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EU can wait no longer for Collective Redress

Today's vote in the European Parliament echoes BEUC in putting clear pressure on the Commission to introduce a system of Collective Redress providing EU consumers with a collective compensation tool for commercial malpractice.

Collective Redress allows many victims to go to court as one and be compensated for loss suffered due to the same malpractice or defect. It is an essential means of accessing justice in many situations e.g. over-charging of mobile phone bills, unsafe medicines, negligent financial advice, personal data breaches, airline malpractice and defective products.

In the Parliament's plenary vote, MEPs called on the European Commission to act, pointing out that "citizens must be able to enforce (their) rights effectively and efficiently".

Inaccurately compared to the US system of Class Actions, an EU system would have inbuilt safeguards against excessive judgments – punitive damages would be unavailable and cases decided by judge, not jury – avoiding excessive payouts or 'populist' decisions.

Monique Goyens, Director General of BEUC, commented:

"This is an important signal by MEPs. They've joined consumers in speaking with a clear voice and saying that legislation is long overdue.

"The need is irrefutable. 79% of European consumers say they would be more willing to defend their rights in court if they could join others on the same issue, while in EU price fixing situations alone unrecovered damages stand at more than €20 billion yearly[1]. And cartels are just the tip of the iceberg.

"It's now imperative for the Commission to plug this gap by responding to the fundamental right of victims to be compensated. Practical consumer problems need practical solutions and the Single Market remains incomplete as long as such a basic barrier to justice exists."

ENDS

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[1] http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/10/554