Portuguese Presidency of the European Union

BEUC priorities 2021
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The European Consumer Organisation (BEUC) is the umbrella organisation for 44 independent consumer organisations in 32 European countries. Our mission is to represent and promote consumers’ interests to EU decision makers in all consumer-relevant areas that match our members’ strategic priorities. Our Portuguese member organisation is DECO.

The Portuguese Presidency will be marked by the economic and societal consequences of the ongoing COVID-19 pandemic and the ensuing process of recovery. When the European Commission adopted its Consumer Agenda in November, we commented that “consumer policy is vital to instilling trust and recovering economically from the COVID-19 pandemic”. We therefore encourage the Portuguese Presidency to pay special attention to the needs of consumers as it takes the leading role in guiding the EU through this crisis.
Beyond COVID-19, numerous legislative and non-legislative files that are of relevance to consumers remain on the Presidency’s agenda. In this Memorandum we make concrete proposals for how the Council of Ministers and the European Parliament can legislate to achieve a high level of consumer protection and empowerment.

In addition to the priority of recovering from COVID-19 and the need to swiftly adopt proposals to further the implementation of the EU’s flagship European Green Deal, we draw attention in particular to the following initiatives:

• The European Commission’s Consumer Agenda: This will be the lodestar for consumer policy over the coming years when strategic guidance is urgently needed. We hope that the Portuguese Presidency will do its best to support its implementation.

• A European approach to artificial intelligence: Consumers should benefit from artificial intelligence rather than be exposed to new risks.

• ePrivacy: The finalisation of the legislative proposal for an ePrivacy Regulation is overdue and urgently needed. This legislation should lead to a higher level of privacy protection for consumers in the digital age and should complement the General Data Protection Regulation (GDPR).

• The Digital Services Act: The EU’s initiative on the platform economy should enhance the liability and obligations of platforms, particularly for online marketplaces.

• Access to innovative medicines: The legislative proposal on Health Technology Assessment (HTA) has the potential to help governments save money as well as to reward health technology, but only if it benefits consumers.

• Financial services: The revision of the Consumer Credit Directive and any legislation on non-performing loans should ensure that financial services consumers are treated fairly and that they are adequately protected against irresponsible lending and harmful debt collection practices.

We hope that progress will be made on these and other initiatives mentioned in this Memorandum, with the aim of delivering clear benefits to European consumers.

We wish Portugal a most successful Presidency.

Monique Goyens
Director General

Örjan Brinkman
President
A European Green Deal

Why it matters to consumers

Consumers are affected by and will increasingly suffer from the impacts of a changing climate in their daily lives, with negative consequences such as health threats due to increased exhaust gases in the atmosphere, higher living costs related to rising prices for food, energy and transport, and endangered food security.

To turn the tide, systemic changes are needed in how we produce and consume. Currently, however, multiple market failures prevent consumers from playing a role in this change. Consumers who would like to live more sustainably must often pay more to do so. They do not receive relevant information about sustainable products and services or opportunities to purchase them. They may also be frustrated by the prevalent misleading information about the sustainability of products.

The COVID-19 pandemic has hit our countries hard. Even though the fight against the pandemic is far from being won, the EU is doubling its focus on rebuilding our economy. It is important that this economic recovery happens while being mindful of the climate crisis. Failing this, we risk ‘solving’ the imminent economic recession by sacrificing our preparatory plans for the many new shocks that will arrive with climate change.

State of play in legislative procedure

In December 2019, the European Commission unveiled its European Green Deal (EGD). Its Communication on the subject announced a number of policies and measures to tackle challenges related to climate change and the environment in general. Since the publication of the EGD, the European Commission has started to translate its objectives into policy initiatives. For starters, it published a proposal for a European Climate Law that will enact the objective for Europe to become climate neutral by 2050. The Commission also published a new Action Plan for the Circular Economy, a Farm to Fork Strategy to create an environment-friendly food system, a Chemicals Strategy for a toxic-free environment and a Renovation Wave Strategy. Several other initiatives are under preparation, notably a Strategy on Sustainable and Smart Mobility.
Recommendations for the Presidency

We call on the Portuguese Presidency to address the Commission’s EGD proposals as a priority and to make sure that the Green Deal is the guiding principle in steering the recovery of the European economy. The Presidency should finalise the negotiations on the European Climate Law, with the objective of significantly stepping up our ambitions for 2030 as well as for 2050. It should also organise discussions on ongoing and upcoming European Commission strategies – including the Circular Economy Action Plan, the Sustainable and Smart Mobility Strategy, the Renovation Wave Strategy and the Farm to Fork Strategy – and facilitate well-designed sustainable development policies that will promote both consumer interests and sustainable development. We hope that the Portuguese Presidency will show great ambition as it steers the Council discussion on achieving the EU’s climate and energy objectives.

What we need to succeed

- **European Climate Law:** We need to step up the fight against climate change. BEUC therefore welcomes the Climate Law’s goal to increase the EU’s greenhouse gas reduction objectives to reach net zero by 2050. BEUC is also in favour of increasing the level of ambition of the EU’s 2030 greenhouse gas reduction target to at least 55%.

- **New Circular Economy Action Plan:** BEUC welcomed the publication of the new Circular Economy Action Plan in March. The main objectives of this new strategy should be to provide consumers with products that last longer and are easily repairable, upgradeable and recyclable, as well as to keep environmentally harmful products off the market. Through the initiative on “empowering consumers in the green transition”, consumers should be provided with strong rights, such as the ‘right to repair’, and longer guarantee periods. They should also receive clear and accurate information that allows them to make sustainable choices, for example about the life expectancy of a product and/or its environmental footprint. In this regard, measures should be taken to fight unfair business practices that mislead consumers about the environmental features of products and services and the proliferation of green claims and non-certified labels on the market. The upcoming EU initiative on the substantiation of green claims should lead to establishing a pre-approval procedure for all green claims and labels, as is currently the case for health and nutrition claims on food.

- **Sustainable financial services:** Consumers are increasingly interested in buying financial products that contribute to a more sustainable world. While a growing number of financial institutions integrate sustainability into their daily activities, consumers often still face an uphill battle when deciding on the best way to invest sustainably. The European Commission is expected to announce its Renewed Sustainable Finance Strategy in the first quarter of 2021. We call on the European Commission to adopt ambitious steps to further increase transparency and consumer awareness around the climate impacts of financial products. Low interest green loans and new innovative ways of financing energy-efficient renovations must become widely available to European consumers. The EU should also support projects aimed at raising consumer awareness about sustainable financial products and providers (such as the Fair Finance Guide).

- **Sustainable mobility:** We urgently need to strengthen public and intermodal transport, and a consumer-friendly roll-out of fully electric vehicles is also imperative. The reduction of CO2 emissions from road transport must be accelerated, and consumers should be better informed about the environmental impact of their cars. Kerosene should be taxed to reflect the true environmental and climate costs of aviation, and revenues should be reinvested in rail and public transport in order to create a level playing field for train transport. The ‘Year of the Rail’ in 2021 must translate into tangibles changes for consumers (such as single ticketing and mandatory sharing of data between transport operators).
• **Sustainable housing:** A more efficient use of energy is at the heart of the energy transition, and accelerating building renovations is essential in order for the EU to become climate neutral by 2050. EU buildings are responsible for 40% of our energy consumption, and roughly 75% of the existing building stock is energy inefficient. Home renovations can thus deliver significant benefits for consumers. Clear policies, a variety of financing options, and easy access to impartial and trustworthy advice are needed to help consumers understand the benefits of renovating their homes.

• **Sustainable food:** We see great potential for engaging consumers in low-carbon diets and for a transition towards sustainable food systems. In order to enable consumers to buy healthy food on a healthy planet, we urgently need to increase transparency about the impacts of food on climate and sustainability. Information is not enough, however, as shown by our recently published survey of European consumers on their attitudes towards sustainable food. The consumer food environment must also change, and this includes getting the prices right.

• **Chemicals Strategy for Sustainability:** A strong EU chemicals policy that includes the sustainable use of resources and the protection of human health will be essential in achieving the goals of the European Green Deal. We urgently need new solutions from the EU to minimise consumers’ exposure to harmful chemicals, including an integrated policy on chemicals in products, better protection of vulnerable groups, and a response to known policy gaps, such as combination effects or endocrine disruptors. BEUC firmly believes that the new EU Chemicals Strategy is a first step towards delivering these solutions to Europe’s consumers and the environment.

• **Energy System Integration Strategy:** We need a fully integrated, decarbonised, digitalised and flexible energy system that is built on affordability and transparency. Further actions to decarbonise the energy system should not put an extra burden on consumers’ bills. To this end, we need a thorough analysis of the role and cost efficiency of different technologies and the impact of the decarbonisation of heating and transport. For instance, the decarbonisation of residential heating through the direct use of renewable electricity in combination with energy efficiency measures is not only economically attractive for consumers but is also a climate-friendly solution. However, consumers will choose sustainable heating for their homes only if the existing barriers are acknowledged and overcome (for example the cost of sustainable heating systems, the lack of trusted independent advice, and higher taxes for electricity than for fossil fuels). While the decarbonisation of the gas sector is necessary, green gases will be scarce and expensive and hence better designated for end-use sectors such as industry, aviation and shipping.
Additional sources

- Consumers at the center of the drive to sustainability: BEUC’s views on the European Green Deal
  Position paper
  BEUC-X-2020-012

- The European Green Deal must address consumers concerns about harmful chemicals
  Letter
  BEUC-X-2019-064

- Joint BEUC-ETUC-EEB recommendations for chemicals policy and the European Green Deal
  Letter
  BEUC-X-2019-088

- One bite at a time: Consumers and the transition to sustainable food
  Survey
  BEUC-X-2020-042

- Proposal for a European Year of Rail 2021: BEUC’s proposals to move towards a consumer-oriented rail system
  Position paper
  BEUC-X-2020-041

- What CLEAR 2.0 project taught us: Results and recommendations
  Position paper
  BEUC-X-2020-009

- The future of energy consumers: Bright or burdensome?
  Position paper
  BEUC-X-2019-055

- How to make sustainable finance real for consumers?
  Factsheet
  BEUC-X-2020-102

- Breaking-out of fossil-fuelled mobility: How consumer policy can help clean up transport in Europe
  Position paper
  BEUC-X-2020-065
New Consumer Agenda

Why it matters to consumers

EU consumer policy has been a success story over the past 40 years, and has greatly benefited Europeans. Underpinning this accomplishment is an obligation for policymakers to integrate the consumer interest into all relevant EU policy measures, based on a high level of protection. Such a holistic and strategic approach for fulfilling these EU Treaty objectives will be essential in meeting today’s greatest challenges: digital and green transitions in a post-COVID economy.

However, consumer spending represents only around 6 cents per capita per year in the EU’s planned 2021-2027 budget. Putting consumers at the heart of Single Market policies whilst providing strong protection for their health, safety, privacy and access to justice must remain a strategic priority for the European Commission and a central element of Next Generation EU, the EU’s temporary recovery instrument.

State of play in legislative procedure


In October 2020, the current Presidency Trio (Germany, Portugal and Slovenia) issued a joint paper on consumer protection in Europe and the lessons learned from the COVID-19 pandemic.

Recommendations for the Presidency

We call on the Portuguese Presidency to support the European Commission’s New Consumer Agenda and its implementation, and to give a strong signal of their support in the Council conclusions expected in the first quarter of 2021. Regarding specific measures related to the impact of COVID-19, we ask the Presidency to continue to work along the lines of the Trio Presidency paper, which contains many positive elements. Member States should be encouraged to proactively contribute to the Agenda, particularly with regards to aligning EU and national consumer policies, and by supporting a stronger enforcement culture that will make EU consumer law more effective.

We also recommend that the Portuguese Presidency sets up an annual Council meeting with the ministers responsible for consumer policy (as part of the Competitiveness Council), which would take stock of the New Consumer Agenda and discuss its implementation.
What we need to succeed

BEUC supports the European Commission’s New Consumer Agenda. Consumer policy is essential for bringing about the needed systemic changes in how we produce and consume and for ensuring people’s buy-in for the green transition. At the same time, consumers need to be better protected in the online environment through new rules and effective enforcement. The new strategy should embrace the following key elements:

**Circular economy and sustainable production and consumption**

Consumer policy is an essential tool in the ‘green transition’ that will introduce systemic changes in how we produce and consume. Prices for consumer products should be adapted so that the most sustainable choices become the most affordable ones. Consumers should be provided with products that last longer and are easily repairable, upgradeable and recyclable, and environmentally harmful products should be kept off the market. Consumers should have clear rights, such as the ‘right to repair’, and longer guarantee periods. They also need much more reliable information about sustainable products and services, and should be protected against misleading green claims. We welcome the New Consumer Agenda’s plan to adopt an initiative to fight greenwashing, as well as the proposal for a directive to empower consumers with information and other tools so that they can become active players in the green transition.

Furthermore, the COVID-19 crisis has highlighted the need for a revitalised chemicals policy. This would reduce the impact of future pandemics and support socio-economic recovery by incentivising the production of safer, sustainable chemicals (see chapter on EU Chemicals Strategy for Sustainability).

**A fair, beneficial and safe digital transition**

Due to the effects of new technologies and market dynamics, today’s companies have access to an unprecedented number of tools and correspondingly greater power. They are able to influence behaviour in ways beyond consumers’ knowledge, understanding and control, and this trend will only increase. AI-powered products and services and IoT (Internet of Things) devices are becoming more and more prominent in consumers’ lives. In this context, every consumer is a vulnerable one by default, and those consumers that were already particularly vulnerable (such as young people and children) are even more at risk. Consumers should be able to enjoy the innovations and benefits that digital technology can offer without compromising their rights.

The New Consumer Agenda should thus safeguard consumer choice, freedom, autonomy and self-determination in the digital age. It should include specific measures to protect young consumers and children. It should support ambitious measures to ensure that consumers are adequately protected when dealing with AI-powered and/or connected products and services. Consumers must be secure and safe when buying goods and using online services: for example, fraudulent and abusive business practices must be stopped, and a clear liability regime must be established for online marketplaces. Consumers must be ensured better privacy protection via GDPR enforcement and a strong ePrivacy Regulation. The New Consumer Agenda should also support the removal of remaining barriers for consumers in the Digital Single Market (e.g. the geo-blocking of audiovisual services) and ensure that consumers are able to use digital products and services in an open and non-discriminatory manner (e.g. ensuring net neutrality and device neutrality). The New Consumer Agenda correctly identifies the challenges for consumers in the digital transition, and we hope that effective measures to address these issues will be swiftly taken.

**Effective enforcement**

BEUC welcomes the specific highlighting in the Consumer Agenda of the need for more enforcement cooperation, which has for too long been the Achilles heel of EU consumer policy. The New Consumer Agenda should make enforcement, and by extension EU law, much more effective and coherent. Public authorities should actively investigate both national and cross-border infringements, reinforcing each other’s activities and
cooperating closely with consumer associations. They should develop an interdisciplinary approach towards consumer protection in the data economy, bringing together consumer, data protection and competition and sectoral fields of law.

With the new Representative Actions Directive in place in all European countries, consumer associations should be supported by governments to become strong private enforcers, both with regards to injunctions and collective redress actions. This will deliver better access to justice and more equality for all European consumers, as well as ensuring that recovering consumer markets are fair and transparent for competitors as well.

Finally, solutions must be found to ensure that traders from non-EU countries do not get away with breaking EU consumer law.

Integrating the consumer interest into sectoral policy areas

The College should provide clear guidance and objectives in the New Consumer Agenda for all of its services in the European Commission on how to strategically integrate the consumer interest into sectoral policies and how to account for strong consumer protection. Sectoral policies like food and food safety, product safety and market surveillance, financial services and energy markets as well as transport policy and passenger rights should be clearly identified, and objectives should be set with the most relevant measures also listed in the Agenda.

We have provided specific recommendations for pending and future initiatives in the respective sectoral chapters of this Memorandum.

Global world – trade as a consumer policy

EU trade policy must bring benefits to consumers while preserving the ability of the EU to regulate in the consumer interest. We call on the Commission to recognise that consumers are heavily impacted by trade policies and that they need both benefits and protections in the global market. The review of EU trade policy in 2021, as well as any new trade agreements such as WTO e-commerce, must ensure strong consumer protection and increase consumer choice at competitive prices. 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.

A strong consumer movement

Strong consumer organisations, active on a national level and/or part of EU-level networks, are essential for sustaining consumer trust in the Single Market as well as in our societies. They are also vital for ensuring well informed and democratic EU decision making, as they can counterbalance the overwhelming resources of the private sector so that consumers’ voices are heard. The New Consumer Agenda provides for new structures and processes to ensure constant dialogue and co-operation between EU and national decision makers and stakeholders. We welcome the acknowledgement of consumer organisations as essential actors in further designing the work of the Agenda, and we hope that this will also be reflected in the composition of the new Consumer Policy Advisor Body to be created by the Commission.

Additional sources

  BEUC-X-2020-090

- Letter to Presidency Trio on the Consumer Agenda and COVID-19 consequences
  BEUC/vzbv/DECO/ZPS joint letter
  BEUC-X-2020-096
Brexit and the future EU-UK partnership

Why it matters to consumers

Consumers from across the EU benefit from rights and protections that have been established at a European level, whether on food, air passenger rights, toy safety, protection against unfair contract terms or cooling-off periods for online sales. The enforcement of these rights often involves European authorities or networks of national authorities that co-operate to provide a strong framework for the supervision of markets. There is a risk that vital rights and protections will be watered down for consumers in both the UK and the EU if the negotiations for the future relationship do not grant specific attention to consumers. It is essential that a good outcome for consumers is secured on both sides of the Channel.

State of play in legislative procedure

After the full ratification of the Withdrawal Agreement, the United Kingdom left the European Union on 31 January 2020. This agreement established a transition period until 31 December 2020, which was implemented to prevent abrupt changes for consumers. Since March 2020, the EU and the UK have been negotiating a partnership that will define their new relationship. At the time of the drafting of this memorandum, negotiations were still ongoing. The goal was to conclude and ratify an agreement by 31 December 2020, the end of the transition period.

Recommendations for the Presidency

We call on the Portuguese Presidency to ensure that the consumer interest remains central in the implementation of the Withdrawal Agreement and in the future relationship with the UK. Member States will have a key role to play in ensuring that their customs, market surveillance, enforcement and competition authorities continue to co-operate with their UK counterparts in 2021. We urge the Presidency to facilitate this process and to ensure that the future relationship paves the way towards continued co-operation in order to keep consumers safe. This recommendation applies whether or not there is a deal in place. The Presidency should also call on the Commission to keep the implementation process transparent and to involve consumer organisations. In the absence of a deal, the Presidency should strongly encourage Member States to inform consumers about what this new situation would mean for them.
What we need to succeed

When implementing the withdrawal agreement

• Inform consumers about what Brexit means for them by means of communication campaigns coordinated by both the Commission and Member States.

• Protect consumers when implementing the Withdrawal Agreement: UK and EU customs authorities should have sufficient resources to perform sound checks.

When dealing with the future relationship

• Make consumer protection a key objective of the future relationship. With or without a deal in place in 2021, the EU should promote regulatory alignment and the enhancement of consumer protection in the future.

• Ensure consumer access and choice in the area of goods and services. If agreed, the future agreement should maintain a zero tariff/zero quota trade framework while ensuring sound import checks. In the absence of an agreement, the effect of the EU contingency plan should be closely monitored and, if needed, reviewed.

• Maintain regulatory dialogues to keep consumers safe. Both sides should define mechanisms to enable the continuation of the existing co-operation between authorities and agencies in the future. Arrangements should be operational by early 2021 in order to prevent gaps in the case of a ‘no-deal’ situation.

• Involve consumer organisations and prioritise transparency when implementing the Withdrawal Agreement and discussing the future relationship, whether or not there is a deal in place.

ADDITIONAL SOURCES

Seven recommendations to secure positive outcomes for consumers after Brexit
BEUC-X-2019-094
The EU’s recovery budget

Why it matters to consumers

The COVID-19 crisis has disrupted everybody’s lives. The first priorities for the EU and national governments have been to strengthen healthcare systems and to take emergency measures in the light of the plummeting economy. In order to support Member States in their efforts to rebuild the economy and to help businesses and citizens in need, the European Commission has proposed a recovery plan for Europe.

Consumers have also been severely hit by the pandemic and will continue to suffer from the economic downturn. Many have lost their incomes, are struggling to repay credit, or are worried about how to cope with their energy bills. Consumers should be at the forefront of considerations when the impact of relevant emergency and economic measures is being assessed.

EU consumer policies have positively impacted people’s daily lives. Through its Consumer Programme, for example, the EU funds a product safety rapid alert system, coordinated enforcement actions, an online dispute resolution platform, and the representation of consumer interests at EU level. Not only does the EU influence consumer policy through its legislative initiatives, but it also financially supports European consumer organisations and thus enables them to bring the consumer perspective into the EU policy debate. These policies and actions require corresponding financial support.

State of play in legislative procedure

To help repair the economic and social damage resulting from the COVID-19 pandemic and to ensure a quick European recovery, the European Commission has proposed a major recovery plan and an increase in the EU budget. Many EU policies will now be adapted in order to take economic recovery needs into account. On 10 November, the German Council Presidency and the European Parliament reached a political agreement on the Multiannual Financial Framework 2021-2027.

This agreement includes several welcome enhancements to the funding of consumer relevant policies, such as the European Health Programme and support for the building renovation wave. Unfortunately, by the time of publication, the agreement could not be officially confirmed due to vetoes by Poland and Hungary for reasons linked to the conditionality of aid upon respect for the rule of law.

Recommendations for the Presidency

We call on the Portuguese Presidency to ensure that the needs and expectations of European consumers remain a central consideration when confirming the recovery package and the new long-term EU budget. We expect the Portuguese Presidency to help deliver a budget that allows the EU to demonstrate to its citizens the added value of belonging to a strong political and economic union; a union that delivers in times of a health crisis, economic recession and sustainable and digital transformation. Regaining people’s trust in EU politics and institutions should be an important objective for the next Multiannual Financial Framework (MFF), and a strengthened consumer policy envelope is an essential part of reaching this objective.
What we need to succeed

• EU-level funding must be guaranteed for consumer protection organisations in the EU’s consumer policies to ensure that EU and national decision making is informed by and focussed on public interest considerations.

• Initiatives to support the financial sustainability of national consumer organisations must be introduced, such as requiring their meaningful and remunerated participation in consumer-relevant research and innovation programmes.

• European capacity-building projects, which have enabled the training of consumer professionals in countries with less affluent consumer movements, must be continued.

• Public and private enforcement must be strengthened in order to ensure real impact for consumer rights. This could partly be financed by redirecting EU competition fines towards funding for consumer projects.

• Activities that ensure the strong protection of human health must be increased. We support the ambitious agenda for the funding of European health policy activities beyond 2020. There has never been a stronger case or a more vital moment for the EU to step up its work on health protection. The COVID-19 crisis has taught us about the vulnerabilities of European health systems, as well as about the potential to mitigate the consequences of such pandemics through strong and ambitious preventative public health policy (i.e. greater investment in research on infectious diseases).

• The funding allocated in the amended MFF should be used for different health initiatives or for a sustainable and digital transformation to support EU measures that meet public interest objectives.
Modernising the EU’s product safety framework

Why it matters to consumers

Consumers rightfully expect all of the products they buy to be safe and compliant with legislation and standards, regardless of whether they are clothes, home appliances, IT equipment, toys or childcare products and whether they are purchased online or in traditional shops. However, safety checks performed by consumer organisations and market surveillance authorities show that many dangerous goods are still available on the market. Furthermore, any problematic products that are discovered are likely only the tip of the iceberg, as many escape the safety net.

We are calling for urgent action to keep consumers safe and confident when shopping in the Single Market. The revision of the General Product Safety Directive is indispensable given today’s multiple and increasing challenges, such as the emergence of new market realities and sales channels (e.g. online marketplaces and increased international e-commerce) as well as new technologies (e.g. connected devices).

State of play in legislative procedure

Adopted in 2001, the General Product Safety Directive (GPSD) has proven to be a key piece of consumer protection policy as it creates a general obligation for producers to place only safe products on the market. It thus functions as the safety legislation for products that do not benefit from ‘sectoral’, or product-specific, legislation. In practice, this means that the GPSD is the main safety law for commodities as diverse as furniture, textiles and childcare products.

Today, however, the Directive is outdated. As previous attempts to reform the GPSD have failed, we welcome the European Commission’s decision to present a new proposal in the second quarter of 2021.

In November 2020, the European Parliament adopted an own-initiative report on product safety in the Single Market. MEPs are calling for more action to control online shopping and to make it safer, as well as better protection of consumers from the dangers related to new technologies.
Recommendations for the Presidency

As the GPSD reform is long overdue, it is urgent that the Portuguese Presidency ensures a swift start to deliberations on this file. As past attempts were stranded in stalemates around a mandatory ‘made in’ label, this issue should be left out at this time. Instead, the focus should be on topics that require specific attention such as the safety and security of connected products, as well as the safety of products shipped directly to consumers from outside the EU via online shopping.

It is of the utmost importance that the future GPSD continues to be based on its two original pillars: 1) a safety net function to cover lacunae in sector-specific legislation; and 2) the precautionary principle.

What we need to succeed

- The establishment of a uniform framework for the market surveillance of all consumer products, with flawless traceability along the supply chain and effective enforcement.
- A future-proof GPSD that can cope with new technologies.
- The ensuring of accountability in the supply chain and the closing of loopholes regarding international e-commerce.
- The reduction of consumer exposure to harmful chemicals in products.
- The setting of product-specific mandatory safety requirements to provide for legal certainty.
- The improvement of other shortcomings in the GPSD, such as allowing the legislator to choose more demanding conformity assessment methods; defining criteria for products that appeal to children; improving the effectiveness of product recalls; and collecting EU-wide accident and injury data.
- A successful and flawless operation, in combination with other policy reforms such as the Product Liability Directive, the Digital Services Act and the Sustainable Product Policy Framework initiative, so as to ensure a high level of safety in the EU internal market and higher standards at the global level.
EU Chemicals Strategy for Sustainability

Why it matters to consumers

Consumers worry about their own – and their children’s – exposure to harmful chemicals. Our Swedish member organisation Sveriges Konsumenter recently found that nine in ten surveyed consumers were concerned about chemicals harming current and future generations and the environment. Four in five Europeans likewise expressed concern about the chemicals in everyday products, according to a 2017 Eurobarometer survey. This figure is up from 43% in 2014.

Although the European Union boasts the world’s most advanced and ambitious chemicals management framework, most chemicals can still be used in consumer products with little actual control. Product tests by BEUC members thus frequently detect chemicals of concern in products that consumers come into close, regular and prolonged contact with: clothes, shoes, toys and childcare products, food packaging, and so forth. Frustratingly, much of this consumer exposure could be avoided as these chemicals are found in some but not all tested products, meaning that alternatives are available.

State of play in legislative procedure

On 14 October, the European Commission published its long-awaited Chemicals Strategy for Sustainability, a first step towards Europe’s ‘zero pollution’ ambition. BEUC welcomes the Strategy, which responds to consumers’ concerns about their everyday exposure to chemicals and commits the EU to addressing this issue through a range of welcome (if overdue) measures. This notably includes prohibiting by default the use of the most harmful chemicals – including endocrine disruptors – in toys, children’s products, cosmetics, detergents, food packaging, textiles and other consumer goods, unless their use is proven essential for society.

While much work lies ahead to ensure that the Strategy translates into real changes for consumers on the ground, it nonetheless reflects a welcome mindset change: protection of human and planetary health will now come first when it comes to chemicals. The COVID-19 crisis has also further highlighted the need for an ambitious strategy to reduce the impacts of future pandemics and to support socio-economic recovery by incentivising the production of safer, sustainable chemicals. As such, the Strategy is a crucial stepping stone for the necessary societal transformation as outlined in the European Green Deal. Swift implementation will be key to its success.
Recommendations for the Presidency

Building on the 2016 Council conclusions on the sound management of chemicals, we call on the Portuguese Presidency to facilitate agreement within the Council on how the objectives set out in the Chemicals Strategy should be further achieved without delay. The July 2020 European Parliament resolution on the Chemicals Strategy should also be taken into account. We would in particular welcome the development of Council conclusions as a sign of the political importance attached to this Strategy by the Council.

What we need to succeed

• To protect the health of current and future generations, the EU needs to radically scale up actions to minimise cumulative exposures to harmful chemicals. These actions include an integrated policy on chemicals in products; better protection of vulnerable groups; and a response to known policy gaps such as combination effects and endocrine disruptors.

• It is imperative that the EU acts swiftly and ambitiously to ensure that the Chemicals Strategy delivers the necessary changes for consumers on the ground. In particular, this will require the Commission’s implementing proposals to live up to the Strategy’s aims and intentions. When developing these proposals – which will be underpinned by the Better Regulation tools – the Commission must ensure that they reflect the green oath to ‘do no harm’, including the harm that results from failing to take action to protect people and the environment.
Strategy for Sustainable and Smart Mobility and Fit for 55 package

Why it matters to consumers

Consumers are locked into a mobility system centred around fossil-fuelled transport that is bad for the planet as well as people’s health, wallets and general quality of life. Many would be willing to change their habits: using public transport instead of driving to work or taking trains instead of planes to reach holiday destinations. Unfortunately, consumers are often not given these possibilities as alternatives are unavailable, unaffordable or unattractive. Sustainable and smart mobility therefore requires profound changes, from accelerating the shift to electric cars to making public transport, walking and cycling more attractive for people.

State of play in legislative procedure

In December 2020, the European Commission will publish its Sustainable and Smart Mobility Strategy, which will set out the key EU priorities for ensuring that our transport system becomes “more sustainable and competitive, more modern and resilient to crises”.

As part of its Fit for 55 package planned for June 2021, the Commission will also revise several key regulations such as the CO2 reduction targets for passenger cars and the Directive on Alternative Fuels Infrastructure.

Recommendations for the Presidency

BELUC urges the Portuguese Presidency to ensure that the Strategy for Sustainable and Smart Mobility and the initiatives in the Fit for 55 package lead to tangible changes for consumers.

Consumers must be able to choose among a wide range of clean vehicles that can be easily charged anywhere. EU regulation should accelerate the uptake of battery electric vehicles and the roll-out of recharging infrastructure so that these cars can become an attractive alternative to fossil-fuelled vehicles.

Consumers must also be provided with credible and affordable alternatives to car ownership and polluting transport modes. The digitalisation of the mobility system (for example with the emergence of Mobility-as-a-Service, or MaaS) must serve sustainable goals and be built around a strong network of public transport in order to promote multimodality. Cities must be encouraged to give more space to cyclists and pedestrians. Train travel must be made more appealing, be it via the introduction of a kerosene tax for jet fuel or by facilitating cross-border journeys through single ticketing.
What we need to succeed

- Ambitions for post-2020 CO2 targets for passenger cars should be increased, and the EU should set a phase-out date for internal combustion engines in order to accelerate the transition to zero-emission vehicles.

- The revision of the Alternative Fuels Infrastructure Directive should accelerate the roll-out of charging infrastructure for electric cars and make this infrastructure easy to use for consumers (e.g. transparency of tariffs, payment via debit cards and good maintenance of charging points).

- The revision of the 20-year-old Car Labelling Directive is crucial and should not be left aside. The introduction of a scheme for cars like the EU energy label would give consumers correct information about the best and cleanest cars on the market.

- The revision of the Intelligent Transport Systems (ITS) Directive should focus on a broad access to data scheme that would allow the emergence of multimodal ticketing and new services. However, consumers must be given control over the data they generate and should be able to choose whether and with whom it is shared.

- The launch of the European Year of Rail 2021 offers an occasion to reinforce the attractiveness of travel by rail. The European Union could boost cross-border train journeys via mandatory single ticketing and the introduction of a kerosene tax, the revenues of which should be allocated to cleaner transport modes.
Why it matters to consumers

Making energy usage more efficient for all must be at the heart of the energy transition. The quality of buildings significantly impacts our health and well-being since people spend an average of 80-90% of their time indoors. Concurrently, nearly 34 million Europeans are unable to afford to keep their homes sufficiently warm and many of them live in inefficient homes.

EU buildings are responsible for 40% of our energy consumption, and roughly 75% of existing building stock is energy inefficient. Worse still, approximately 80% of domestic energy demand comes from space and water heating and 75% of heating supply is based on fossil fuels. Yet despite the scale of the problem, less than 1% of national building stock is renovated each year.

BEUC members report that the top issues preventing consumer action are the following: (1) a lack of access to clear and detailed information on energy consumption and personal tips; (2) a lack of awareness about the costs and benefits of renovation; (3) a lack of available/suitable financing for renovations; (4) a lack of regulatory certainty; and (5) a shortage in the availability of trusted, impartial advice.

The costs for the heating and cooling of homes represent a major part of household energy bills. Investing in energy-efficient buildings is therefore a no-brainer. Consumers will benefit from easy access to affordable and trustworthy offers for energy efficient retrofits, as well as from lower energy bills and healthier and more comfortable homes in the long term.

State of play in legislative procedure

It is essential to accelerate building renovations in order for the EU to become climate neutral by 2050. On 14 October the European Commission published its Renovation Wave Strategy, which aims to at least double renovation rates over the next ten years. BEUC welcomes the Commission’s Renovation Wave, as we expect it will enable consumers to benefit from greener, healthier and more affordable housing and will bring us closer to tackling energy poverty.

In June 2021, the European Commission is expected to revise a number of legislative acts in order to reach its 2050 objective. These acts are related to renewables, energy efficiency, energy performance of buildings, energy taxation and emissions trading.
**Recommendations for the Presidency**

We encourage the Portuguese Presidency to develop Council conclusions on the Renovation Wave Strategy as a sign of its political importance. At the same time, we urge the Presidency to send clear demands to the Commission for upcoming legislative revisions.

**What we need to succeed**

- Consumers should be able to access tools and receive incentives for the renovation of their homes. They must be made aware of the energy performance and environmental impact of their homes and should be provided with key information about how much money they could potentially save following a renovation.

- Consumers should have easy access to one-stop shops where they can receive advice on energy and energy efficiency, and reliable information, advice and support throughout the entire process of improving their situation (including housing energy efficiency, adopting renewable energy technologies and self-consumption, management of bills and consumption). Consumers need independent, impartial, quality and ideally local energy efficiency advice that is free of charge and accessible to all consumers, particularly those in vulnerable circumstances.

- Heating and cooling must become greener, smarter and more protective of consumers. The EU has put a lot of effort into ensuring that electricity markets in particular are digitalised, decarbonised, competitive and consumer-centric. However, it is still necessary to improve competition and consumer rights and protections, as well as to increase efficiency and shift to renewable sources in the heating and cooling sector.

- Consumer choices should be steered by fiscal policies, as an effective carbon price can indeed encourage households to buy fewer emissions-intensive products. However, a carbon price must be accompanied by social measures that reduce energy costs for households, especially for consumers with low incomes and in vulnerable situations. Revenues should in turn be steered towards energy efficiency improvements in households. At the same time, the EU’s energy taxation rules should be revised so that they are in line with EU objectives.

- Consumers must be provided with investment incentives, as today’s investment decisions will determine whether or not Europe becomes carbon neutral. Housing renovations and clean technologies require significant initial investments, which may not be feasible for low-income households and tenants living in multi-storey buildings. Solutions such as support schemes, renovation programmes, leasing schemes and incentives for landlords will be key. The banking sector should adapt, so that for example green mortgages and green loans become the ‘by default’ option for consumers.

- Initiatives implementing the EU’s Renovation Wave Strategy, as well as EU funding, should pay particular attention to low-income households and those living in energy poverty and in vulnerable situations. This Strategy and related policies will only be successful if they are inclusive. Dedicated funding for building renovations, including for vulnerable consumers, should therefore be put in place.
The consumer checklist for fair and efficient carbon pricing
Factsheet
BEUC-X-2020-100

Europe’s Energy System needs household flexibility to go carbon neutral – Six things you need to know to get consumers onboard
Factsheet
BEUC-X-2020-073

CEER-BEUC 2030 Vision for Energy Consumers
BEUC-X-2020-094

CLEAR 2.0
Factsheet
BEUC-X-2020-008

What CLEAR 2.0 project taught us: Results and recommendations
Position paper
BEUC-X-2020-009

13 steps to combat energy poverty
Policy recommendations

The future of energy consumers: Bright or burdensome?
Position paper
BEUC-X-2019-055

For more information: energy@beuc.eu
EU trade policy review

Why it matters to consumers

Trade is part of consumers’ lives. Many of our clothes, TVs, smartphones, food and services – for instance holiday bookings – would be unthinkable without it. The COVID-19 crisis has also highlighted the importance of trade; people in many countries are experiencing shortages, for instance in the essential medical equipment produced in other parts of the world. Open trade between countries can be positive, as it enhances consumer choice and can lead to cheaper prices. But consumers are becoming more conscious of the impact of their shopping choices on the environment.

Furthermore, some trade rules set conditions for how countries can regulate. For instance, current rules mean that countries wanting to enable consumers to make healthy and sustainable choices have to make sure that this won’t negatively affect trade. The new EU trade strategy must find a way for trade to serve and protect consumers while at the same time becoming more sustainable.

State of play in legislative procedure

The European Commission announced in May 2020 that it plans to review EU trade policy, with the objective of adapting it to the developments of the past years and to the reality of the post COVID-19 situation. A public consultation was held during the summer of 2020, and the Commission plans to publish a communication in February 2021. In reaction, the Council is expected to adopt conclusions and the Parliament should adopt its own initiative report.

Recommendations for the Presidency

We call on the Portuguese Presidency to ensure that the consumer interest will be taken into account in the Council conclusions. It should also recommend a consistent approach between trade and other EU policy areas. For instance, trade policy should be fully aligned with the Green Deal and the Farm to Fork Strategy, and should also contribute to ensuring access to and affordability of medicines.
What we need to succeed

The EU trade policy review should aim at achieving the following objectives:

• To serve and protect consumers: Trade policy should deliver tangible benefits to consumers while preserving current and future levels of protection.

• To break the silos between EU policy areas: EU trade policy should be consistent with other EU policies, including those addressing sustainability, health, food safety and digital matters.

• To develop global synergies: The EU should promote more coordination between international organisations such as the WTO, the UN and the WHO.

• To prevent obstacles to healthy and sustainable consumer choice: Trade should be a tool to achieve the Sustainable Development Goals, not a barrier.

• To be transparent and involve consumer organisations: A new advisory group that includes consumer organisations should be set up as soon as possible to guide negotiators.
World Trade Organization

e-commerce negotiations

Why it matters to consumers

E-commerce would not be the success it is without consumers: its continued growth depends on their trust in the market. This is why consumers must be at the heart of the e-commerce initiative developed by the World Trade Organization (WTO). Any agreement, be it multilateral or plurilateral, must protect and deliver benefits to consumers.

State of play in legislative procedure

In January 2019, 76 countries – including the EU 28 – announced the launch of plurilateral negotiations on e-commerce. The Commission’s first engagement in the negotiations was in April 2019, with the submission of a proposal covering a large range of issues from online consumer trust to telecoms, net neutrality and cross-border data flows.

In May 2019, the Council adopted complementary negotiating guidelines for these e-commerce negotiations, supplementing the existing WTO Doha Round mandate. Since then, several rounds of negotiations have taken place in Geneva. A consolidated text could potentially be ready in December 2020, and negotiations will likely intensify in 2021.

Recommendations for the Presidency

We call on the Portuguese Presidency to ensure that the outcome of the WTO e-commerce negotiations will protect and benefit consumers. As the scope is likely to go beyond e-commerce, for example covering larger digital trade issues, we call on the Presidency to exercise caution so that the EU does not put citizens’ fundamental rights at risk. Sensitive issues for consumers – such as cybersecurity and artificial intelligence – must first be addressed in EU law. Otherwise there is a risk that weak levels of protection will be locked into the trade agreement. This would limit the ability of the EU to enhance consumer protection in the future.
What we need to succeed

- The negotiations should bring tangible benefits to consumers. Such benefits could notably come from voluntary provisions on online consumer trust, mirroring what the EU proposed to Australia and New Zealand. The agreement could go even further by calling for transparent and affordable telecoms prices for consumers. There should also be political will for stronger co-operation between regulators dealing with consumer protection, from enforcement to product safety authorities.

- The EU must fully preserve its ability to protect citizens’ personal data and privacy. It must not compromise on its horizontal position on cross-border data flows, data protection and privacy in trade agreements.

- On net neutrality, we call on the Portuguese Presidency to prevent any flexibility that would result in limiting access to the internet for EU citizens.

- The EU should prevent the inclusion of rules related to cybersecurity in this plurilateral context. It should not limit its ability to regulate on cybersecurity nor promote self-regulation as an alternative. This is key to ensuring that connected products can become safer for people.

- The EU should ensure that WTO e-commerce does not prevent authorities from auditing automated decision-making processes by banning their access to the algorithms expressed in the source code of self-learning algorithms (i.e. artificial intelligence). This is key to preventing bias and discrimination, as well as to protecting people’s fundamental rights.

- Negotiations about e-commerce must be transparent and should meaningfully engage civil society. Negotiating proposals and consolidated texts should be made public so that consumers know what is being negotiated on their behalf. The EU should encourage the co-conveners of the initiative to organise public briefings in Geneva.
Trade agreements with Australia and New Zealand

Why it matters to consumers

The goal of the EU’s ongoing trade negotiations with Australia and New Zealand is to “help to deliver jobs, growth and investment, benefitting EU businesses and citizens alike”. The agreement could benefit consumers if it is well designed, consumer oriented, and adapted to today’s public interest needs.

However, current trade agreements fail to fully achieve these objectives. Specific consumer issues often play only a minor role during the negotiation phase. Tariff reductions are often the only actual outcomes that could benefit consumers, but these reductions are usually not automatically passed on to them. Furthermore, tangible benefits – such as reduced telecoms prices, geo-blocking practices and easy access to redress – are absent from current trade agreements. Consumer protection is not always guaranteed, and it can be undermined by tools like regulatory co-operation and investment protection if the agreement is not carefully designed.

State of play in legislative procedure

In 2017, the Commission recommended that the Council approve the launch of the negotiations with both Australia and New Zealand. The European Parliament adopted resolutions in 2017 that supported the opening of trade negotiations with both countries under the condition that the highest level of consumer protection would be guaranteed. The Council authorised the Commission to open formal negotiations with both countries in May 2018, and the negotiations were officially launched in July 2018. Eight rounds of negotiations with both countries have taken place so far. The EU has proposed ambitious rules for consumers, notably to enhance their online trust. Some proposals have already been merged into consolidated texts.

Recommendations for the Presidency

We call on the Portuguese Presidency to ensure that the talks with Australia and New Zealand contain safeguards to protect consumers, and tools to bring them tangible benefits.
What we need to succeed

- The EU needs to convince its Pacific partners of the value of its positive proposals for consumers. For instance, the EU needs to remain firm on its willingness to enhance online consumer trust in the chapter on digital trade. It should also insist on its approach to protect human health as a first priority and to cooperate on antimicrobial resistance in the sanitary and phytosanitary chapter.

- The EU should ensure that its horizontal position on cross-border data flows, data protection and privacy in trade agreements remains non-negotiable. This is key to ensuring consumer trust in trade and preserving fundamental rights.
Farm to fork: A fair, healthy and environmentally-friendly food system

Why it matters to consumers

Food production and consumption in the EU is currently not sustainable from the environmental, economic or social points of view. Of all of the activities linked to household consumption, food has the greatest environmental impact. Furthermore, what consumers put on their plates is not in line with healthy eating guidelines; on average, Europeans eat too much energy-dense food (high in fat, sugars and salt). The consumption of red and processed meat is also too high, while that of fruit, vegetables, pulses, nuts and wholegrains is insufficient. COVID-19 has brought a stark reminder of the importance of good health, which is generally defined by what and how much we eat.

A survey recently published by BEUC shows some encouraging trends regarding consumer willingness to adopt more sustainable food habits. But these trends are not commensurate with the shift that experts say is needed. Price, lack of information, and the challenge of identifying sustainable food options as well as their limited availability are the main perceived barriers to sustainable eating for consumers.

State of play in legislative procedure

On 20 May the European Commission published the Farm to Fork Strategy, which should shift EU food production and consumption onto a more sustainable path. A major component of the overarching EU Green Deal, the strategy comes together with an action plan listing 27 measures (many still subject to consultations and impact assessments) that pave the way for greener food production, healthier and more sustainable diets, and less food waste.

The Farm to Fork Strategy has been communicated to the Council and the European Parliament. The Council adopted conclusions on the Strategy in October 2020, while the European Parliament is yet to react to the Commission’s proposals.
Recommendations for the Presidency

Given the significance and relevance of the Farm to Fork Strategy to European consumers, we urge the Portuguese Presidency to continue fostering discussion on its contents among the Member States.

What we need to succeed

- Food production must become more sustainable all along the supply chain. BEUC welcomes the ambitious targets set by the Farm to Fork Strategy, e.g. for reducing the use of pesticides and antimicrobials in farming.
- In order for consumers to make better informed choices, food labelling must be improved. This must include:
  - A mandatory EU-wide front-of-pack nutritional label to make the healthy choice easier for consumers. Evidence to date shows that Nutri-Score is the best-performing labelling scheme in aiding consumers to compare the nutritional value of foodstufts.
  - Mandatory country-of-origin labelling for milk, as well as for meat and milk used as ingredients in processed foods. Indication of the origin of fresh meat should also become compulsory in restaurants and in the food service sector.
  - Nutrient profiles to prevent food that is high in fat, sugars and/or salt from claiming nutritional or health benefits.
- However, a focus on consumer choice and individual responsibility alone will not be enough to bring about the significant changes in food habits that are required. The food environment (i.e. all factors that shape consumer choices, such as pricing, availability and marketing) must change in a way that makes it easy for consumers to adopt healthy and sustainable diets. Specifically:
  - More than a ‘code of conduct’, we need binding restrictions on the marketing of food that is high in fat, sugars and/or salt to children.
  - BEUC welcomes the Farm to Fork Strategy ambition to ensure that the most sustainable food also becomes the most affordable.
  - There must be greater coherence between the various EU policies (agriculture, health, environment, trade, etc.) that affect food. All forms of agricultural subsidies and promotion policies should be better aligned with recommendations for healthy and sustainable diets. Likewise, the EU’s trade policy needs to be an enabler rather than a creator of obstacles on the journey towards food sustainability.

ADDITIONAL SOURCES

- One bite at a time: consumers and the transition to sustainable food
  BEUC survey
  BEUC-X-2020-042

- Joint letter to the European Commission regarding mandatory Nutri-Score
  BEUC-X-2020-029

- Front-of-pack nutrition labelling
  Position Paper
  BEUC-X-2019-033

- Towards greener and healthier food for European consumers
  BEUC’s take on the Farm to Fork strategy
  BEUC-X-2020-057

For more information: food@beuc.eu
HEALTH

EU Health Programme and lessons learned from COVID-19

Why it matters to consumers

The COVID-19 crisis represents an unprecedented challenge for our healthcare systems. It has brought to light significant shortcomings in EU and national public health policies. For example, the pandemic and the ensuing response have disrupted the supply of medicines in the European Union, especially those used in intensive care units. And in the first months of the spread of the pandemic, the cost of basic drugs jumped – by as much as 30% for some painkillers – due to raw material shortages.

The crisis has also provided new momentum to the digitalisation of health and care, for example through the deployment of COVID-19 tracing apps. Although digitalisation holds the potential to significantly advance our knowledge about disease prevention and treatment, health data also contains the most sensitive details about individuals’ medical histories and well-being. As such, guaranteeing data privacy, security, accuracy and the inclusion of consumer needs is imperative in order for consumers to benefit from the advantages offered by digital health.

State of play in legislative procedure

On 11 November, the Commission put forward several legislative proposals to strengthen the EU’s capacity for health crisis preparedness and management. This includes a proposal to extend the mandate of the European Medicines Agency so it can help to mitigate the shortage of medicines and medical devices. In parallel, the Commission proposed to strengthen the EU’s health regulatory framework and to increase the use of joint procurements for health supplies, starting with vaccines in the immediate term. Finally, the Commission intends to create a European Health Data Space to promote the exchange of health data and to support research.
Recommendations for the Presidency

BEUC urges the Portuguese Presidency to continue fostering discussion on the learnings from the COVID-19 crisis and to focus on building stronger EU coordination around public health and enhanced crisis management. Member States face significant common challenges that undermine efforts to improve the health of European citizens. The COVID-19 crisis highlights the fact that it is high time for a stronger EU health policy. We therefore call on the Portuguese Presidency to lead the Council in equipping the Union with the right tools to prepare for and respond to future crises.

What we need to succeed

- The future EU Health Programme should support actions that promote consumers’ access to medicines and healthcare, for example through joint procurement and information sharing on the (net) prices of medicines. It should also invest in improving health and quality of life, and strengthen the resilience of public health systems, for example by funding a permanent framework of co-operation on health technology assessment (see the following section).

- EU action is needed to ensure that unmet medical needs are covered, and that consumers have access to affordable medicines and medical supplies when they need them. Implementation of the new EU Pharmaceutical Strategy must in particular build on lessons learned from the response to the pandemic and take forward those initiatives that can help improve access to medicines.

- The EU must step up action to address drug shortages, building on the initiatives put in place during the COVID-19 pandemic. This requires strengthening the European Medicine Agency’s role and adopting a comprehensive, proactive policy approach.

- Effective treatments, vaccines and diagnostic tools are urgently needed in order to tackle the coronavirus outbreak. The EU should promote R&D models that contribute not only to the identification of pharmaceutical responses to COVID-19, but also to their affordability for the European population and its healthcare systems. This can be done by attaching affordability-related conditions to research grants. This should be a key point of action under the ERAvsCorona Action Plan adopted by Member States and the European Commission.

- The much-welcomed EU Strategy for COVID-19 vaccines should be fully aligned with people’s needs and expectations. This will require shedding light on the terms and conditions negotiated under advance purchase agreements, for example. Likewise, it is important that the Commission and Member States provide consumer groups the opportunity to advise on and engage with the Strategy’s implementation.

- The implementation of the new EU Pharmaceutical Strategy must build on lessons learned from the response to the pandemic and should address longstanding gaps across the pharmaceutical lifecycle. The Strategy’s implementation must be supported by a strong EU Health Programme.

- When deploying digital technologies to mitigate the spread of COVID-19, the EU must promote the right balance between public health and fundamental human rights. Measures affecting the confidentiality of communications or involving personal data processing must be necessary, proportionate, limited for the duration of the crisis, voluntary, non-discriminatory, supervised and aim at being effective in COVID-19 mitigation. The future European Health Data Space must be developed and operated with full respect to data protection rules, while guaranteeing security, accuracy and the inclusion of consumer needs.
Due to the crisis, the EU decided to delay the implementation of the new Medical Devices Regulation (MDR) until May 2021. The EU must ensure that this delay does not compromise the safety and well-being of patients and consumers. At the same time, the Commission in co-operation with governments must ensure that the MDR can be diligently implemented and enforced by the new deadline and that further delay is avoided. The new In-Vitro Diagnostics Regulation (IVDR) must likewise be implemented by its deadline of May 2022.
Access to medicines and health technology assessment

Why it matters to consumers

Confronted with skyrocketing prices for medicines and limited public budgets, governments are forced to make very hard choices about which treatments to reimburse. Consumers must increasingly make ‘out-of-pocket’ payments in order to receive timely treatment, and they run the risk of not being reimbursed. This deepens existing health inequalities in the EU.

While some new medicines offer consumers additional value in comparison with existing treatments, others don’t. Superfluous drugs waste taxpayers’ money and, when reimbursed by healthcare systems, eat up budgets that could otherwise be spent on innovative treatments for consumers. Better management of public healthcare budgets can lead to better access to needed medicines.

State of play in legislative procedure

In January 2018, the Commission presented a legislative proposal on Health Technology Assessment (HTA). This proposal aims to foster collaboration between national HTA bodies at EU level in order to avoid duplication in the current assessments. The added value will be efficiency gains in the assessment of new drugs and medical devices, and the facilitation of decisions by national authorities on which treatments to reimburse.

The European Parliament adopted its position at first reading in February 2019, and agreed on a text that would significantly improve the Commission’s proposal. Progress in Council has been much slower, with efforts to find common ground ongoing through successive Council Presidencies. COVID-19 and the urgent response to the pandemic have shifted the agenda at Council, slowing down the discussions on the HTA Regulation.

Recommendations for the Presidency

Whilst acknowledging the need for urgent action to address the COVID-19 pandemic, we urge the Council to reach a position on the HTA Regulation in the first half of 2021. The Portuguese Presidency should take stock of the progress that has been made over the past couple of years and seal a deal among Member States. Trilogue negotiations should start as soon as possible.
What we need to succeed

- Pricing and reimbursement decisions should reward truly innovative products that offer added therapeutic value in comparison with existing alternatives. The proposal for a Regulation on HTA can make this happen and will ensure that consumers get value for their money.

- To this end, the new Regulation must result in high-quality assessments for all evaluated medicines and medical devices. It is important to ensure good governance in the new HTA system, with transparent decision making and strict rules on conflicts of interest. Consumers must be given a voice and provided opportunities to contribute to the EU’s pandemic HTA, for example during the drafting of the work programme and during joint clinical assessments.

- To ensure impact, the Regulation must include guarantees that the joint reports will be used at the national level. At the same time, the system should ensure that countries have enough flexibility to adapt the HTA reports to the needs of their national healthcare systems.
FINANCIAL SERVICES

EU secondary market for non-performing loans

Why it matters to consumers

The European Commission has proposed the creation of a single – secondary – market for non-performing loans (NPL). This would enable banks to easily sell soured loans to third party investors, including so-called ‘vulture funds’, established in any EU country or outside the EU.

This initiative is against the interests of borrowers who are in financial difficulty, as they would be exposed to credit purchasers and credit servicers (debt collectors) located in other countries. And as consumer over-indebtedness is expected to rise as a result of COVID-19, the risks could become even more substantial. Furthermore, it is unlikely that a supervisory authority would monitor the overseas practices of a passported debt collector registered in their country but operating in another one.

State of play in legislative procedure

The Commission’s proposals for an NPL Directive were published in March 2018. The Council’s general approach was adopted in March 2019, while the European Parliament’s Committee on Economic and Monetary Affairs is still to adopt its position.

The European Commission is expected to publish an NPL Action Plan at the end of 2020. This will likely include an update and state of play regarding the European Commission’s proposal to create a secondary market for non-performing loans.

Recommendations for the Presidency

We urge the Portuguese Presidency to ensure that the interests of individual borrowers are protected under the NPL Directive. In Europe, NPLs are a legacy of the recent financial crisis and irresponsible lending practices by certain financial institutions. As higher NPL volumes are expected in the light of the COVID-19 pandemic, the problem must not be borne by distressed borrowers alone. Exposing borrowers to debt investors and collectors is not an adequate or sustainable way to tackle NPLs.
What we need to succeed

• We welcome the Council’s position that limits the scope of the instrument to NPLs alone. The Directive should forbid credit institutions from selling performing credit agreements to third parties.

• Whenever the borrower is in financial difficulty, the lender should exercise forbearance measures in line with Article 28 of the Mortgage Credit Directive and the European Banking Authority Guidelines on arrears and foreclosure.

• Credit servicers dealing with distressed borrowers should be required to obtain an authorisation from and to establish a branch or a subsidiary in the Member State where they intend to operate. Furthermore, they should be supervised by that same country’s authority. The Council’s position improves the Directive by granting stronger supervisory powers to host state authorities.

• When a credit institution intends to transfer a credit agreement to a credit purchaser at a specified price, the credit institution should allow the debtors (individual households) to buy back their debt at the same discounted price or with a small mark-up.

• Distressed borrowers should have strong protection from unfair behaviour by credit servicers and credit purchasers. This requires subjecting credit servicers and credit purchasers to strict conduct rules.

• Distressed borrowers should have the right to receive free or affordable legal support when in court. This ensures equal representation of the borrower and the lender or a third party.

• Member States should be able to maintain existing national measures aimed at protecting distressed borrowers, as well to adopt stricter measures.
2

Revision of the Consumer Credit Directive

Why it matters to consumers

Credit helps consumers to finance the buying of a home and their children’s education, as well as to purchase goods. But the consequences for borrowers, lenders and the economy’s stability can be immense when credit is misused, becomes unsustainable and causes over-indebtedness. Borrowers need to be protected from irresponsible lending practices, which are an important cause of over-indebtedness. The importance of measures to prevent over-indebtedness has considerably increased in the light of the COVID-19 pandemic, as many consumers are being hit by unemployment and income loss.

Since the adoption of the Consumer Credit Directive (CCD) in 2008, important developments have taken place in Europe including a major financial and economic crisis and the COVID-19 pandemic. In addition, digitalisation has led to the widespread online distribution of credit as well as the emergence of new business models such as peer-to-peer lending. These models create additional risks for consumer borrowers. BEUC therefore believes that the revision of the 2008 CCD, which is due to be initiated during the Portuguese Presidency, should foresee strict and consumer-centric lending obligations for all consumer credit providers and intermediaries in Europe.

State of play in legislative procedure

The European Commission recently published its Report and Evaluation of the CCD. It found that the objectives of the Directive, in particular the ensuring of high standards of consumer protection, have only been partially achieved. The Commission stressed that the Directive does not offer protection for the rapid digitalisation of the sector and the development of new products. It also highlighted the need to review certain provisions in the Directive regarding its scope, the credit-granting process and definitions. The European Commission announced a revision of the CCD for the second quarter of 2021 in both its revised 2020 Work Programme and in the New Consumer Agenda.

Recommendations for the Presidency

We call on the Portuguese Presidency to fully support the inclusion of responsible lending principles in the revised CCD, encompassing the entire life cycle of credit products. The revised CCD should include appropriate safeguards to prevent situations of over-indebtedness, for the benefit of consumers and the economy as a whole.
What we need to succeed

- **Scope**: The scope of the CCD should be extended to loans below €200 in order to ensure that loan providers extending small loans act responsibly. The list of credit products currently exempted from the CCD should be reviewed, and peer-to-peer lending should be included in its scope.

- **Creditworthiness assessment**: The CCD obliges lenders to assess the ability of consumers to repay their credit through a creditworthiness assessment. Clear rules should be set in the EU Directive to guarantee a high and even level of consumer protection. For instance, the CCD should prohibit the provision of credit in case of a negative creditworthiness assessment.

- **Alternative data**: Credit intermediaries increasingly rely on alternative consumer data from non-traditional sources to build consumer credit scores. This creates the risk of discrimination for consumers and raises concerns about data protection and privacy. Rules should be adopted in the CCD to ensure that only well-founded and pertinent data about consumers is used by creditors when assessing the suitability of a credit offer. It should also be fully transparent to consumers which of their data is considered during the assessment, and they should have the right to object in case they disagree with any automated decision reached about their creditworthiness.

- **High-cost credit**: High-cost credit often leads to issues of affordability and spiralling debt for consumers. The EU should introduce measures to prevent excessive costs associated with credit by establishing an EU-wide interest rate ceiling based on existing good practices at the national level.

- **Unsolicited credit**: The EU should introduce a ban on unsolicited credit sales, based on good national practices in EU Member States. Unsolicited credit pushes consumers to borrow and spend beyond their means and harms consumers’ ability to save and better manage their personal finances.

- **Economic and social disruptions**: The COVID-19 pandemic has shown that measures are needed to safeguard the interest of borrowers in situations of exceptional and systemic economic disruption. In case of systemic disruptions, clear rules are needed under the CCD to give consumers the possibility to suspend repayments for a minimum period.

- **Fair treatment of borrowers in payment difficulty**: Finally, the CCD should include an obligation for creditors to treat borrowers who are having difficulties with repayment fairly, encouraging the exercise of reasonable forbearance.

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**ADDITINAL SOURCES**

Review of the Consumer Credit Directive
Position paper
BEUC-X-2019-019

For more information: financialservices@beuc.eu
Empowering consumers in the green transition

Why it matters to consumers

There is growing interest amongst consumers to choose more sustainable products, and in this way to reduce the negative impact their consumption has on the climate and the environment. However, in order to make sustainable choices, consumers need reliable information that will help them to identify the best products on the market. They also need to be equipped with stronger rights that allow them to play a more active role in the transition to a circular consumption model.

State of play in legislative procedure

In March 2020, the Commission announced its second Circular Economy Action Plan. This plan includes initiatives for empowering consumers in the green transition and for substantiating green claims. These legislative proposals are scheduled to be adopted in the spring of 2021.

Recommendations for the Presidency

BEUC urges the Portuguese Presidency to support an ambitious set of measures that will allow consumers to participate actively in the green transition. We encourage the Presidency to promptly kick off the negotiations following the publication of these proposals and to give them the high priority they deserve.
What we need to succeed

• Consumers need clear, comparable and credible information about the environmental characteristics of products, such as their lifetimes and repairability.

• The premature obsolescence of consumer goods should be tackled by:
  - expanding legal guarantees for longer lasting products, which would raise consumers’ confidence in the market and their willingness to pay more for better quality products;
  - further expanding the reversal of the burden of proof to allow consumers to make an effective use of their legal guarantee rights;
  - introducing a direct producer liability that imposes the liability on the party that is in most cases responsible for the product defect, and to thereby create an incentive to produce better quality products.

• The planned obsolescence of consumer goods should be tackled by a targeted amendment to the annex of the Unfair Commercial Practices Directive. This amendment would explicitly ban practices that deliberately cause products to fail too early.

• The proliferation of misleading green claims on the market can be tackled by introducing a pre-approval scheme for all green claims and labels, inspired by the one already in place for the health and nutritional claims of food (Regulation 1924/2006).

• Consumers need a ‘right to repair’, which would make repairs more available, cheaper and more attractive for them. Consumers should be also informed about the repairability of particular products before they make a purchase.
Revision of the Air Passenger Rights Regulation

Why it matters to consumers

The existing Air Passenger Rights Regulation (261/2004) has significantly improved the situation of passengers through the granting of basic rights. However, enforcement of these rights has been defective and inconsistent. Even well before the COVID-19 pandemic, problems were widespread and consumer complaints of poor compliance were rising steadily. Unclear and incomplete information from airlines – including information on the right to a monetary reimbursement or compensation – has caused a great deal of consumer frustration and chaos. Over the past years, this was demonstrated by Ryanair’s mass cancellation practices that often left passengers in the dark, not knowing whether their flights would be cancelled and whether they would reach their planned destinations on time.

These and other examples are evidence that passengers are often left with the sole alternative of taking legal action against non-compliant airlines, although few are in the position to actually do so. The volume of cases before the Court of Justice of the European Union (CJEU) in recent years clearly shows the need to clarify fundamental aspects of the Regulation in order to ensure that passengers can more easily enforce their rights. However, existing rights should not be weakened in the process and the CJEU rulings should be codified in EU law.

The COVID-19 crisis has further demonstrated how important it is for European consumers to be able to rely on strong, clear and enforceable passenger rights, and how enforcement addressing the widespread unfair practices in the sector needs to be strengthened.

State of play in legislative procedure

BEUC gave a lukewarm welcome to the European Commission’s spring 2013 proposal to update the Air Passenger Rights Regulation. Our reservations focused mainly on the weakening of some of the existing rights (notably with regard to how to establish the delay that triggers compensation, and requests for assistance and compensation in ‘extraordinary circumstances’).

The European Parliament’s position adopted in February 2014 considerably improved the Commission’s proposal on many issues, but negotiations in the Council of Ministers soon became deadlocked. Only during the Croatian Presidency in 2020 did the Council resume the negotiations on the key elements of the proposal and chart the way forward.

In January 2020, the Commission published a study on the protection of EU passenger rights that highlights the great number of issues encountered by European passengers in enforcing their rights.

The recent COVID-19 crisis has further underlined these shortcomings, with many airlines refusing to respect consumer rights.
Recommendations for the Presidency

In the case that the Portuguese Presidency resumes discussions on EU passenger rights, we call for the focus to be on improving the protection and the enforcement of air passenger rights. We also call on the Presidency to reject any attempt to introduce derogatory measures to the Air Passenger Rights Regulation during this crisis period.

What we need to succeed

- The rules relating to compensation in the event of cancellation must be maintained, and airlines should compensate passengers when delayed arrivals exceed three hours, as per the CJEU Sturgeon ruling.
- The right to compensation should not depend upon a proactive request by the passenger. To the contrary, innovative schemes should be considered to strengthen the enforcement of the Regulation. These could include automatic compensation schemes; mandatory participation in Alternative Dispute Resolution (ADR) bodies with binding decisions; or an expansion of the applicability of individual enforcement decisions to all passengers travelling on the same flight and thus having the same cause for compensation.
- The new Regulation should include an outright ban on the denied boarding of a connecting or return flight when a passenger has not taken or has missed the outbound leg (so-called ‘no-show clauses’).
- The majority of ‘technical problems’ should not qualify as ‘extraordinary circumstances’; staff strikes should never be considered as ‘extraordinary circumstances’.
- Information on the reasons for travel disruptions and the associated passenger rights must be proactively communicated by airlines to consumers within 30 minutes of the occurrence of the disruption.
- The right of passengers to file complaints with airlines should not be time limited.
- Re-routing should be granted as soon as possible, and must involve alternative means of transport. The right to re-route should also be granted to passengers subjected to long delays. A mandatory insolvency protection scheme should be introduced in the reviewed Regulation 261/2004, as was demanded by the European Parliament position in 2014 and confirmed by its resolution following the bankruptcy of Thomas Cook in 2019. This need was further highlighted during the COVID-19 crisis. Such an insolvency protection scheme should cover at the very least reimbursement, repatriation of passengers, and any voluntary vouchers proposed to consumers as an alternative to monetary reimbursements.
- Air passenger rights must be maintained in times of crisis. The reform should not be a pretext to introduce any derogatory measures to Regulation 261/2004 (e.g. suspension of the right to monetary reimbursement, imposition of vouchers, or a longer time frame before proceeding to cash reimbursement).
- The full pre-payment business model of airlines should be reviewed. An alignment of the provisions of the Air Passenger Rights Regulation 261/2004 and the EU Package Travel Directive on this specific point should be envisaged.
- Passengers should have the right to transfer their tickets to another person should they not travel (e.g. for package travellers) and should be able to correct spelling mistakes in their names at no additional cost.
- Advertised air ticket prices should include the following minimum services: check-in, provision of a boarding pass, and one item of checked luggage. In addition to one item of hand luggage, passengers should have the right to carry other essential items and any airport retail purchases.
- The general right to accommodation in extraordinary circumstances must be maintained.
EU Air Passenger Rights and Enforcement: Real improvements are needed
BEUC updated position paper
BEUC-X-2019-083

Protection of passengers in case of insolvency of airlines
Position paper
BEUC X-2011-105

Enforcement of air passenger rights in the COVID-19 context
Letter
BEUC X-2020-015

Air Passenger Rights: BEUC comments on Commission draft interpretative guidelines on Regulation 261/2004 on air passengers’ rights
BEUC-X-2016-034

Enforcement of air passenger rights in the COVID-19 context: BEUC comments, concerns and recommendations
Letter to Commissioner Vălean
BEUC X-2020-015

BEL’s position on travellers’ rights during the COVID-19 crisis
BEUC-X-2020-030

A Coordinated Strategy for the Exit and Recovery of the Aviation Industry From the COVID-19 Crisis
BEUC’s contribution to the roundtable
BEUC-X-2020-076

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Digital Services Act and Digital Markets Act

Why it matters to consumers

Shopping, connecting with friends and family, sharing experiences, watching a movie, planning a night out, moving around a city and searching for information on the web: these are just some of the activities that millions of consumers carry out every day. And for each of these activities there exist multiple online platforms to facilitate and deliver these services.

Consumers have embraced the surge of the platform economy, which presents numerous benefits but also brings major challenges in the areas of competition, consumer protection and safety. Over the years, BEUC member organisations have conducted extensive research and testing on unsafe and illegal products sold online. These products range from dangerous chargers to dysfunctional children’s car seats, illegal cosmetics, unsafe toys and more. Although the Digital Services Act offers an opportunity to maximise the benefits of the online economy, it must address some of the increasingly serious problems that accompany these platforms.

In addition, whilst the increasing sophistication of services offered by big tech companies has brought many benefits for consumers, it is also clear that digital markets are not working as they should. When markets are not healthy and competitive, consumers are not offered the best choices, the lowest prices or the most innovative products and services. Competition law enforcement, though important, has not been sufficiently effective in dealing with all of the problems in digital markets. Consequently, it has not been able to remedy – let alone prevent – harm to consumers in a timely manner. The Digital Markets Act must put in place additional tools and rules to deal with these weaknesses, to protect consumers and to address the issues created by gatekeeping platforms.

State of play in legislative procedure

In December 2020, the European Commission proposed a Digital Services Act (DSA) to upgrade the EU’s legal framework that regulates digital services, as well as a Digital Markets Act (DMA) to specifically address problems created by gatekeeping platforms.

In its resolution adopted in October 2020, the European Parliament recommended – among other things – that the liability of online marketplaces be addressed and reinforced, and that stricter rules be imposed on behavioural advertising and content optimisation.
Recommendations for the Presidency

BEUC urges the Portuguese Presidency to support an ambitious approach to both the Digital Services Act and the Digital Markets Act in order to bring a change in the status quo by improving safety and consumer protection and by strengthening the Single Market. We encourage the Presidency to find consensus in Council, taking into account the calls of consumer organisations to enhance the liability and obligations of platforms, and particularly online marketplaces.

What we need to succeed

The EU needs a positive liability framework, complemented by an obligation toolbox and strong and coordinated enforcement. It also needs to establish a clear and self-executing list of ‘do’s and don’ts’ for gatekeeping platforms in order to contribute to a more competitive market that benefits and protects consumers.

When upgrading liability and safety rules for digital content, services and products

• Consumer protection and online safety must feature prominently as guiding objectives of the reform of the e-Commerce Directive. The Digital Services Act must complement and establish a consistent legal framework with other relevant legislation. And as self-regulation has proven to be ineffective and insufficient, additional regulatory obligations for platforms are needed.
• The rules of the DSA should apply to all service providers, irrespective of whether they are established in the EU or in a third country.
• The DSA should set up a toolbox of obligations for all platforms, as appropriate, comprising at least:
  • Clarifications about the liability regime in the e-Commerce Directive, particularly for online marketplaces.
  • A robust business user authentication and verification process for services and products offered or facilitated on platforms, which at the same time preserves consumer anonymity.
  • Principles for notice and action procedures.
  • Meaningful transparency and information requirements.
  • Stricter rules on digital advertising to complement existing legislation (e.g. on data protection and ePrivacy) and to address issues related to behaviourally-targeted advertising.
• The DSA should create a special liability regime for online marketplaces so that they:
  • are liable upon obtaining credible evidence of illegal activities, without incurring a general duty to monitor the activity of platform users.
  • are liable for damages, contract performance and guarantees. Consumers must be able to exercise the same rights and remedies against the supplier or producer:
    • for failure to inform about the supplier of the goods or services.
    • for providing misleading information, guarantees or statements.
    • in the case that the platform has a predominant influence over suppliers.
  • Consumers must also enjoy the right to redress towards the party at fault.
• The DSA must preserve the consumer contracts derogation to the country of origin principle.
• As digital markets evolve quickly and the relevant authorities do not seem to have the required expertise or resources to monitor and tackle the problems of the market, it is important that the DSA establishes a solid and effective oversight and enforcement mechanism.
When adopting rules for gatekeeping undertakings

- Ex-ante regulation aimed at promoting competition has the potential to open up markets to serve consumer choice and to drive innovation beyond what can be achieved by competition law enforcement alone. In this regard, special rules for gatekeepers are needed to guarantee a balanced and competitive digital ecosystem, to protect consumers and to ensure free choice.

- The DMA must include a self-executing list of ‘do’s and don’ts’. For example, targeted prohibitions on self-preferencing or other forms of discrimination by undertakings with significant market power and in strategic market positions are needed, as is the elimination of other anticompetitive barriers to entry.

- The DMA must also include a broad market investigation tool that provides all of the necessary investigative means and remedy options to ensure that it is effective and future proof. This tool should not be limited to a reduced number of areas.

- The new enforcement architecture should be built upon the existing enforcement infrastructure in order to avoid delays, as action to address the problems created by gatekeeping platforms is swiftly needed. The power to enforce the DMA should reside (primarily) at EU level, given the global nature of the digital economy and the power of the players (and the impact of their business models).
Artificial intelligence

Why it matters to consumers

Artificial intelligence (AI) and Algorithmic Decision Making (ADM) are changing the way in which consumer markets and our societies function. AI holds out big promises to make our lives easier and our societies better. It is powering a whole range of new products and services, from digital assistants to autonomous cars as well as all sorts of ‘smart’ devices. All of this can bring benefits for consumers, but the widespread use of AI also raises many concerns. Consumers are at risk of being manipulated and subjected to discriminatory treatment and arbitrary, non-transparent decisions. Consumers must have strong and tangible rights that allow them to defend themselves when necessary and that empower them to reap the benefits of the digital transformation of our societies.

State of play in legislative procedure

The President of the new European Commission, Ursula Von Der Leyen, announced in her political priorities that the Commission will prepare legislation for a coordinated European approach on the human and ethical implications of AI within the first 100 days of her mandate. In February 2020, the Commission presented a White Paper outlining the main elements of a possible new regulatory framework for AI. The Commission is expected to present its proposal for a new AI framework during the first quarter of 2021.

Recommendations for the Presidency

Artificial intelligence is set to change everything as we know it. In its policy discussions on new technologies and the Digital Single Market, we urge the Portuguese Presidency to support the creation of a solid legal framework in order to ensure that AI develops in a way that respects fundamental and consumer rights and values and makes our lives better. The EU can be a global standard setter in this area, much like it has been with the General Data Protection Regulation.
What we need to succeed

• Strong, enforceable rules to ensure the fair and safe use of AI technology: Europe needs a horizontal legal framework that sets out the main principles for the regulation of AI and algorithm-based decision making.

• The new framework should be built on the basis of a risk-based approach but should not be limited in its scope to those AI and ADM applications considered as high risk. Legal obligations should gradually increase in parallel to the identified level of risk, starting from the principle that some basic obligations (e.g. regarding transparency) should be applicable to all AI/ADM applications. Thereon, the greater the potential of algorithmic systems to have adverse impacts the more stringent the legal requirements should be.

• The new framework should also be built on the basis of an inclusive concept and definition of artificial intelligence. In order to avoid loopholes in the new framework, we recommend the use of terms such as algorithmic-based decision making (ADM), robotics and algorithmic systems, depending on the context and the technology.

• New rules should also encompass provisions on the admissibility and design of algorithmic systems and organisational and technical safeguards, and they should establish an effective supervision and enforcement system. A high level of consumer protection must be ensured via a combination of independent ex-ante verification mechanisms and continued ex-post compliance checks.

• Consumers must have a strong set of rights enshrined in law, including:
  • the right to transparency, explanation and objection
  • the right to accountability and control
  • the right to fairness
  • the right to non-discrimination
  • the right to safety and security
  • the right to access to justice
  • the right to reliability and robustness

• In addition to the new rules to regulate AI/ADM, relevant existing legislation such as the General Product Safety Directive and the Product Liability Directive should be reviewed and updated to ensure that consumers are adequately protected against the risks posed by AI/ADM in all areas. The consumer law acquis should be examined and adapted so that it is fit for meeting its objectives, also with regard to the use of AI technology.

ADDITIONAL SOURCES


Product liability 2.0 – How to make EU rules fit for consumers in the digital age Position paper BEUC-X-2020-024

AI rights for consumers Position paper BEUC-X-2019-063

BEUC’s response to the Commission’s White Paper on AI Position paper BEUC-X-2020-049

AI must be smart about our health Position paper BEUC-X-2019-078

Cybersecurity

Why it matters to consumers

The number of connected devices and digital services is skyrocketing, and interconnectivity between products and services is reaching all sectors of society including transport, health, banking and energy. While digitalisation provides many benefits for consumers and society, the risks and challenges it brings are equally if not more important. For example, there were several cybersecurity threats against critical infrastructure including hospitals during the peak of the COVID-19 pandemic. If they had materialised, hospitals would have become paralysed and the impact on society would have been devastating. Ensuring cybersecurity is one of the most fundamental challenges we face in the digital age.

State of play in legislative procedure

The European Commission is expected to present a new European Cybersecurity Strategy before the end of 2020, which should include a proposal to review the Network and Information Systems (NIS) Directive.

The European Commission is also planning to adopt a delegated act of the Radio Equipment Directive by March 2021. As a consequence, manufacturers of some connected devices would be obliged to ensure that their devices meet certain cybersecurity requirements.

Recommendations for the Presidency

We urge the Portuguese Presidency to support an ambitious Cybersecurity Strategy that ultimately takes full account of the needs of consumers and the importance of a secure Internet of Things (IoT) and its implementation. This should include political support for a new horizontal cybersecurity law that establishes mandatory minimum security requirements for all connected products. It should also include the adoption of the Radio Equipment Directive’s delegated act.

For the NIS review, we call on the Portuguese Presidency to focus on ensuring a consistent application of the Directive across the entire EU as well as on establishing a broader scope of application.
What we need to succeed

For a horizontal cybersecurity law

- The law should establish mandatory minimum security requirements that are horizontally applicable to all consumer products and their associated services, including inter alia:
  - Security by design and provision of security updates. When put on the market, IoT products should be protected against any known vulnerabilities. Security updates must be made available for the duration of the expected lifespan of the product and must be in line with consumers’ expectations.
  - Strong authentication requirements. Unique and complex passwords should be the default setting of connected products, and consumers should be required to choose strong passwords in case they want to change the default one.
  - Encryption requirements. Companies must encrypt the data that is transmitted and stored by their products and services.
- The law should also have strong enforcement provisions that enable national authorities to remove insecure products from the market and allow consumers to benefit from effective remedies if something goes wrong (e.g. compensation).

For the Radio Equipment Directive

- The delegated act of the Radio Equipment Directive must be applicable to a broad range of consumer connected devices.
- The starting date of applicability of the delegated act should be within six months of its adoption.

For the review of the NIS Directive

- The application of the Directive, in particular the selection of ‘operators of essential services’, must be consistent across all of the EU.
- The Directive should not enable Member States to exclude any key sectors of society – such as those mentioned in Annex II of the Directive – from its scope.
- The review must include social media platforms in the definition of ‘Digital Service Providers’.
- The provisions on incident reporting should be aligned with the rules established in other EU legislation such as the General Data Protection Regulation (GDPR) and the Payment Services Directive.

Additional Sources

Keeping Consumers Secure – How to tackle cybersecurity threats through EU Law
Position paper
BEUC-X-2019-066
Why it matters to consumers

Although beneficial to consumers, digital information technologies and the emergence of new services also represent a major challenge to the fundamental rights of privacy and personal data protection. It is important to ensure that consumers can benefit from innovative online services without having to give up their privacy rights.

State of play in legislative procedure

In January 2017 the European Commission put forward a proposal for a regulation on ePrivacy. In October 2017 the European Parliament adopted a very strong and consumer-friendly position as its mandate for trilogue negotiations.

The negotiations for a general approach are still ongoing in the Council. The German Presidency adopted a Progress Report in December 2020, after its compromise proposal was not positively received in the Council’s telecommunications working party.

Recommendations for the Presidency

We urge the Portuguese Presidency to swiftly reach a general approach in Council and to start trilogue negotiations on the proposal for the ePrivacy Regulation as soon as possible. The review must not lead to a lower level of protection when compared to the existing ePrivacy Directive. It must guarantee the protection of confidentiality in all electronic communications services, and must protect consumers against unwanted online tracking and unsolicited commercial communications. Hardware and software used by consumers must by default provide the highest level of privacy protection. The ePrivacy reform is essential for strengthening individuals’ right to privacy and the confidentiality of communications, as well as for rebuilding and reinforcing public trust and security in the digital economy.
What we need to succeed

- As a principle, electronic communications must be confidential. Over-the-top services (OTTs) must be duly covered by the Regulation. In line with the European Parliament’s position, it should not be possible to process electronic communications data under broad legal grounds such as for ‘legitimate interests’ or ‘compatible purposes’. Whereas the processing of metadata without prior user consent for statistical counting could be envisaged, this must be subject to strong safeguards and strictly limited to purposes of public interest.

- Default settings in devices and software should be configured to provide the highest level of privacy protection, in line with the European Parliament’s position. An obligation to simply provide information about the privacy settings would not be sufficient from a consumer privacy protection perspective, and would undermine the ‘data protection by design and by default’ principle enshrined in Article 25 of the General Data Protection Regulation (GDPR).

- The behaviour and activities of users should not be monitored without their consent, and they should have access to digital services without being forced to accept unnecessary invasions of their privacy, as stated in the Parliament’s position. In particular, making access to a service conditional on the acceptance of cookies that process personal data that are not necessary for the provision of that service should not be allowed. This would go against Article 7.4 of the GDPR.

- Users should be able to mandate NGOs to represent their interests, and NGOs must be able to take initiative whenever users’ rights have been breached, in line with the European Parliament’s position.

- Council must introduce specific provisions to protect the privacy of children, as Parliament ultimately neglected to do so.

ADDITIONAL SOURCES

- Summary of BEUC response to ePrivacy public consultation
  BEUC-X-2016-073

- Proposal for a regulation on privacy and electronic communications (ePrivacy)
  Position paper
  BEUC-X-2017-059

- Factsheet on ePrivacy
  BEUC-X-2017-090

- Infographic: Consumers caught in a tracking web
  BEUC-X-2017-102

- Open letter to EU member states from consumer groups, NGOs and industry representatives in support of the ePrivacy Regulation
  BEUC-X-2019-056

- ePrivacy
  Letter to Permanent Representations
  BEUC-X-2020-109
Review of Roaming Rules

Why it matters to consumers

Roaming fees are now history, thanks to EU rules, and the benefits for consumers are clear. When travelling across Europe, consumers need to use their mobile devices to work, to stay in touch and to access online content. It is essential that consumers are able to continue using their devices and services wherever they are in the EU/EEA as if they were at home, without having to worry about incurring disproportionate roaming costs when they cross borders. However this is only possible if the current rules are maintained and targeted amendments are made to solve the identified shortcomings.

State of play in legislative procedure

The European Commission’s public consultation on the review and prolongation of the Roaming Regulation closed in October 2020. It is expected to present its proposal for the revision and continuation of these rules in the first quarter of 2021.

Recommendations for the Presidency

Roaming rules are one of the EU’s most widely recognised successes, having benefited both consumers and telecoms operators alike. BEUC warns against any review of the roaming rules that would imply a step back from current achievements and protections for consumers, both at retail and wholesale level. We encourage the Portuguese Presidency to continue moving forward towards a real digital and telecoms single market. In this sense, we recommend improvements in terms of transparency, cut-off limits, quality of service and the functioning of the wholesale market, as well as the actual implementation of the Roam Like At Home rule.
What we need to succeed

The continuation of roaming rules and the introduction of targeted improvements are essential in moving forward. Specifically, this would include:

- Establishing a real Roam Like At Home (RLAH). Home operators must not alter the conditions of their services during roaming. The use of fair use policies to limit RLAH should only be a temporary measure to transition into a fully RLAH-based market.

- Strengthen transparency, including greater clarity regarding the prices that apply when roaming on planes and boats, the use of value-added services and the prevention of inadvertent roaming on non-EU/EEA networks.

- Introduce a clear obligation to ensure that the quality of service when roaming is equivalent to the quality of service at home.

- Decrease the price of wholesale caps and improve the functioning of the wholesale market.

ADDITIONAL SOURCES

The Review and Prolongation of the EU roaming regulation – BEUC response to the public consultation
Position paper
BEUC-X-2020-084

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