



WEATHERING THE COST-OF-LIVING CRISIS

8 solutions by European consumer organisations

Europe is undergoing a ‘perfect storm’: the rising energy prices, only partly linked to the Russian invasion of Ukraine, and its implications on other sectors (food, chemicals, pharmaceuticals, products, and services linked to energy-intensive production) led to heavy inflation. While salaries remain in most countries stable, prices are skyrocketing and supply chains are being disrupted, generating among many consumers major worries about their short-term future.

Therefore, it is crucial to identify and roll out measures to address or mitigate the effects of the cost-of-living crisis for consumers. These measures call for action by different stakeholders, be they market players or policy makers. They also have different timelines and need to be targeted depending on the specific needs of certain population segments.

Our tips are:

1. Setting up price watchdogs
2. Acting on energy prices
3. Tackling unfair commercial practices that exploit this crisis
4. Boosting energy efficiency of homes
5. Making healthy food available and affordable for all
6. Preventing overindebtedness
7. Working with consumer organisations
8. Addressing medicines shortages and price hikes

Why these solutions?

This document provides for the most crucial actions that have been identified by European consumer organisations for policymakers and market players to roll out to address or mitigate the cost-of-living crisis.

1

SET UP A PRICE WATCHDOG

Why

Numerous consumer markets are witnessing retail price increases. While some of them might be justified, others could be opportunistic pretexts to inflate prices. They could therefore be related to anticompetitive practices that should be sanctioned.

What

Monitor price fluctuations in sensitive markets (such as food, energy, medicines) to identify whether unjustified price increases are applied, either because of companies' unilateral decisions or potential cartels. This should go beyond the existing statistical tools set up by European and national authorities and include a qualitative assessment of the accuracy of market developments.

How

- Set a consumer goods and services basket and check prices regularly – where price increases are overstepping certain benchmarks, contact immediately the supply chain concerned.
- Competition authorities should use the full extent of their toolbox to tackle this problem, such as opening antitrust investigations against companies applying excessive prices, creating scarcity or through price collusion. Another option could be launching a sector inquiry in case of worrying price developments in a given sector.

Inspiration

- The Greek competition authority has made use in the past of its sector inquiry powers to identify [competition issues](#) in basic consumer goods.
- In Germany, our member vzbv has for several years set up [market watchdogs](#) in different sectors, e.g. for energy.
- Altroconsumo, Italy, did a yearly [market check](#) for the prices of eight main food products and saw increases of over 20% from 2021 to 2022.
- Consumentenbond, Netherlands, followed the evolution of the [energy tariffs](#) of the country's three big companies and saw increases in over 440% from 2021 to 2022.
- Citizens Advice, UK. The [cost-of-living dashboard](#) shows how the situation is evolving for consumers in Britain. It is updated every month and is based on the consumer request for advice received by the organisation.
- DECO Proteste monitored the price of a basket of [63 essential food products](#) every week over a year. It went from 183.63 euros in February 2022 up to 218.91 euros in February 2023. These extra 35.28 euros represent a 19.21% increase.
- In Spain, OCU has detected the largest rise in [food prices](#) in 34 years. OCU visited 1,180 establishments in 65 cities, in addition to online supermarkets, and analysed over 173,000 prices of a "shopping basket" made up of 239 products from both leading manufacturer brands and private-label brands. The results also allow consumers to compare the price level of each establishment and choose the cheapest one.
- For Black Friday, OCU compared 16,000 online prices of electronics and household appliances among others. [This study](#) revealed that 99% of the sales were misleading and that the average 25% discount announced represented an average 3% increase compared to the minimum price of the previous days.
- Testachats in Belgium provides several [comparing tools and calculators](#) that help consumers find the best deal on the market.

2

ACT ON ENERGY PRICES

Why

This is the sector where the highest disruptions are taking place, and where the most relevant and urgent mitigating measures must be taken. The complexity and opacity of energy price offers makes it very difficult for consumers to identify the most favorable option for them and save important parts on their energy bill.

What

- more transparency and comparability of energy offers and bills
- make switching easier, also for bundled offers
- provide effective assistance and advice to consumers who struggle, with human resourced help desks established by energy companies and regulators, where relevant in cooperation with consumer organisations.
- allow consumers to pay in instalments, avoid disconnections and unilateral price increases.

How

- National regulatory authorities should review precontractual and billing information in their countries and amend regulatory requirements based on best practices across Europe.
- National regulatory authorities should also allow consumers to terminate only a part of a bundled offer, to facilitate switching to better deals.
- The European Commission, in the context of the review of the Electricity Directive, should ensure that EU legislation achieves these objectives as well.
- The European Commission should also set requirements for certain suppliers to have at least one fixed price offer always available on the market. Consumers should have the possibility to choose between a fixed and a variable contract depending on what is the best option for themselves.
- National regulatory authorities and suppliers should adopt regulations and practices allowing consumers to pay in instalments, avoiding disconnections and unilateral price increases, in line with the joint consumer organisations – industry – regulators joint declaration.

Inspiration

- BEUC, together with energy regulators and the energy industry [signed a joint declaration](#) calling on regulators and suppliers to adopt regulations and practices to protect consumers this winter. The call received the support of the European Commission.
- Testachats, Belgium, asked for [VAT reduction](#) on consumers' energy bills and special conditions for the most vulnerable ones. In addition they ask national authorities to incentivise consumers to [insulate their homes](#). [Altroconsumo](#) in Italy and [KEPKA](#) in Greece also ask for VAT reduction.
- OCU, Spain, ran several campaigns to help consumers mitigate high energy prices:
 - Collective Purchase of [Energy](#)
 - Collective Purchase of [Photovoltaic Installations](#)
 - [Comparison tariffs tool](#) open to all consumers with record number of visits each month
- EKPIZO in Greece filed two collective actions against electricity providers; [one of them accepted to modify the contract terms](#) to comply with the law. EKPIZO cooperates with the Regulatory Authority for Energy, participating in their [energy saving campaign](#).



3

TACKLE UNFAIR COMMERCIAL PRACTICES THAT EXPLOIT THE CRISIS

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Why

Unstable markets create opportunities for unfair commercial practices, and even scams.

What

Consumer protection authorities should prioritise the fight against unfair commercial practices exploiting consumer vulnerabilities.

How

Enforcement authorities should scrutinise markets and, where needed, sanction rogue traders unduly exploiting the crisis. This will require a close and active collaboration between consumer protection authorities and other enforcement authorities operating in various sectors (such as competition, food, energy, financial services etc.) to ensure that markets are adequately supervised (see also #1 tip).

Inspiration

- Consumentenbond launched the [‘Fair is fair’ campaign](#) calling on consumers to report any unfair business practises.
- OCU, Spain, reported [shrinkflation practices](#) on several products to the Antitrust Authority.
- DECO lobbied for the need to regulate these [‘shrinkflation’](#) practices and to reinforce consumer information in these situations.

4

BOOST ENERGY EFFICIENCY OF HOMES

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Why

Rents have been particularly affected by inflation and add to the pressure on households’ budgets, in particular the less affluent ones. At least, landlords should be prevented from increasing rents of badly insulated homes.

What

Measures should be taken so that rents can only be raised if the building has an energy performance of a certain value. The admitted increase could be scaled based on the performance, i.e. the less energy efficient homes being immunised from any rent increase.

How

Policy makers should engage into revision of national home rental legislation to cater for these conditions.

Inspiration

- DECO, Portugal, created [House and Energy Hubs](#) to engage consumers in the energy transition and find solutions to renovate their houses.



5

MAKE HEALTHY FOOD AVAILABLE AND AFFORDABLE FOR ALL

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Why

Food affordability and pricing are among the major concerns of consumers in times of crises. In the short term, urgent actions are required to buffer consumers against food poverty and provide healthy, nutritious food for all at affordable prices. In the long term, to ensure food security, the EU must stick to its plans to shift to a sustainable and resilient food system. The upcoming Sustainable Food System Framework initiative is a unique opportunity in this regard.

What

EU governments must use social protection measures to protect vulnerable consumers from food insecurity. Food retailers must do more to support struggling consumers throughout the crisis.

How

Solutions include social policies and fiscal measures, clear and visible unit pricing, access to affordable healthy choices, availability of products in different budget ranges, more promotions for healthy and sustainable foods such as fruit and vegetables.

Inspiration

- Which?'s campaign [Affordable food for all](#) calls on UK retailers to do more for less affluent consumers.
- Vzbv in Germany requested that [VAT be reduced to 0%](#) for fruit, vegetables and pulses to encourage consumption of healthy food.
- DECO has called for a more accessible shopping basket for all Portuguese families: DECO considers that all products and services taxed at a [reduced VAT rate](#) should be temporarily exempt from VAT.
- In Italy, Altroconsumo asked [shopping vouchers](#) for the most vulnerable families and price control with reduced VAT. They have also provided a ranking of the [cheapest supermarkets](#).
- KEPKA in Greece asked for VAT reduction for [healthy food products](#) and everyday goods.
- EKPIZO launched a [campaign](#) on the crisis' impact on consumers' food basket.



6

PREVENT OVER-INDEBTEDNESS

Why

Financial services can support consumers to navigate difficult financial situations while increasing the risk of over-indebtedness. Green loans can also be promoted alongside public policy interventions to make houses more energy efficient.

What

Limit the impact of inflation and energy prices on households' over-indebtedness risk

How

- allow payment moratoria
- adopt forbearance measures
- make debt advisory services more accessible to consumers
- create incentives for convenient and advantages private funding mechanism for energy efficiency (green loans).

Inspiration

- The Norwegian Consumer council (Forbrukerrådet) have boosted their communication to consumers on household finance, emphasising on [debt and payment](#). They are also pushing for ethical debt collection as financial well-being is in decline after the pandemic.
- Altroconsumo in Italy works on [financial education](#), talking about family budget and financial planning.
- OCU has detected that between 2018 and 2022 the [average maintenance fee](#) for banking entities has tripled from 44 to 125 euros.
- CECU demands [guaranteed access to basic payment accounts](#) and uses its [web and app "RECLAMA"](#) to provide information - mainly to vulnerable groups (in a situation of financial exclusion, victims of trafficking and sexual violence, migrants, etc.).
- In Germany, vzbv's [study](#) shows that inflation drives people into overdraft
- DECO published a set of [26 recommended measures](#) to support households.

7

WORK WITH AND SUPPORT CONSUMER ORGANISATIONS

Why

Consumer organisations are instrumental in advising and supporting consumers navigating this crisis. It is crucial that policy makers enhance their communication channels with consumer advocates, to better understand the market realities as experienced from the consumer side.

How

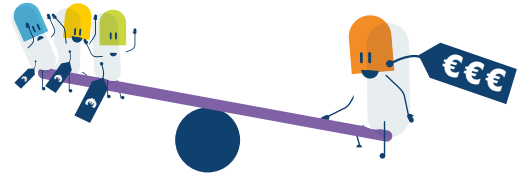
- It is essential to systematically include consumer organisations in national debates about crisis and resilience plans that affect consumers.
- It is also important to support the consumer movement via project funding/grants, specific cooperation/partnerships, joint activities, in order for them to adapt their work plans to these additional, unexpected tasks.
- EU actions indicated in the EU Consumer Agenda, such as local advice or education for consumers should see their implementation swiftly rolled out.

8

PREVENT MEDICINES SHORTAGES AND PRICE HIKES

Why

Consumers and patients are facing price increases for over-the-counter and prescription medicines. While this trend for higher prices already started before the cost-of-living crisis, it is being aggravated in a twofold way: not only are medicines becoming more expensive but shortages of essential medicines are worryingly rising. Producers of generic medicines claiming production becomes unprofitable due to higher costs and no increases in reimbursement rates by health insurances. Therefore, they may just stop producing certain medicines which are essential for health care.



What

The EU needs urgently to revise its general pharmaceutical legislation to be stricter on the industry's supply chain management, such as on stockpiling and require more advance reporting about possible shortages. The EU also needs better incentivise the industry to develop the medicines we need, such as novel antibiotics. However those should not be incentivised with costly and untargeted measures such as 'Transferable Exclusivity Vouchers' which have anticompetitive effects and delay the entry of generic companies into the market for medicines other than antibiotics.

How

Consumer groups need to reach out to their national decision makers as the pharma industry is lobbying heavily against any measures which would improve stockpiling and transparency of their supply chain management.

Inspiration

- BEUC's 2022 consumer focus group research '[What consumers think of medicine prices today](#)' has shown that Consumers think there should be greater transparency on drug R&D costs, higher returns on public investment. They disapprove of huge pharma profits when it comes to medicines.
- '[Transferable exclusivity vouchers](#)' would be bad for public health budgets, competition, and consumers, as explained in this [BEUC document](#), which also recommends more effective mechanisms.