



# BEUC's 8 Priorities for the Czech Presidency



## BEUC calls on the Czech Presidency to restore consumer confidence in markets

The Czech Republic takes on the Presidency of the European Union at a crucial moment for consumers and citizens. World markets have been badly shaken during the last months. Consumer confidence is key to overcome this major crisis. While measures have been taken to save undertakings and jobs, consumers are still waiting for the proof that sufficient measures will be taken to restore their confidence in the functioning of markets, in particular in the area of financial services.

There are a number of other dossiers on the agenda of the Czech Presidency that will be key in ensuring that:

- consumers have sufficient information to follow a healthy diet;
- aggressive marketing of unhealthy food to children is addressed;
- more is done with regard to the safety of consumer products, especially with regard to dangerous chemicals or in respect to the unknown effects of nanotechnologies;
- disguised marketing of pharmaceuticals is tackled;
- affordability of energy, and enhanced sustainability of consumer goods and services at affordable prices is ensured;
- the current rules for consumer purchases are updated and strengthened in offline as well as online markets;
- more possibilities are available in redress in case things go wrong;
- and finally consumer confidence is restored in the safety of financial products.

With this in mind we have identified **eight main areas of concern** which we describe in this document, together with **numerous concrete proposals** for the Czech Presidency. For the coming six months, the Czech government will be responsible for conducting discussions and negotiations on these dossiers. BEUC<sup>1</sup> and its Czech member, Sdruzeni Obrany Spotřebitelu (SOS), call on the President of the Republic, the Prime Minister and on the members of his government to make these a matter of priority, and to concretely measure how its programme will benefit consumers.

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<sup>1</sup> BEUC, the European Consumers Organisation, is a federation representing forty-two independent national consumers' organisations in some 30 European countries, including most of the new Member States. Our Czech member is SOS Sdruzeni Obrany Spotřebitelu.

## Objective consumer contracts

**Strengthened rules to properly protect consumers online and offline**

October 2008 the European Commission adopted a proposal for a Directive on consumer contractual rights, which revises four consumer directives<sup>2</sup>, merging them into one single horizontal instrument. The aim is to simplify and complete the existing rules on contracts between businesses and consumers buying products or services, and to achieve the full benefits of the Internal Market.

The minimum harmonisation approach (according to which Member States are able to maintain or adopt stricter consumer protection rules) is currently being blamed for having brought about different rules in different countries, and discouraging cross-border trade: it would be too complicated for traders to adapt themselves to different national consumer rules. The Commission therefore proposes to abandon the minimum harmonisation approach and replace it by full harmonisation (where Member States would lose the possibility to adopt or maintain rules going beyond the protection provided by the EU instrument). According to the proposal, the introduction of full harmonisation in the field of consumer law is necessary to increase the still limited cross-border trade and promote consumer confidence.

In reality, not only legal barriers prevent consumers from shopping outside their countries: there are also difficulties with language, hesitations due to the fact that in case of defective products, consumers have to complain to a foreign – and distant – supplier, lack of cross-border redress facilities or fears regarding security and data protection on the Internet.

In our view, European consumers should not have to pay the price of losing essential national consumer legislation in exchange for a superficially attractive, medium protection standard “one-size-fits-all” approach, which is mainly in the interest of business.

While the adjustment of certain inconsistencies in the current law is positive (including a common definition of a ‘consumer’ and a ‘professional’, which will provide the same protection whatever the means of communication or the country of a transaction), a more profound update of the existing consumer legislation would be welcome, in particular for the digital environment. Given the lack of consumer confidence in online shopping, it is more important than ever to ensure that consumers are properly protected and that their rights are well respected.

### **Actions to be taken:**

- Ensure that the future directive does not reduce, but improves the rights of consumers, by setting a high level of consumer protection, guided by “best practices” inspired by the situation in various Member States.
- Categorically reject the introduction of the mutual recognition principle, or the country of origin principle, as its application would lead to more uncertainty and to a downward evolution of consumer protection standards in the EU.
- If full harmonisation is considered, ensure that:

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<sup>2</sup> Directive on contracts negotiated away from business premises (85/577), Directive on unfair terms (93/13), Directive on distance contracts (97/7), and Directive on consumer sales and guarantees (1999/44).

- it is set at a high level of protection which satisfies the expectations of European consumers;
- it only applies in areas where the existence of different national rules is proven to create barriers to cross-border trade.

If these criteria are not met, full harmonisation is not justified:

- Adapt the existing consumer acquis to the digital environment.
- Carefully consider the potentially negative consequences of a future split of consumer law (which applies when a consumer buys a car from a car dealer) and general contract law (when a consumer buys a car from his neighbor). General contract law, in contrast to the fully harmonised consumer rights law, could evolve freely and be easily adapted to new market developments.

**Further concrete demands to improve the proposal:**

- Improve the proposed rules for unfair contract terms: as they stand, they would put at risk long established efficient national case law and jeopardize, in some Member States, their more extensive lists of unfair contract clauses. There is a risk that in some Member States, contract terms currently considered as unfair - and therefore banned - would in the future have to be accepted.
- Improve the provisions in relation to legal guarantees: as they stand, they would reduce consumers' choice of available remedies if a product is faulty, and introduce a duty for consumers to notify a defect within a short period, which to date does not exist in many Member States.
- Make sure the particular needs of disadvantaged consumers are covered, in particular as regards the provision of information.
- Introduce a withdrawal period of at least 14 days, only starting when all relevant information has been provided to the consumer.
- Delete some broad and unjustified exemptions from certain rights, such as for example the right of withdrawal for car rental and leisure services bought at a distance.

## Objective Digital & Telecoms

**Empower consumers to play a central role in a safe, fair and competitive digital market**

Information and communication technologies (ICT) have significantly changed consumption habits and make up an increasingly large part of household budgets. Although these technologies offer citizens a must-have tool to access information and participate in daily life, they are also giving rise to violations of a number of fundamental rights.

The regulatory framework for telecommunications is a priority sector for consumer protection organisations.

### **I. Making telecommunication markets work for consumers**

#### a) The review of the Roaming Regulation: an opportunity not to be missed

With the adoption of the Voice Roaming Regulation in 2007 an end was put to overcharging consumers for using their mobile phone abroad. With the review of the Roaming Regulation presented in September 2008, the Commission intends to ensure that consumers will not be afraid to also use sms and data roaming services, as prices will be closer to costs and prior information will be available.

#### **Actions to be taken:**

- Further reduce the roaming price caps to be cost-reflective.
- Automatically inform consumers on the prices of text messaging and data transfers when taking out contracts, as well as when starting to roam.
- Adopt cost-based wholesale and retail prices for SMS.
- Adopt protective wholesale and retail prices for other data services.

#### b) The Telecom Package as a chance to guarantee competition

The update of the regulatory framework should guarantee healthy competition, leading to a significant decrease in retail prices and better quality services. One of the prerequisites for a truly competitive market is the possibility for consumers to easily switch operators. Number portability is a very welcome initiative in this area, but it will serve no purpose if consumers are tied to long-term contracts. Another major criterion is the transparency of tariffs, which for the majority of consumers are still difficult to understand and nearly impossible to compare. Lastly, more attention should be paid to the "network neutrality" principle; Internet Service Providers, telecom operators and content providers are increasingly vertically merging and cooperating so that they are technically capable of limiting access to content, to services or to applications, which could represent competition for their own services. It is critical to reinforce the powers and independence of national regulatory authorities, which must be able to intervene to protect consumer interests. This is all the more important if we take into account the inherent threat of abuse of dominant positions within network industries.

### **Actions to be taken:**

- Improve the transparency of offers and prices available in the market and allow consumers to easily change operator without being “blocked” by long-term contracts or by long timeframes for implementing number portability.
- Strengthen the implementation powers and independence of the National Regulatory Authorities, within which consumer interests must be adequately represented.
- Make the inclusion of quality requirements in consumer contracts mandatory.
- Ensure that telecom networks and service providers guarantee subscribers the right to access, send and receive any content and to use any service or application without discrimination against the latter’s provider.

## **II. Protect consumer rights in the digital environment**

Digital technologies have given rise to new ways of promoting, buying and receiving goods or services. There is practically no area of consumption that is not affected by the rapid development of modern information and communication technologies. The Internet is also an essential way of accessing knowledge and online services (such as administrations or health services) as well as the public and democratic debate. It must therefore be ensured that consumer rights are really applied in the digital world.

### **Action to be taken:**

- Recognise and enforce the six basic consumer rights in the digital world:
  - to choice, knowledge and cultural diversity
  - to the principle of “technological neutrality”
  - to benefit from technological innovations without abusive restrictions
  - to the interoperability of content and devices
  - to the protection of privacy
  - not to be criminalised

In particular, the two following issues should be high on the Czech Presidency agenda:

#### a) The protection of personal data and privacy

The Internet opens the door to potential violation of the right to privacy without precedent. New technologies (including behavioural advertising) and new digital content platforms (for example social networking sites) allow notably players from the private sector to identify consumers by collecting and using their personal details without their knowledge and approval. This same data is also exposed to online crime, such as theft and/or the diversion of sensitive information. In addition, radio-frequency identification (RFID) technology is likely to be decisive in the development of “ubiquitous computing” also referred to as “the Internet of Things” (the integration of IT into the environment and everyday objects). Its deployment could lead to a series of negative consequences for privacy (for example locating, targeting and profiling consumers) and security (for example theft, viruses, electronic eavesdropping).

### **Actions to be taken:**

- High privacy and security to be the default setting for digital products (“privacy and security by design”).
- Require companies to take the appropriate measures in order for telecom networks to be secure and reliable.
- Ensure that Internet Service Providers offer consumers adequate technology to resolve security issues, at reasonable prices.
- Oblige Internet Service Providers and Internet-based companies that process personal details (for example banks, health services) to inform consumers of any violation of security.
- Give consumers access to efficient complaint and redress mechanisms in case their personal data has been compromised.
- Establish a general “opt-in” system for all types of automatic commercial communications (unsolicited e-mails/spam): consumers should indicate if they want to receive this.
- Impose transparency and respect of consumers’ choice in the use of RFID technology.

### **b) Intellectual property rights and “graduated response”**

We fully acknowledge the need to ensure the protection of intellectual property rights – especially on the Internet – and for artists to get a fair remuneration for their works. We are opposed to the solution towards which France seems to be moving, i.e., the “Graduated Response” advocated by the Olivennes Report<sup>3</sup>. Whilst copyright must be respected, the same applies to the elementary consumer protection principles such as the right to fair licence conditions and the constitutional principles of respect for privacy and due process.

### **Actions to be taken:**

- Acknowledge the distinction between counterfeiting/piracy and practices carried out by numerous private consumers, at home, on a small scale and without commercial motivation.
- Respect elementary principles of consumer protection such as the right to fair licence conditions and respect for privacy and due process.
- Oppose any attempt to introduce the responsibility of the Internet Service Providers in terms of policing copyright violations: such a measure would be disproportionate, inefficient and, more importantly, would violate certain fundamental rights such as the right to the presumption of innocence, to a fair trial and to the protection of personal data. In practice also, numerous harmful effects are reported, such as identification of a computer rather than a person responsible and application of very strict rules, despite the fact that the distinction between legal and illegal downloading is far from simple and cannot be made automatically. Support the adoption in second reading of the so-called “amendment 138” that foresees that no restriction may be imposed on consumers’ fundamental right to a prior court decision.

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<sup>3</sup> The Olivennes report according to which rights holders could ask Internet Service Providers (ISPs) to threaten to suspend Internet access for the presumed infringers of intellectual property rights.

- Reflect within the Content Online Platform on new business models and measures at European level in order to enable the inventors or designers of intellectual works – including users - to legitimately and fairly benefit and create value for their works, without consumers being unfairly wronged in the exercise of their own rights. In this respect, numerous creative avenues are to be explored and developed, such as increasing legal offers available online; adopting new types of licence or financing; the use of interoperable technologies, etc...



## Objective Energy and Sustainability

### I. Promoting access, choice and affordable prices for all consumers

#### a) Towards a competitive energy market

The European energy market has been liberalised for nearly a year and yet consumers are still not benefiting from real competition. In a survey on the functioning of the European gas and electricity markets, published on the 23 October<sup>4</sup>, BEUC's members identified amongst others the lack of real choice and difficulties to switch as problems that remain.

Choice is a fundamental consumer right, but for this it is necessary to have genuine competition in the market. With this in mind the Commission proposed its Third Energy Package, for which second reading is about to begin.

#### **Actions to be taken:**

- Ensure regulators are as powerful as companies by giving them the power to:
  - Effectively intervene and regulate national markets, including via price regulation if necessary, aimed at making it possible for consumers to derive benefits from the market.
  - Investigate the functioning of national markets on their own initiative and on a sufficiently regular basis.
- Ensure regulators are independent and take impartial decisions.
- Separate the ownership of production from that of energy distribution (currently described as "full ownership unbundling") to make entry into the European Energy markets for new suppliers easier.
- Ensure offers on the market are comparable and easily accessible for consumers through websites and tariff calculators.
- Ensure changing supplier is possible within a maximum of one month.

#### b) Consolidate and implement consumer rights

Apart from a lack of real choice and difficulties in changing supplier, BEUC's energy survey also identified problems with unclear bills, non-cost-reflective payment methods and difficulties for consumers to assert their rights. These findings are in line with the ERGEG (European Regulators Group for Electricity and Gas) report on the transposition of consumer rights, published in October 2008. The right to clear and more regular billing and cost-reflective payment methods is already written into the Electricity, Gas and Energy Services Directives.

We all need energy and we do not have the option not to use it, but not everyone has access to it. Energy poverty is taking on dramatic proportions.

In addition, climate change and its impact are prompting many consumers to want to change their habits. But consumers can only make decisions in favour of sustainable

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<sup>4</sup> The full results of the study are available on [www.beuc.eu](http://www.beuc.eu)

consumption if reliable information is available, if procedures to switch operators are made easier and if prices are affordable.

**Actions to be taken:**

- Allow the European Commission to develop guidelines for the implementation of Annex A of the Electricity and Gas directives<sup>5</sup>.
- Reinforce and implement consumer rights through a comprehensive and binding instrument such as an “Energy Charter” (including compensation in the event of interruption of supply, the right to representation and user-friendly complaint mechanisms).
- Broaden the area of application of universal services.
- Ensure consumers can choose to be informed about their actual consumption, notably through Smart Metering.
- Make bills understandable and more informative for consumers. Look into the possibilities to have a standardised billing format at European or national level.
- Tackle the issue of energy poverty, notably by providing social tariffs to vulnerable consumer groups.

**II. Promote sustainable choices through efficient measures and tools**

a) Encourage a more sustainable design of products and phase out non-sustainable products from the market

More and more consumers are ready and willing to buy more sustainable products, in particular in terms of energy efficiency, in order to minimise their impact on the environment. To achieve a reduction in energy consumption in Europe and to move towards sustainability, it is essential to impose strict and ambitious product standards on industry, and to increase the number of sustainable products on the market. Yet the current Directive on Ecodesign, defining the principles, conditions and criteria regarding ecological requirements in product design, is limited to consumer energy-using products and their energy efficiency.

In the summer of 2008, the Commission presented its much awaited Action Plan on Sustainable Consumption and Production and Sustainable Industrial Policy (SCP/SIP).

**Actions to be taken:**

- Ensure that the SCP/SIP Action Plan is completed, based on the right balance between economic and legal instruments. It should involve all economic actors including industry, consumers and governments, and be

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<sup>5</sup> Annex A of Directive 2003/54/EC and Directive 2003/55/EC sets a series of consumer rights including receiving transparent information on applicable prices, tariffs and standard terms and conditions, having at their disposal a wide choice of cost-reflective payment methods, benefiting from transparent, simple and inexpensive procedures of dealing with consumer complaints, being informed about the right to withdraw from the contract when contractual conditions are changed, being supplied with gas of a specific quality at reasonable price and with electricity at reasonable, easily and clearly comparable and transparent prices.

combined with the setting of ambitious regulatory goals in relation to sustainable product standards.

- Extend the scope of application of the Eco-design Directive to a greater number of products, including products that do not consume or are not related to energy, such as clothes or furniture. In addition to energy efficiency, it should also take account of all relevant environmental aspects of products from cradle to grave, such as the use of raw materials or dangerous chemicals, as well as the product's lifespan and its potential for recycling.
- Elaborate eco-design measures which allow to regularly eliminate unsustainable products from the shelves, for example the highest energy-consuming products or products with the worst environmental performance.
- Put in place a more sustainable economy, through tax incentives for producers and consumers (such as tax breaks, VAT reduction), and encourage green public procurement.
- Promote the particularly important role of retailers in "choice editing", i.e. the withdrawal of non-sustainable or less sustainable products from their shelves, in favour of a broader range of sustainable products and services in all price ranges.

b) Promote clear and objective information on sustainability-related aspects of products

Even if consumers wish to turn to more sustainable products, the lack of complete, clear and objective information and the vast number of different independent 'green' labels and self-claims by industry often prevent them from acting.

The EU A-G energy label has been one of the few labels which have really pushed the market towards more energy-efficient domestic appliances, notably thanks to its simplicity, transparency and user-friendliness for consumers. A recent survey<sup>6</sup> shows that between 97 and 99% of respondents identify "A" as the most energy-efficient household appliance.

Victim of its own success, with too many products crowded in the top A of the scale, the energy labeling scheme is about to be revised by the Commission.

**Actions to be taken:**

- Give consumers the possibility to act in a more sustainable way when they purchase, use and dispose of products, by providing them with easy tools such as the A-G energy label. This also means that greater consistency is needed between eco-design and the various EU labelling schemes (in particular, the EU Eco-label and the energy label).
- Recognise the European Eco-label as a label of environmental excellence and promote the launch of an awareness-raising campaign at European level to familiarise consumers with it.
- Make the energy labelling scheme more dynamic, so that it can be easily adjusted to new developments on the market (for example by updating the

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<sup>6</sup> ANEC, BEUC, Consumer Focus (formerly UK National Consumer Council), the UK Energy Saving Trust and the UK Department for Environment, Food and Rural Affairs (DEFRA) asked Ipsos MORI to carry out empirical research concerning consumers' perception of the A-G Energy label.

criteria for the various label categories), whilst imperatively maintaining the current label design with classes from A to G.

- Improve the monitoring and implementation of the energy labelling system and related standards at national level. Reinforce market surveillance by Member States by a common action supervised by the European Commission (for example, spot tests at European level).
- Promote sustainable products and more sustainable consumption through better targeted information campaigns.

## Objective Financial Services

### A dynamic Internal Market for retail financial services

An Internal Market for financial services does not exist: it is still nearly impossible to open a current account or a simple savings account in another Member State if one is not a resident there. Even if major differences in interest rates exist between Member States from which consumers could benefit, it is almost impossible to obtain credit in another Member State. The financial sector does not operate in a competitive EU market, far from it.

The current financial crisis generated an atmosphere of general mistrust. One of the main objectives should now be to restore consumer confidence by guaranteeing an appropriate level of protection.

#### I. Impose access to a minimum service for all consumers

Financial exclusion is a problem for many European consumers, principally in the newer Member States. The result is that they do not have access to any basic financial services (current account, savings accounts, insurance). This often leads to social exclusion. There is also a European cross-border dimension: as a citizen who wishes to settle abroad must often overcome a real banking headache. In order to be able to open a bank account in a Member State, they must reside there; but in order to obtain housing, or rent it, a bank guarantee must be provided.

##### Action to be taken:

- Recognising the right of citizens to have access to basic banking services with a European scope.

#### II. Facilitating payment services

From lack of information to banks that try to dodge their obligations in the event of card theft, to excessive fees on cross-border transfers, we have all faced a problem with our payment services provider. Payment methods such as certain debit/credit cards or automatic debits can still not be used everywhere in Europe in the same manner as at national level (no interlinking).

##### Actions to be taken:

- Ensure the correct transposition and implementation of the Directive on Payment Services, which aims to make
  - Domestic and cross-border payments reasonably inexpensive but also secure and practical;
  - Cross-border payments as efficient as domestic payments.
- Ensure that the Single Euro Payment Area (SEPA) provides concrete advantages to consumers.
- Ensure the adoption of the Regulation on cross-border payments in Euros that extends the principle of equality of charges on cross-border and corresponding domestic payments to cover direct debits.

### III. Mortgages

Taking out a mortgage is, for most European consumers, the most important financial decision of their life. The subprime crisis has reminded us of the need to approach this matter with extreme caution. The current financial crisis has also put the spotlight on the necessity of responsible lending.

#### **Actions to be taken:**

- Analyse the need for a regulatory intervention on European mortgage markets in a balanced and constructive way.
- Evaluate the potential impact of a single mortgage market on the wellbeing of European consumers.
- Take rapid measures on intermediaries in order to best protect consumers and iron out differences between legislation governing this profession in the various Member States.

### IV. Deposit Guarantee Schemes

In times of volatile markets, one of the biggest concerns for depositors is the safety of bank deposits should their bank fail. Although many Member States have already taken measures regarding deposit guarantees, there is clearly a need to protect all European consumers and to make sure the new scheme is working at cross-border level.

#### **Actions to be taken:**

- Ensure the prompt adoption of the proposal for the Directive on Deposit Guarantee Schemes that aims at:
  - Increasing the coverage level to 100,000 € at least;
  - Reducing the payout period to 3 days;
  - Removing co-insurance, to ensure that in case of a problem the consumer will be totally reimbursed, and will not have to bear a loss.

## Objective Food

### Safe, healthy food with coloured labelling to fight against obesity

#### I. Help consumers to make the right choices

In some EU countries, over half of the adult population is overweight, and one child in five is obese. Cardio-vascular disease is the cause of almost half of the total deaths in Europe, and almost one third of these cases are due to diet. Type II diabetes, which is also closely linked to diet and obesity, is also on the increase. Although the solution to the problem of obesity involves many factors, the fact remains that diet plays a key role.

Even if more consumers are becoming aware of the link between what they put on their plates and their health, they are often bewildered when they look at the labels on food products. Either the nutritional information is incomplete, or they are faced with a variety of simplified labels on the front of the packaging which makes it difficult to make comparisons between products.

How can the right choices be made in these circumstances?

#### Actions to be taken:

- Make healthy products more available and more readily accessible to all consumers, paying particular attention to disadvantaged groups.
- Make it compulsory to include complete, back-of-pack nutritional information on the 'Big 8' nutrients (protein, energy, fat, saturated fats, carbohydrates, sugar, salt and fibre) as well as trans fats.
- Impose mandatory simplified front-of-pack labelling which is easy to understand and compare, showing the levels of key nutrients from a public health perspective (fats, saturated fats, sugars and salt). The use of a multiple colour coding system (green, orange and red) would show at a glance whether the amounts of these nutrients are low, moderate or high, and could be complemented by Guideline Daily Amounts (GDAs).
- Improve the legibility of the labels, in particular with regard to the size of the print and the contrast between the lettering and the packaging background.
- Introduce mandatory country of origin labelling, not only on foodstuffs consisting of a 'single' ingredient but also for 'significant' ingredients and 'characterising' ingredients in foodstuffs made from several ingredients.
- Ensure that the nutritional profiles are developed in an independent and transparent manner by EFSA. These profiles will make it possible to determine which foods can be promoted as healthy, what colour should be assigned to a particular level of nutrient on a label, or which foods can be advertised to children.

## II. Protect children as a matter of priority

European Commission figures show that 14 million children in Europe are either overweight or obese. Studies by our member organisations show that most advertisements for foods and drinks targeting children are promoting products which are high in fat, sugar or salt.

Alongside 'conventional' advertisements in magazines or on TV, we are now seeing adverts on the internet, via sponsorship of sports gear in schools, in product placement at the cinema or in SMS competitions... This puts unacceptable pressure on children – and their parents – to make them eat unhealthy food, and goes against all the declarations made by Europe's decision-makers in support of the fight against obesity.

### Actions to be taken:

- Ban TV advertising of food and drinks which are high in fat, sugar or salt before 9 pm (based on the nutritional profiles to be defined by EFSA).
- Extend the restrictions on the advertising of food products to children to cover all forms of marketing techniques.
- Promote the adoption by the industry of the "Code on the marketing of food products and non-alcoholic drinks to children"<sup>7</sup> proposed by Consumers International, pending the setting up of a binding measure at European level.

## III. Keep the level of food safety as high as possible

Thanks to the work of EFSA and the application of, among others, the HACCP<sup>8</sup> principles, the European Union has a reliable, scientific basis recognised at international level to guarantee its consumers the safety of the food they buy.

Under pressure from the United States, the Commission is proposing to authorise the use of certain chemical substances for the antimicrobial treatment of poultry. This proposal, if it is adopted, would lead to an unacceptable relaxation of the hygiene measures applied during production, transport and slaughter, particularly in the case of imported products.

New technologies in food rearing and production processes may have an impact on food safety. Although consumers can benefit from these innovations, competitiveness and innovation must not be allowed to take priority over public health and safety.

### Actions to be taken:

- Oblige all food companies, including small businesses, to apply the HACCP principles.
- Defend the principle of respect for the rules of hygiene 'from farm to fork' and categorically reject their replacement by 'chemical' treatment at the end of the production chain.

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<sup>7</sup> Recommendations in favour of a Code relating to the marketing of food products and non-alcoholic drinks to children, Consumers International, March 2008.

<sup>8</sup> The HACCP system consists of Hazard Analysis and Critical Control Points in food hygiene.



- Include on the list of 'novel' foods all those originating from a production technology not previously used, such as foods derived from plants, produced by non-traditional growing methods or modified by new production processes, such as nanotechnology and nanoscience.
- Ensure that all novel foods undergo a complete evaluation of their safety before being authorised on the European market.
- Ban animal cloning for food purposes.

## Group Action

### How to make consumer rights reality

Whilst existing legislation must be enforced and reinforced to improve the situation of consumers, this is not enough. Consumers must be in a position where they can implement the rights which they have been granted.

Very often, several consumers are victim of faulty or even dangerous goods or services sold by the same trader. Individual actions are useless, as the costs of such a lawsuit are higher than the compensation these consumers might receive.

A European Group Action is essential to enable groups of consumers to secure compensation for a loss resulting from the same trader by combining their claims into one single action. In countries where such a system exists, its efficiency no longer needs to be proven. Now all consumers in Europe must be able to benefit from it.

Contrary to what those who oppose it lead us to believe, a Group Action does not grant any new rights to consumers. It only provides new means to implement existing rights. It also does not impose any additional burden on companies. On the contrary, Group Actions will benefit those companies that respect consumer legislation. Europe needs and is ready for Group Action!

#### Actions to be taken:

- Define and put in place, as soon as possible, a European Group Action for violations of consumers' interests in order to:
  - give consumers access to justice in cases where individual redress is not suitable;
  - minimise litigation costs for both consumers and defendants;
  - reduce overloading of courts;
  - reduce inequality between consumers residing in different Member States as some can and others cannot benefit from group actions;
  - overcome difficulties for business due to varying national redress mechanisms leading to market distortions;
  - improve the functioning of the Internal Market, as consumers will have much more confidence shopping abroad.
- Support the implementation of European Group Action for victims of anti-competitive practices, recognising the right to compensation for all victims of such practices.

## Objective Health

### Put in place a coherent and ambitious health policy at European level

Health is a fundamental human right. Decision makers must ensure that public health is protected and guarantee access to high quality and efficient health services. At EU level, pharmaceutical policies should be fully integrated into health policies and competence on medicines should be shifted within the European Commission from the DG Enterprise to DG SANCO.

#### I. Better health information

Patients need better information on diseases, treatment options, and medicines. It is essential that this information come from independent and reliable sources. It should not come directly from pharmaceutical companies whose commercial interests are in contrast with consumers' right to unbiased and comparative information. In order for consumers to be able to make an informed choice, it is imperative to maintain a clear distinction between information and advertising.

##### **Actions to be taken:**

Develop a health information strategy which:

- is based on an in depth assessment of consumers' information needs, on the way in which they are currently met and on any potential improvements;
- promotes reliable sources of information;
- allows consumers to choose and compare medicines and different treatment options;
- addresses inequalities in access to information from a wide public health perspective.

#### II. Safety of consumers in relation to side effects of medicines

Medicines save lives but can also have adverse effects which may sometimes prove to be fatal. To ensure patient safety, it is therefore of the utmost importance to have an efficient, transparent and proactive pharmacovigilance system.

##### **Actions to be taken:**

- Enable consumers to report side effects directly to the competent authorities.
- Put in place simplified and balanced pharmacovigilance procedures, with strict rules in case of non-compliance where a company doesn't report side effects, omits information in the pharmacovigilance master file, or doesn't define properly all parts of the risk management plan.
- Undertake independent research and post-approval safety studies on the potential long-term effects of medicines.
- Conduct public information campaigns to draw attention to the importance of reporting side-effects.

### **III. Counterfeit medicines and consumer safety**

Counterfeit medicines can be very dangerous for health. It is important that the supply of medicine is safe, more strictly monitored and more transparent.

#### **Actions to be taken:**

- Introduce safe track and trace technologies that do not generate an additional cost for consumers.
- Put in place specific measures against illegal sales of medicines on the Internet.
- Educate consumers about the risks posed by counterfeit medicines.
- Reinforce international cooperation.
- Impose stronger sanctions on counterfeiters.

### **IV. More certainty on patient rights**

It is essential for European consumers, who are increasingly mobile, to know what their rights are in the area of health services, both in their country of residence and abroad.

#### **Actions to be taken**

- Ensure that in all Member States consumers have access to high quality health care services, are aware of their rights and have the means to enforce them.
- Establish a clear legal framework for patients' rights in cross-border health care, namely on reimbursement, information provision, redress in case of problem and continuity of care.
- Ensure that the existing social security legislation on cross-border health care is effectively implemented.

### **V. E-health**

There is no agreed definition of e-health, but it includes a wide range of tools based on information and communication technologies (ICT) used in the prevention, diagnosis, treatment, monitoring and management of health. It also includes amongst others health information networks, electronic health records or telemedicine services. Major progress has been made in the area. All European consumers should benefit from the opportunities that the ICTs can provide to the healthcare sector.

#### **Actions to be taken**

- Ensure that new e-health applications bring concrete and tangible benefits to consumers.
- Take account of the patient's perspective in decisions regarding e-health.

## Objective Safety

**Safe consumer products - consumers and the environment  
protected against dangerous chemicals**

### I. Safe toys for children

Children are the most vulnerable consumers and deserve the best protection possible, both from the authorities and the industry. The series of recalls of Mattel toys in August and September 2007 revived numerous legitimate concerns about the safety of toys on the European market.

Although a number of problems arise as a result of relocation of production to third countries, the responsibility for toy safety on the EU market lies with the economic players who import them and distribute them in the European Union. They are the ones responsible for the compliance of their products with the European legislation in force. Unfortunately, even in the hypothetical scenario where EU legislation on toy safety was respected to the letter, it would not be sufficient to protect children. Its loopholes are such that toys posing unacceptable risks (of serious injury, exposure to carcinogenic chemicals or allergenic fragrances, etc.) are authorised.

We have high expectations for the work being carried out by the European Institutions on the Commission's new proposal on toy safety.

#### **Actions to be taken:**

- Introduce the Precautionary Principle as a fundamental principle of the new Directive.
- Prohibit the use of substances which are carcinogenic, mutagenic and toxic to reproduction (CMR), endocrine disrupters and allergenic fragrances.
- Introduce a fast-track procedure (a comitology procedure) to allow for quick adaptation of the legislation to newly emerging risks or new toys appearing on the market. This will avoid having to go through a lengthy co-decision process or to rely exclusively on sometimes slow and often unbalanced standardisation procedures.
- Strictly regulate the risks linked to toys contained in food products.
- Put in place a mandatory independent third-party testing (EC-type approval) for certain categories of toys, for example toys intended for children under three years, toys which pose a risk that cannot be eliminated (for example, irons for children that actually heat up) or toys which have caused serious injuries in the past (such as those containing magnets or making noise).
- Reinforce market surveillance and control.

### II. Safe ingredients in cosmetic products

Moisturiser, toothpaste, shampoo and soaps are used on a daily basis by consumers. It is reasonable to believe that they pose no risk to health, either in the short or the long term. Unfortunately, this is not always the case. In particular, cosmetic products containing nano-particles (ingredients reduced to the nanoscale) are already widely available on the European market, despite concerns being raised and unanswered questions about their safety.

The cosmetic industry also uses a wide number of claims to underline the efficacy of their products: 'tested in vitro', 'clinically tested', 'dermatologically tested', 'hypoallergenic', 'recommended by ophthalmologists'. Consumers often wrongly think that these particular products have undergone tests under the control of public authorities or independent laboratories, whereas they have only been tested under the manufacturer's control. There is a clear need for specific rules on the efficacy claims of products.

The proposal to recast the Directive on cosmetics (to transform it into a European Regulation) is now under discussion.

#### **Actions to be taken:**

- Apply the precautionary principle in the area of cosmetics.
- Carry out an adequate evaluation of all ingredients used in cosmetic products before they are put on the market.
- Maintain the ban on carcinogenic, mutagenic and toxic for reproduction substances (CMRs) and only allow exemptions in exceptional cases.
- Make sure the EU Scientific Committee of Consumer Products (SCCP) evaluates the use of nanoparticles in each product before it is allowed to be put on the market. This pre-market assessment should be mandatory.
- Define standardised methodologies for evaluating the efficacy of cosmetic products, as well as specific requirements concerning claims.
- Put in place a system of "cosmetovigilance" where all negative effects of cosmetics on consumers' health would be collected, reported and made public.

### **III. Reduced overall exposure of consumers and the environment to dangerous chemicals**

We spend more than 80% of our time indoors, at home, at school or at work. The quality of the air we breathe indoors is critical; this air, however, is sometimes five times more polluted than outside. Consumers are exposed to numerous chemical substances of concern to health from various sources; the cumulative or combined effects of this multiple exposure are worrying. With the European Regulation REACH<sup>9</sup>, chemical substances and their potentially harmful effects have been high on the European agenda in the past few years. While this increased visibility has allowed bringing to light a large number of concerns, it should not lead us to believe that the risks posed by chemicals, in particular when contained in consumer articles, are going to be solved. Reducing the use of dangerous chemical substances in consumer products must remain one of the European Union's priorities, in order to tackle the potential risks posed by the cocktail of chemical substances to which we are exposed day after day.

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<sup>9</sup> Regulation (EC) No.1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency.

**Actions to be taken:**

- Introduce strict regulatory standards to limit or eliminate the use of dangerous chemical substances in consumer products, in the context of the various initiatives planned by the EU Commission, such as a future Green Paper on Indoor Air Quality, product-specific safety legislation, the revision of the EU Eco-label and of the Eco-design Directive.
- Address, systematically and as a priority, the issue of chemical risks for the most vulnerable groups.
- Ensure the correct implementation of REACH through the European Union, by supporting the work by the European Chemicals Agency.

END



- (AT) Arbeiterkammer
- (AT) Verein für Konsumenteninformation
- (BE) Test Achats – Test Aankoop
- (BG) Bulgarian National Consumers Association
- (CH) Fédération Romande des Consommateurs
- (CY) Cyprus Consumers' Association
- (CZ) Sdružení Obrany Spotřebitelů České Republiky
- (DE) Stiftung Warentest
- (DE) Verbraucherzentrale Bundesverband
- (DK) Forbrugerrådet
- (EE) Eesti Tarbijakaitse Liit
- (ES) Confederación de Consumidores y Usuarios
- (ES) Organización de Consumidores y Usuarios
- (FI) Suomen Kuluttajaliitto
- (FI) Kuluttajat-Konsumenterna ry
- (FI) Kuluttajavirasto
- (FR) Confédération de la Consommation, du Logement et du Cadre de Vie
- (FR) Organisation Générale des Consommateurs
- (FR) UFC – Que Choisir
- (GB) National Consumer Council
- (GB) Which?
- (GR) Ένωση Καταναλωτών η Ποιότητα της Ζωής – ΕΚΠΟΙΖΩ
- (GR) Γενική Ομοσπονδία Καταναλωτών Ελλάδος
- (GR) Κέντρο Προστασίας Καταναλωτών – ΚΕΠΚΑ
- (HU) Országos Fogyasztóvédelmi Egyesület
- (HR) Hrvatski Savez Udruga za Zaštitu Potrošač – "Potrošač"
- (IE) Consumers' Association of Ireland
- (IS) Neytendasamtökin
- (IT) Altroconsumo
- (LU) Union Luxembourgeoise des Consommateurs
- (LV) Latvijas Patērētāju interešu aizstāvības asociāciju
- (MK) Organizacija na Potrosuvacite n Makedonija
- (MT) Għaqda Tal-Konsumaturi
- (NL) Consumentenbond
- (NO) Forbrukerrådet
- (PL) Federacja Konsumentów
- (PL) Stowarzyszenie Konsumentów Polskich
- (PT) Associação Portuguesa para a Defesa do Consumidor
- (RO) Asociația pentru Protecția Consumatorilor din România
- (SE) Sveriges Konsumenter
- (SI) Zveza Potrošnikov Slovenije
- (SK) Združenie Slovenských Spotrebiteľ'ov

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