

Online shopping outside the EU

European consumers need better protection when choosing, buying and receiving an online product.

What is this study about?

Global e-commerce sales are expected to reach \$4 trillion in 2020, up from \$1.6 trillion in 2016. EU online sales have similar growth rates. Also, more and more consumers buy goods and services internationally. But consumer trust in the international market remains low and most consumers do not feel at ease buying internationally.

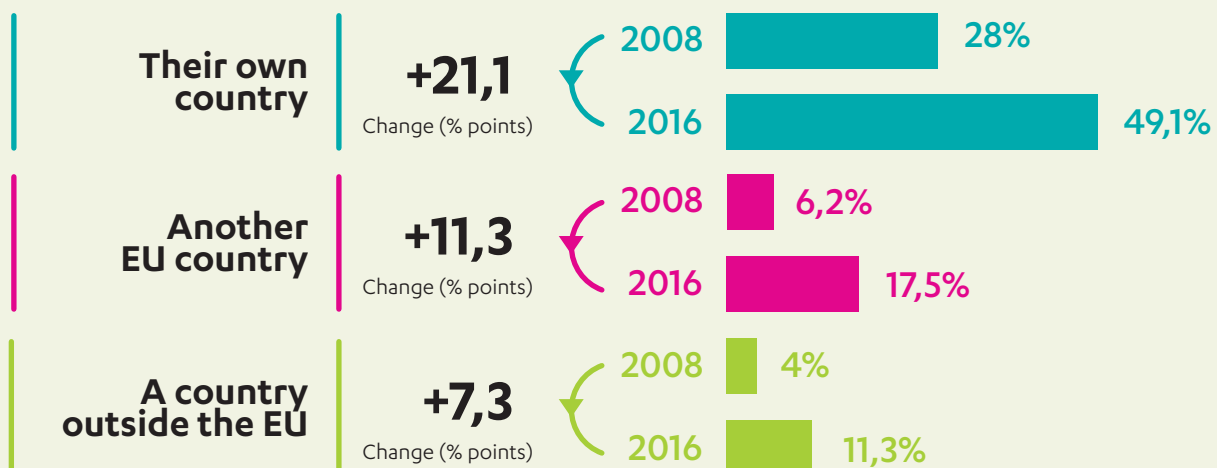
To find out why, BEUC and vzbv analysed the experience of EU consumers on a typical journey through the global online marketplace. We followed consumers from their choosing and ordering of goods, to having them delivered and trying to resolve disputes.

In online transactions, consumers are in a weak position overall: they have no face-to-face contact with the trader, no opportunity to inspect items before purchase and are required to pay in advance of delivery. This situation is even starker on the international market as rules may differ, distances may be vast, and consumers can end up outside the EU without being aware of it.

But this online/offline imbalance offers only a partial explanation. We found that **consumer protection is dramatically reduced when purchasing things from sellers outside the EU**. Consumers face two major problems:

- **A lack of essential information at the pre-purchase stage.** Information provided by traders is inconsistent, and there is little help for EU consumers so they understand the reduction in their rights when shopping outside the EU. This makes it difficult for consumers to make informed decisions, to understand their rights, or know what to do in the event of a problem. Consumers are also at risk of 'accidentally' purchasing from an online retailer based outside the EU.
- **A lack of accessible means to act when something goes wrong,** such as an affordable, independent dispute resolution scheme. This makes it virtually impossible to resolve problems.

The proportion of EU consumers shopping online from...



Main conclusion

- Europeans purchasing goods and services from outside the EU lack protection. This lack persists throughout the 'consumer journey'. For example, there are differences in laws relating to unfair contract terms, non-delivery and redress.

We recommend...

- To **make more information available to consumers when they shop online outside the EU**. This can take the form of a contact point where consumers may turn for information and advice.
- Effective **systems of market surveillance, enforcement and redress** should be developed. This is so that consumers can act if something goes wrong with a purchase on the global online marketplace. It can take the form of better international coordination between consumer protection authorities, or the extension of EU dispute resolution systems to companies from third countries. The possibility for consumer organisations in third countries to act on behalf of EU consumers in court claims should also be looked at.

Main problems experienced in the global online marketplace



About the organisations

The European Consumer Organisation (BEUC) acts as the umbrella group in Brussels for 43 independent national consumer organisations. Its main task is to represent them at the European level and defend the interests of all Europe's consumers.

Verbraucherzentrale Bundesverband (vzbv) acts as the umbrella group for 40 German consumer associations and is a founding member of BEUC. It represents the interests of German consumers vis-à-vis politicians and policy-makers, the private sector and in public.