions might come with potential benefits for users, including potentially better targeted offers for certain segments of consumers, it raises significant concerns related to the protection of user data, privacy, fairness, and financial exclusion⁷. The EU policymakers and supervisors need to ensure that **innovations in insurance** are

⁵ <https://www.thepriceofbadadvice.eu/>

⁶ https://www.beuc.eu/publications/beuc-x-2018-082_consumer-friendly_open_banking.pdf

consumer-friendly, and do not lead to new forms of financial exclusion and/or discrimination of (already) vulnerable groups⁸.

EU consumers should have a non-discriminatory **right to access and use cash**, alongside electronic and innovative means of payment. The Commission should propose a legislation to ensure that consumer access to cash is free of charge or cost-based, and that all physical traders have an obligation to accept payments in cash (EU legal tender).⁹

Payments in the digital and crypto-assets age become more and more complex. Innovation has positive aspects, but also many drawbacks we have to deal with, such as the emergence of fraud, diverging consumer rights depending to the means of payment used, complexity of services. EU payments legislation has to be adapted to the new reality by harmonising consumer rights and protection across all means of payment.

➤ **Measurement of achievements – What do we want to see in 5-years’ time?**

- **Financial advisors** and intermediaries are not allowed to receive **commissions** (sales incentives) when recommending and selling investment and other complex financial products to consumers.
- A **green and sustainable financial sector** becomes the new normal – otherwise the environmental and climate impact of any marginal changes will be questionable.
- Consumer **credit** providers and intermediaries act responsibly and treat consumers fairly in order to prevent over-indebtedness.
- A harmonised **private insolvency scheme** is made available to all EU consumers.
- The **EU Open Finance framework** is based on the principle that the data supplied by and created on behalf of financial services consumers remain under the full control of consumers.
- The use of **big data and artificial intelligence** by insurance firms does not lead to consumer discrimination and exclusion of vulnerable consumers.
- EU consumers have a non-discriminatory right to access and use **cash**.
- A level playing field is secured for consumer rights in the area of **payment services**.

2.4. Health

Objective:

The COVID crisis highlights that a stronger EU health policy is overdue: EU action is urgently needed to ensure that new treatments and diagnostic tools are developed, and consumers have access to safe, affordable medicines and medical devices – when they need them. The crisis has also provided new momentum to the digitalisation of health and care, for example through the deployment of COVID-19 tracing apps. Healthcare digitalisation must however be user-centred, respecting fundamental human rights and medical ethics.

⁸ http://www.beuc.eu/publications/beuc-x-2020-039_beuc_position_paper_big_data_and_ai_in_insurances.pdf

⁹ https://www.beuc.eu/publications/beuc-x-2019-052_cash_versus_cashless.pdf

EC initiatives we recommend:

In May 2020, the European Commission presented a recovery package for the post Covid-19 economy, including a proposal to establish a new, standalone **EU Health Programme** to strengthen health security and prepare for future health crises. We welcome the Commission's proposal as a key pillar of a new, stronger EU health policy. A future EU Health Programme should be equipped to help consumers live longer and better lives, while helping to strengthen the resilience of public health systems.

The EU and Member States must in parallel revisit the way they finance **health research**, both for COVID-19 medicines and all other illnesses. Public funding for medical research should be made conditional upon new drugs being accessible and affordable for the European population and its healthcare systems. The EU must further step up action to address drug shortages, building on the initiatives put in place during the COVID-19 pandemic. This requires strengthening the EMA's role and adopting a comprehensive, proactive policy approach. A legal basis for EU cooperation on health technology assessment is urgently needed to ensure that consumers get value for their money.

Building on the Commission's 2018 **digital health strategy**, the EU must establish a robust, protective framework for the digitalisation of healthcare, including rigorous oversight of digital health solutions and ethical guidelines for the processing of health data.

Finally, the EU must ensure that the rules on **medical devices** are diligently implemented and enforced. The European database on medical devices (Eudamed) should enable comprehensive public access to information on devices, clinical investigations, etc.. Consumer damage by such devices should always be compensated.

➤ **Measurement of achievements – what do we want to see in 5 years-time**

- The new EU Health Programme supports actions that promote consumers' **access to medicines and healthcare**, for example through joint procurement and investments to strengthens the resilience of public health systems.
- Projects under Horizon Europe dedicated to medical research include commitments to ensure that **new medicines developed with public funding** are accessible and affordable.
- The EMA has a stronger, coordinating role with respect to **shortages**, the EU legal framework includes a common terminology, and pharmaceutical companies are required to submit drug shortage prevention plans to competent authorities.
- An EU Regulation on Health Technology Assessment strengthens cooperation among Member States and enables governments to reward **truly innovative products** that offer added therapeutic value in comparison with existing alternative.
- A **European Health Data Space** is developed and operated in full respect of data protection rules, while guaranteeing security, accuracy, and the inclusion of consumer needs. Strong market surveillance and efficient redress mechanisms for digital health products and cross-border services are in place to protect all EU consumers.
- Implementation of the Medical Devices Regulation improves **the safety of devices**. The Eudamed database contains information on devices, manufacturers, clinical investigations, and market surveillance that is accessible to the public.

2.5. Safety

Objective:

When consumers purchase new products such as toys, clothes or electronics, they expect them to be safe and secure. However, this is too often not the case because rules are non-existent or too lenient, or have been violated by manufacturers and traders, or because compliance has not been checked by Member States. European legislation must do more to ensure that only safe and secure products make their way into physical and online shops and to protect consumers from harmful products.

EC Initiatives we recommend:

We welcome the Commission's intention to **revise the General Product Safety Directive (GPSD)** in 2021 as a long overdue opportunity to improve consumer protection against dangerous products. We recommend turning this directive into a Regulation which will be based on two key principles. First, a safety net function to cover lacunae in sector specific legislation and to function as an umbrella for the safety of all consumer goods. Second, the precautionary principle which is key to keep dangerous products away from consumers. The reform must further tackle specific safety threats related to new technologies. Therefore, the safety concept must be enlarged to also cover security threats from the Internet of Things and artificial intelligence.

It is also urgent to ensure the **same level of safety for products sold online and in brick-and-mortar shops**. To this end, online marketplaces should be given the same status than importers and market surveillance authorities should be able to sanction such platforms ultimately for non-compliance with safety rules. Voluntary action by some marketplaces such as the Safety Pledge have proven not to be effective to protect consumers online and should be replaced by mandatory requirements for all players in the market. The future GPSD should end the artificial separation between sector-specific legislation and other consumer products when it comes to market surveillance. As **recalls are currently not effective, EU wide minimum criteria** should be defined for all economic operators involved in the supply chain.

To establish a future proof safety framework in the EU single market, it will be important that a GPSD reform works well **and flawless in combination with other legislative fields and reforms** such as the Product Liability Directive and the Digital Services Act. The EU should also strive for setting higher standards at global level, e.g. through enhancing practices and cooperation of market surveillance authorities in the context of trade agreements and at WTO level.

The European Commission has played an important role in recent years to strive for better **cooperation of national** market surveillance authorities. Unfortunately, the number of controls at national level are still insufficient and it is urgent to equip market surveillance authorities with more human, technical and financial resources. As part of the consumer agenda, beneficial actions such as the exchange of market surveillance officials and joint laboratory testing should be continued to step up enforcement of product safety rules. We also recommend that EU-wide accident and injury data will be collected and the functioning of the Safety Gate will be further enhanced.

Finally, the EU must enhance the **safeguards for chemicals in all consumer products**, including imports: this should be done under REACH and in product legislation (e.g. toys), including through new laws for products which consumers come in close, frequent contact with. The legal framework further needs to be strengthened to better protect children, the elderly and other vulnerable groups against harmful chemicals. The EU should extend the consumers' right to know by introducing new obligations to declare the chemical contents

of all consumer products, starting with toys and products for children to better protect this particularly vulnerable group of consumers.

➤ **Measurement of achievements – What do we want to see in 5 years-time?**

- An ambitious new **General Product Safety Regulation** is in place which acts as safety net for all consumer products, is based on the precautionary principle and ensures that consumers are safe with regard to new technologies and in online market places.
- Safeguards for **harmful chemicals in all consumer products** have been established, including through broad scope REACH restrictions and new product laws regulating products which consumers come in close, frequent contact with, such as textiles or absorbent hygiene products.
- The legal framework protects **vulnerable groups** better through stricter limits in existing product legislation and through new rules on chemicals in e.g. children's products.
- The **consumers' right to know** has been strengthened through new obligations to declare the chemical contents of all consumer products.
- **Market surveillance** has been stepped up and coordination among authorities has been improved. Private enforcement with the active involvement of consumer groups and responsible business actors are better supported to help and complement the work of the authorities.

2.6. Transport/Passenger rights

Objectives:

Our mobility system needs to change to give consumers more access to sustainable modes of transportation and to achieve the European Green deal objective to cut transport emissions by 90% by 2050. Passengers benefit from better protection when something goes wrong and can enjoy their rights seamlessly, regardless of the mode of transport they use.

EC initiatives we recommend:

The European Commission must increase the level of ambition of the **2025 and 2030 CO2 emission reduction targets for cars** and set a long-term phase-out date for the sales of petrol and diesel cars in order to accelerate the shift to zero and lower emission cars. The Commission should revise the **directive on alternative fuels infrastructure** to make sure consumers have access to a denser network of charging points for electric cars with more transparent charging tariffs and easier access through the use of available payments methods (such as debit cards or cash). **Better information** should be provided to consumers about the environmental performance of their cars through a reform of the car labelling directive.

The most sustainable transport modes should also become the most affordable ones. The fuel tax exemption for airlines needs to be ended and an **EU wide kerosene tax** should be introduced of which revenues could be used to **fund more sustainable alternatives** such as cross-border rail connections.

Public transport and rail travel need to become much more attractive to compete with cars and planes for daily and long-distance trips. This requires an increase of investment, a higher quality of service and more convenience for consumers. To achieve this, **passengers' rights need to be strengthened** and **single ticketing** should become the norm. Transport operators must also better cooperate through an obligation to share data about their tariffs and real time timetables with third parties for the purpose of providing innovative services to consumers (e.g. booking platforms and comparison tools).

A growing number of travellers are using different modes of transports to complete one journey. The developments of multimodal journeys are important because it could provide real environmentally friendly alternatives to consumers. Unfortunately, the current 'in silos' EU passenger rights regulations fall short to protect multimodal passengers in case of travel disruptions (re-routing, compensation etc.). However, to be considered as a reliable and attractive alternative to planes and cars, travellers must be able to rely on clear and strong multimodal passenger rights in the event of incidents and must not be penalised because they have opted for this new travel model.

➤ **Measurement of achievements – What do we want to see in 5 years' time?**

- More ambitious **cars CO2 regulations** ensure consumers have access to a wider offer of more affordable electric cars. Consumers can easily recharge their electric cars through a denser network of easy-to-use recharging points, both for short and long-distance trips. Consumers receive more reliable information about the environmental impact and the technical characteristics of the cars they are willing to purchase.
- The EU has adopted an EU wide **kerosene tax** which better reflects the impact aviation has on the climate and the environment. The revenues of this tax are used to fund investments into more sustainable alternatives such as long-distance train connections which become more attractive to consumers.
- Consumers have access to a much **more attractive offer of train and multimodal services**.
- **Passengers are protected by stronger and easily enforceable rights** in case of a disruption during their trip for all transport modes (air, rail, multimodal etc.). Thanks to an obligation for transport operators to share static and dynamic data and give access to their booking systems to third parties, consumers are able to easily compare between different travel offers and book their trip via a single payment channel.

3. Enforcement – Delivering on the ground

Objective:

Enforcement is effective and coherent throughout the EU. To contribute to this, public authorities should actively investigate both national and cross-border infringements, apply enforcement measures, reinforce each-other's activities and closely cooperate with consumer associations. Consumer associations will become confident private enforcers, both with regard to injunctions and collective redress actions. Moreover, traders established in the countries outside of the EU do not get away with breaking the EU consumer law.

EC initiatives we recommend:

To increase **cooperation among consumer associations and national public authorities**, the European Commission should establish regular common meetings or forums where consumer associations and public authorities could network, exchange views and create closer links. The European Commission should continue to implement programmes of **support to strengthen the enforcement capacities of consumer associations**. In particular, a programme could be set up including targeted trainings and exchange of best practices on collective redress, specifically oriented to EU countries where so far this possibility did not exist or was limited to public bodies.

The European Commission should use its stronger powers foreseen in the new Consumer Protection Cooperation Regulation for the coordination of the investigation to Union wide infringements¹⁰ in ensuring **a coherent response** and enforcement measures by the national authorities. Where necessary, public authorities should depart from "soft" enforcement approaches and increase the number of sanctions or other enforcement measures taken against rogue traders.

The authorities from various sectors should be encouraged to cooperate more intensely. This could be done through joint events or joint investigations of cases. This should not only concern the "usual suspects", such as data protection or competition authorities, but also public regulators of sectors that are close to daily consumer lives, such as energy, financial services and telecommunications.

When companies are targeting consumers from **countries outside of the EU**, there is a risk that, when they infringe EU consumer rights, they create serious detriment for them. In such cases, the authorities should take the stronger enforcement powers in their arsenal, such as freezing the financial assets, if they are available in the country, or even blocking the websites.

The Commission should actively implement provisions on **international cooperation** in the Consumer Protection Cooperation Regulation¹¹, aiming to conclude cooperation and mutual assistance agreements with third countries and international organizations.

To ensure a real European enforcement in a Single Market, where possible, an **EU wide** effect of final administrative decisions and court judgements on infringements of consumer rights should be developed.

Participation in consumer ADR should be made mandatory for traders.

➤ ***Measurement of achievements – What do we want to see in 5 years' time?***

- Active and timely enforcement, consisting of coordinated public and private responses, ensuring that infringements are rapidly stopped and redress measures help consumers to obtain reparation.
- Enforcement is **coherent** throughout the EU and consumers can benefit from equal enforcement measures and access to justice in all EU countries.
- **Consumer associations are known as active watchdogs** of the markets and private enforcers and can get support for these roles.

¹⁰ Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws, *OJ L 345, 27.12.2017*

¹¹ *Ibid*, Article 32

- Consumer associations are in **close cooperation with public authorities** and are able to rapidly inform them about spreading scams or other breaches of consumer law. The authorities give feedback on those alerts.
- When consumer suffer harm in mass infringements, they are able to obtain redress through **collective redress actions**, brought on their behalf by consumer associations.
- Traders or online platforms, based **outside of the EU** and targeting EU consumers, comply with the EU consumer law and enforcement measures.

4. A strong consumer policy and movement in Europe

4.1. Stakeholder outreach

We welcome the European Commission's reflection process about how to re-organise stakeholder involvement, after the mandate of the ECCG has come to an end. A timelier and more targeted systematic and regular consultation of consumer interest representatives is needed.

BEUC provides the voice of our members to inform the EU institutions about an EU consumer perspective, but at the same time it is important that an effective EU structure consulting the national consumer movement is in place. It should be a forum for general discussion and input to the entire Commission on the full range of consumer policy priorities. A place to advise, guide and inform the Commission on the development of consumer issues in member states and a forum to provide early input and guidance on the Commission's work on consumer initiatives and legislative proposals. The structure should also be able to establish opinions on important common positions for national consumer representatives, in all member states, on consumer relevant priorities.

National consumer organizations play a vital role in independently representing the national collective consumer voice with unique knowledge on the situations for consumers within their countries and the functioning of markets in individual EU member states. This voice is key to make the work within The Commission on consumer policy adhere to the national situation and developments for consumers and the functioning of the consumer markets in every member state.

Therefore, a **new advising structure** should be constituted with **members from consumer organizations from all member states** and adequate resources must be provided for administrative support and direct costs like travel and accommodation. Meetings should be held more than only 2 times year (like the ECCG did).

Some **academics** could be included on an ad hoc level. Those academics should come from various disciplines but must have a record of having a focus on consumer policy/law/behaviour in their research.

Common meetings with for example the CPN, EPBD, BEREC, CEER and many other networks of Member States representative or authorities should be envisaged.

For enhancing proximity of EU decision making with national consumer experience we suggest that the Commission holds **regular consumer dialogues** gathering national and EU policy makers and consumer representatives on specific topics and continues with the annual consumer summits.

More generally, it is important for the Commission, in its expert groups and stakeholder forums, whose work is relevant for consumer policy, to provide for **meaningful participation of consumer representatives**. This implies that composition of such groups is balanced, that procedures are set in such a way as to allow for internal consultation of membership (for membership-based organisations).

4.2. Towards Sustainable Consumer Organisations – CAPACITY BUILDING

Consumer organisations play a crucial role at different levels in empowering consumers as strong stakeholders in markets and societies. Consumer organisations inform and advise consumers and support them in the enforcement of their rights. They continuously, as markets transform, identify new consumer challenges and concerns, while relentlessly advocating for disciplining the well-established and persistent ones. Their strong knowledge of realities consumers is confronted with provides them with detailed evidence in their advocacy work towards a policy and regulatory framework that properly protects consumers. It also grants them a unique position to monitor markets and alert regulators where markets are dysfunctional. In spite of their important contribution to well-functioning retail markets, **in many European countries, consumer organisations lack the long-term sustainability** that enables them to effectively endorse their role.

In this context, the initiatives undertaken by the Commission to support **the capacity building efforts of consumer organisations** and other consumer professionals under different programmes (Trace, Consumer Champion, Consumer Pro) have highly contributed – and still do – to the increase in expertise by consumer professionals to deliver relevant and credible advice and support to consumers, but also to build a legitimate positioning towards policy makers. Overall, the legitimacy of consumer professionals has well developed over the last years across the EU.

However, these efforts need to be continued, to build a critical mass of consumer professionals to strengthen the network of watchdogs that markets need to function properly. They are even more needed in presence of the above mentioned transformations our markets and societies are undergoing, where the knowledge of consumer professionals is challenged on a continuous basis, and where new skills and learnings need to be built on top of the traditional ones, that still keep their relevance.

In addition, it is crucial for consumer organisations in Member States to be allowed effective channels of **participation in national policy making**. Failure to do so by a Member State would inevitably lead to a failure in representation of the consumers of that country at EU level.

EC initiatives we recommend:

- Continued **training and capacity building sessions** to train new consumer professionals but also to provide upgrades/updates to more seasoned consumer professionals with particular attention to understanding the EU decision making process and management of EU projects.

- Develop and support **peer-to-peer sessions /exchange of best practices** among consumer organisations to build on successful initiatives and replicate them in other Member States while taking into account the diversity of context to which these practices would need to respond.
- Commission recommendation to member States to identify **gaps in representation** of consumer interests in their decision-making process, and where relevant, take action to address these, where needed with adequate financial resourcing.
- Continued support for **enforcement activities** by consumer organisations at national level and in a co-ordinated way for EU wide infringements; this should include EU and national support to develop capacity with regards to the new directive on representative actions and in particular regarding collective redress actions.

4.3. Bringing together national and EU consumer policies

To improve the coherence between action at EU and Member States level, the roadmap underlines that a **consistent approach to consumer policies** and cooperation with the Member States would be needed in order to enhance policy-making, accelerate enforcement, and give political visibility to EU consumer policy. The Roadmap suggest more cooperation with the Member States, shared policy priorities and consistent strategies at EU and national levels with mutual enhancing effects.

BEUC in principle supports this endeavour, particularly in the light of an ever more integrated market and the ever more important global economy challenges that we face. **Streamlining can be very useful** to ensure that all key policies and market developments are addressed in all Member States and thus promote information, protection and access to justice for all European consumers, regardless of their country of residence. Co-operation of EU enforcement networks, like the CPC or the CSN networks are critical to improve of what currently is still a partially very fragmented level of enforcement and thus effective protection between the Member States.

We however would like to add a notion of caution due to the natural focus and competences of EU policy to target cross-border relevant phenomena. Given the current state of play, consumer realities **differ still considerable from country to country** with a clear divide in certain areas also between older and more recent EU Member States policies. The risk of neglecting domestic problems and more “local” consumer concerns, which comes with such an EU streamlining approach must not be overlooked and safeguards need to be built into this endeavour.

As a starting point we suggest that maybe **only a selected hand full of policy areas** should be chosen for streamlining. Naturally, a) digital policy areas would qualify here, but maybe also b) policy areas were considerable gaps in consumer welfare and progress exists.

In any case, streamlining should **never mean lowering consumer protection** level in any Member State.

4.4. Evidence collection and policy making

The Roadmap explains that the Agenda will also review the existing approach to monitoring policy implementation and to evidence collection for policy-making with the aim of putting in place a more effective system of data collection on national consumer policies and the position of consumers across EU's geographies and economic sectors in order to better inform the development of policy.

BEUC welcomes this approach and underlines the importance of making new technologies and **"legal tech"** available for such purposes and in particular also for consumer organisations.

We consider that **"public private partnerships"** between national authorities and consumer organisations to collect and aggregate consumer complaints could be envisaged. Consumer organisations could, in the context of such a partnership agree to share their own data on market developments with the European Commission or the national authorities. should of course not be obliged to provide their data but can voluntarily contribute to give the European Commission or national authorities access to their data/raw data.

The **consumer scoreboard** can be very useful but its scope of covered policy areas should be expanded beyond DG JUST's competences. In the past for example, the best-known EU consumer policy – "Roam Like At Home" – was not included. We would therefore like to suggest that the scoreboard should cover all consumer-relevant topics across DGs. This could be also considered as a major contribution to the concretisation of the EU principles of integration of consumer policy into other policies (see below).

An "EU - consumer barometer" could be useful to regularly provide an overall picture of the conditions faced by European consumers of different places of residence socio-economic and demographic backgrounds, as well as of their attitudes towards market developments.

We underline that consumer organizations have an important role in translating the complaints they receive with their expertise into a meaningful context and strong collective consumer position.

4.5. Integration of consumer interests into all relevant EU policy

It is essential that, at EU level, a "holistic" approach is pursued to ensure a strong EU consumer policy encompassing the role of consumers in all its facets and relating to the competences of all relevant Commission services. Moreover, in the green and global transition, in today's Covid-19 recovery and data economy, an interdisciplinary approach to policy making is urgently needed. Looking at consumer policy and law means looking at many different areas. We observe a merging of different disciplines, like consumer and data protection, like sustainability and consumer policy, like protecting our democratic values and consumer information policies.

Consumer relevant Union policies are scattered within various DGs. According to the obligations of the institutions enshrined in Article 12 TFEU, to integrate consumer interests into all policies, we need a global, inclusive and ambitious consumer policy strategy that would be the *fil rouge* of the works to come of all Commission services, and beyond them of all EU institutions.

EC initiatives that we recommend:

The Consumer agenda should thus include governance measures about how consumers' interests will be strategically placed at the heart of all relevant EU policies and beyond: Covid-19 has shown the relevance of a stronger EU health policy and highlighted once again the vulnerability of consumers as targets of fake news, which has an impact not only on people's wellbeing and our economies but also on our democracies:

- Therefore, the **internal structure of the European Commission** should visibly and impactfully reflect the Treaty obligations. Likewise, its internal policy instruments to assess the impact of and need for policy measures on consumers must be complemented and improved. We suggest to set up a "**cellule consommateurs**" or "consumer team" in all relevant DG's, particularly those in charge of the green and the digital transitions, which systematically would be in touch and liaise with the consumer policy mother ship in DG Justice.
- An **interinstitutional (European Commission – European Parliament – Council) network** on consumer interest would also be recommended.
- We also suggest that the European Commission presents every year an annual **report on the implementation of Art 12 TFEU** to the European Parliament IMCO Committee and to the Competitiveness Council.
- In addition, the better regulation toolbox should be complemented by clearer **guidance on the consumer impact assessment**.

4.6. A policy of Innovation and Research for Consumers

Innovation holds many promises for consumer welfare, provided it is well designed and centred on the real needs and expectations of people and society. For innovation to be consumer-driven, EU research and innovation policy must pay greater attention to consumer concerns, needs and expectations.

EC initiatives that we recommend:

- The European Commission's RTD programmes should give **priority to supporting innovation which addresses demonstrated consumer and societal needs** and promote inclusive innovation that benefits all and not a select few.
- The European Commission's RTD programmes and decision-making processes should **involve civil society** in a meaningful way. This requires addressing the lack of resources which often limit the participation of consumer and other civil society organisations in research and innovation agenda setting and programmes.
- The EU's research policy should ensure that **public money is used for goods that serve the larger public**. The allocation of EU research funds should be conditional to public return, not only in terms of the relevance to societal needs and challenges, but also in terms of the accessibility (incl. affordability) of the innovation resulting from this research.

END



This publication is part of an activity which has received funding under an operating grant from the European Union's Consumer Programme (2014-2020).

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