

The Consumer Voice in Europe

# ON THE FRONT ROW

Consumer organisations' work to support consumers in the COVID-19 crisis and the fight against unfair practices



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# About this report

The COVID-19 outbreak has been disrupting many aspects of our daily lives. From a consumer protection point of view, the pandemic has served as a large-scale stress test showing the fragility of consumer rules in times of crisis and the capacity of authorities to enforce the law under critical pressure. This report takes stock of the actions conducted by consumer organisations across Europe and draws some preliminary conclusions on the enforcement of consumer rights in time of COVID-19. This report points out the strong resilience of consumer organisations during the crisis as well as their capacity to quickly adapt to new circumstances. Ultimately, this report makes it clear that the COVID-19 crisis requires joint and coordinated efforts from consumer organisations and authorities acting together to protect the rights of consumers.

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# 1. The COVID-19 pandemic as "stress test" for consumer protection rules

The COVID-19 pandemic has had severe consequences on many aspects of our daily lives. As of October 2020, more than three million cases have been reported in Europe and more than thirty-three million cases worldwide. The number of casualties has now reached one million at global level.¹ The crisis has strongly affected people's welfare as many individuals have faced losses of income, experienced (temporary) unemployment or had difficulties to pay their rent or bills.² From a consumer protection point of view, the outbreak has also been a real-world and large-scale stress-test for rules that were initially not designed to deal with such extraordinary circumstances.

First, the pandemic has highlighted the potential fragility of EU consumer rules in times of crisis. Several attempts have been made to downgrade existing rules and to weaken the level of consumer protection. This became particularly apparent in the travel sector where some Member States introduced emergency laws to suspend consumer rights based on EU law. In addition, several airlines and Member States called on the European Commission to suspend the application of consumers rights in order to allow airlines to avoid giving cash refunds and forcing consumers to accept vouchers.<sup>3</sup> Yet EU rules are clear: consumers have a right to a reimbursement if their package travel, flight, train, bus and other journeys are cancelled due to no fault of their own.<sup>4</sup> Times of crisis should be when consumers are most protected, not an opportunity to get rid of consumer rights and leave people out of pocket. In parallel, the pandemic has also been a fertile ground for scams in a wide range of sectors and unfair practices from rogue traders trying to take advantage of consumers' distress.

Second, the COVID-19 outbreak has put critical pressure on enforcers. Consumer organisations have received numerous complaints and requests for assistance from consumers. Their work has been made even more complex by the fact that they had to work in a lockdown mode for several months. The switch to such new working organisation and methods was sudden and unexpected.

The pandemic has revealed the potential fragility of consumer rules and put the need for effective enforcement into the spotlight.

This report takes stock of the enforcement actions carried out by BEUC member organisations across Europe. This overview does not intend to provide an exhaustive list of all the actions undertaken by consumer organisations during the pandemic. As the effects of the COVID-19 outbreak are unfortunately still ongoing, consumer organisations are launching new actions on a continuous basis. The report points out the strong resilience of consumer organisations during the crisis as well as their capacity to quickly adapt to new circumstances. Ultimately, it draws some lessons from the pandemic from an enforcement point of view and makes clear that fighting the COVID-19 outbreak requires joint and coordinated efforts from consumer organisations and authorities to protect the rights of consumers in such extraordinary circumstances.

<sup>&</sup>lt;sup>1</sup> According to data published by the European Centre for Disease Prevention and Control (October 2020).

www.europarl.europa.eu/news/en/press-room/20200525IPR79717/eu-citizens-want-more-competences-for-the-eu-to-deal-with-crises-like-covid-19 (May 2020).

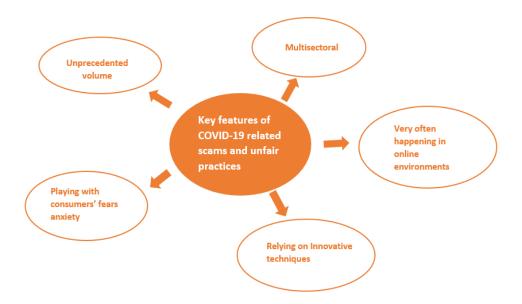
<sup>&</sup>lt;sup>3</sup> e.g. www.euronews.com/2020/04/29/a-dozen-eu-states-will-today-call-on-brussels-to-suspend-law-granting-refunds-for-cancelle (April 2020).

<sup>&</sup>lt;sup>4</sup> See BEUC's Position on Travellers' right during the COVID-19 crisis, April 2020.



# 2. Key features of COVID-19 scams and unfair practices

The COVID-19 pandemic has given rise to many frauds and scams of multiple formats. As such, many of these practices (e.g. price-gouging, misleading claims, etc.) are not new. Still, COVID-19-related scams and unfair practices tend to share many of the characteristics highlighted below:



- The unprecedented magnitude and volume of scams. The magnitude and the number of consumers at risk during the same time period has been unprecedented. This is clearly evidenced as per below by the very high number of requests for assistance that BEUC member organisations have received during that period. Furthermore, at the level of national enforcement authorities, the COVID-19 Taskforce established by the Competition and Markets Authority in the UK (hereafter "CMA") has for instance reported that it has been contacted 60,000 times about COVID-19-related issues between 10 March and 17 May 2020. Over this period, the CMA COVID-19 Taskforce received on average 900 submissions per day, with a peak of 6,700 submissions on 30 April. In parallel, the number of queries received by the European Consumer Centres (ECC) network in March 2020 reached 15,000, which is around 5,000 more than in March 2019.
- Scams and unfair practices across many different sectors. Scams did not target one particular sector but arose in many different areas, including medical products and medicines, safety equipment, food (e.g. food supplements), biocidal products, services delivery, etc. They often required a coordination between several enforcement authorities. Some Member States have set up specific task forces with representatives of several authorities to tackle COVID-19-related scams.<sup>7</sup>

<sup>&</sup>lt;sup>5</sup> www.gov.uk/government/news/update-on-cma-covid-19-taskforce (May 2020).

<sup>&</sup>lt;sup>6</sup>ec.europa.eu/info/live-work-travel-eu/consumers/resolve-your-consumer-complaint/european-consumer-centres-network-ecc-net/ecc-net-and-covid-19\_fr

<sup>&</sup>lt;sup>7</sup> e.g. in France with the "Task-force de lutte contre les frauds et escroqueries dans le context du COVID-19". (www.economie.gouv.fr/dgccrf/la-task-force-nationale-de-lutte-contre-les-fraudes-et-escroqueries-se-mobilise-et-propose).



- Online environments as fertile grounds for scams. Due to lockdowns, the COVID-19 pandemic has accelerated the rise of e-commerce. Unfair practices, including price-gouging or misleading claims on the properties of certain categories of products (hand sanitizers, masks, essential oils or even pharmaceuticals with supposed healing properties) took place online. There has been a multiplication of scams linked to misleading emails allegedly sent by public authorities or phishing attempts presenting advantageous offers such as "special COVID deal" or "corona help package". In March 2020, the Consumer Protection Cooperation (CPC)<sup>8</sup> network adopted a common position to address scams on online platforms and conducted several sweeps of websites to find out where consumers were subject to false claims and false products.<sup>9</sup>
- Playing with consumers' anxiety and fears and putting vulnerable consumers at risk. Rogue traders used the gravity of the situation to exert undue pressure on consumers (e.g. presenting products as "only available for a short period of time" or presented as "hard to find"). Moreover, some traders have used misleading statements such as presenting products as "curing" the disease or as "boosting immune systems".
- Innovative scams remaining below enforcers' radars. Some rogue traders used innovative techniques to avoid being caught on the radar of enforcement authorities. The CPC network for instance reported "new predatory practices that make it more difficult to find them", such as intentional misspellings to avoid automatic text-based filters or implicit claims supported with graphics or pictures.<sup>10</sup>

#### 3. BEUC's actions at the EU level

# 3.1. Urging European authorities to uphold the rights of consumers during the pandemic

Since March 2020, BEUC has been very active and vocal at the EU level and urged the European Commission to preserve the interests of consumers in a wide range of sectors.<sup>11</sup>

- Horizontal issues

BEUC <u>wrote</u> to Commissioner Breton to make sure that the measures taken at EU and national level to mitigate the effects of the COVID-19 outbreak on the economy take full account of consumers' interests. BEUC also <u>wrote</u> to Commissioner Reynders on the implications of the COVID-19 outbreak for consumers and listed the key issues requiring special attention from EU institutions, such as notably the supply of medicines, passenger rights, excessive prices, loan repayments, and higher energy bills. In parallel, BEUC also <u>urged</u> the European Commission to encourage market authorities to launch investigations on price developments across all sectors.

<sup>&</sup>lt;sup>8</sup>ec.europa.eu/info/live-work-travel-eu/consumers/enforcement-consumer-protection/consumer-protection-cooperation-network en

<sup>&</sup>lt;sup>9</sup>ec.europa.eu/info/live-work-travel-eu/consumers/enforcement-consumer-protection/scams-related-covid-

<sup>19</sup>\_fr#lettres-envoyes-aux-plateformes-en-ligne 

10 ec.europa.eu/commission/presscorner/api/files/document/print/en/ip\_20\_938/IP\_20\_938\_EN.pdf(May 2020).

<sup>&</sup>lt;sup>11</sup> An overview of actions, responses and issues detected by BEUC is available at: https://www.beuc.eu/covid-19-and-consumer-policy



# - Traveller and passenger rights

In April 2020, BEUC published a <u>position paper</u> on travellers' rights during the COVID-19 crisis in which it called on the Commission to assess all national laws transposing the Package Travel Directive in order to ensure that COVID-19-related cancellations are sufficiently covered against insolvency. BEUC also <u>wrote</u> to the Commission President von der Leyen to protect European passenger rights during the pandemic. In a letter to Commissioner Breton, BEUC <u>recommended</u> the creation of a European fund (or alternatively to expand national funding initiatives) to ensure that the tourism industry has sufficient liquidity. BEUC also <u>wrote</u> to Commissioner Reynders on package travel and <u>to</u> Commissioner Vălean on the enforcement of air passenger rights to express concerns concerning the offer of vouchers – as opposed to refunds – to consumers facing flight cancellations.

#### - Digital rights

BEUC sent its <u>views</u> to Commissioner Breton on the development of COVID-19 apps and on the proliferation of online scams. BEUC informed the EU Commission about the actions of its member organisations uncovering various online product scams, including unsubstantiated safety claims, disinformation, selling sub-standard products or demanding unjustifiably high prices.

### - Energy

BEUC <u>wrote</u> to Commissioner Simson about the implications of COVID-19 for energy consumers and requested the end of disconnections for non-payment of energy bills, greater flexibility to settle energy bills and debts, and energy-specific measures on social inclusion.

#### - Financial services

BEUC <u>wrote</u> to Commission Executive Vice-President Dombrovskis to stress the need to give borrowers in financial difficulties the right to defer monthly repayments of their credits for at least six months.

#### - Health

In May 2020, BEUC published a <u>position paper</u> on medicines shortage during the pandemic, and <u>wrote</u> to Commissioner Kyriakides on the disruptions of pharmaceutical supply chains in the wake of governments' responses to COVID-19. BEUC also <u>shared</u> its concerns over the lack of attention to affordability in EU research funding for COVID-19 treatments and expressed its views on the EU' COVID-19 vaccines Strategy.

#### 3.2. Submitting the first external alert to the EU CPC network

In July 2020, BEUC submitted the first external alert to the EU Consumer Protection Cooperation (CPC) network. The possibility to introduce an external alert is provided for under the revised CPC Regulation which entered into force in January 2020. It gives designated entities the power to issue an alert to the competent national authorities and the Commission of suspected infringements and to provide them with relevant information.<sup>12</sup>

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<sup>&</sup>lt;sup>12</sup> Art.27 of CPC Regulation.



In this context, BEUC – and 11 of its member organisations – reported several major airlines to national consumer protection authorities and the European Commission for breaching passenger rights and for using unfair commercial practices. BEUC and its members also asked for a broad investigation of the sector regarding wide-spread unfair practices.

3 months after the launch of this external alert, we have not heard about what CPC authorities and the European Commission might envisage as potential consequences of our alert.

# 4. Consumer organisations' actions at national level

In only a few weeks' time, consumer organisations managed to re-organise their work to ensure that the rights of consumers remain protected even in time of crisis. BEUC member organisations have carried out a wide range of actions, including personal and direct assistance to consumers, awareness campaigns to inform consumers about their rights, active monitoring of national legislations to ensure that consumer rules were not downgraded during the pandemic, legal actions before courts and/or market authorities. Some of them also developed online tools to collect complaints and build intelligence on scams or launched fundraising campaigns to support the medical sector.

#### 4.1. Empowering consumers through personal assistance and advice

Consumer organisations have experienced a dramatic increase in the number of consumers' requests for assistance during the pandemic. Our members have handled thousands and thousands of consumer calls and supported consumers across the EU. A few examples from amongst our member organisations activities are provided below:

Between February and July 2020, our German member organisation vzbv with its regional branches responded to more than 100.000 COVID-19-related gueries from consumers. 65% of those dealt with travels and cancelled flights. In March 2020, more than 3.3 million consumers visited the website verbraucherzentrale.de that groups information from all the 16 regional consumer associations (compared to 0.6 M in March 2019 and March 2018). This was the highest number of visits of the vzbv website ever recorded. Regional branches of vzbv set up dedicated hotlines which received thousands of calls and emails from consumers (e.g. 4,214 calls and 30 emails between March and July 2020 for Verbraucherzentrale Sachsen-Anhalt; more than 13,500 calls for Verbraucherzentrale Niedersachsen etc.). Between 1 April and 31 August, dtest in Czech Republic handled 23,785 queries from individual consumers, a majority of which were COVID-19-related. In Italy, Altroconsomo launched a "Coronavirus assistance". From 13 March to 31 July, this free legal consultancy service was accessible to everyone and provided support to citizens to solve their problems, to clarify doubts and to respond to any question related to the COVID-19 emergency. In total, Altroconsumo received more than 18,900 requests for advice and personal assistance from consumers. Among other national examples, our member organisation in Finland KKR set up a dedicated hotline giving consumers the possibility to receive free advice and assistance.

In addition, BEUC member organisations also made available free resources to consumers to help them enforce their rights and claim compensation. For example, UFC-Que Choisir set up a tool (viewed 1,324,903 times) to guide consumers and to inform them about their rights, which was accompanied by model letters that consumers could use to claim reimbursement. UFC-Que Choisir also issued a model letter to help consumers contact their



insurance companies. 600,000 consumers used that <u>letter</u> and several insurance companies <u>agreed</u> to partially reimburse the fees paid for the year 2020. UFC-Que Choisir also launched a service allowing consumers to receive automatic notification when their vouchers are about to expire. Roughly 9,700 consumers registered to this service.

# 4.2. Setting up clear "go-to" points for consumers with trustworthy and regularly updated information

In order to fight the spread of misleading information and to ensure that consumers can have access to trustworthy and updated information about their rights, consumer organisations have established clear information points centralising all the information necessary for consumers. For example, in Slovenia, <u>ZPS</u> centralized all COVID-19-related information on its website. In France, UFC-Que Choisir set up of a dedicated COVID-19-section on its website with dozens of articles dealing with a wide range of topics, including sport events, <u>housing</u>, <u>sport subscription</u>, <u>events cancellations</u> and more. In the Netherlands, <u>Consumentenbond</u> published information and advice on a wide range of issues including the financial and privacy implications of the crisis for consumers.

In addition, consumer organisations published articles on a regular basis to keep consumers informed. Among many examples, <u>Altroconsumo</u>, Kuluttajaliitto – Konsumentförbundet ry (<u>KKR</u>), <u>OCU</u>, <u>ZPS</u>, <u>dTest</u>, <u>EKPIZO</u>, <u>KEPKA</u> published several press releases and articles on the COVID-19 outbreak or organised live events to respond to consumers concerns. For example, Altroconsumo organised two live streaming events on Instagram about COVID-19-related issues and two podcasts about masks. In Finland, KKR organised several webinars to raise awareness among consumers. KKR also collected frequently asked questions on a wide range of topics (including event cancellations, credit card purchases etc.) and provided responses to these questions during these webinars.

#### 4.3. Launching online tools to collect consumer complaints and to report scams

Several consumer organisations set up online tools to build intelligence about COVID-19 scams and/or to collect consumers complaints. For example, in the UK, Which? set up an online tool to collect complaints from consumers who had their travel plans disrupted and had yet to receive a refund from their airline. Which? collected over 14,000 responses via this tool. Which? also set up another online tool to signal price gouging of essential items (e.g. hand sanitiser) during lockdown. Which? received over 1,800 alerts via this tool. Another example is Belgium where our member Test Achats / Test Aankoop Jaunched the platform "stopabuscorona" in April allowing consumers to report COVID-19-related scams. After 6 months, Test Achats / Test Aankoop had received more than 800 alerts via the platform. In June, Test-Achats / Test Aankoop also set up an online platform to collect consumer complaints about airlines about tickets cancellation. The objective was to centralise similar complaints so as to facilitate their processing and to gather intelligence. The platform received 3,267 complaints. 1,633 complete complaints were transmitted to the concerned airlines for their consideration. RyanAir (492 complaints), TUIfly (258 complaints) and Brussels Airlines (407 complaints) were the companies targeted by the highest number of complaints. A third example is Denmark where the Danish Consumer Council collected approximately 130 alerts about COVID-19-related scams via its app "My Digital Self-Defence".

#### 4.4. Submitting complaints to market authorities and suing before courts

First, some member organisations have started legal actions against rogue traders before their national courts. In France, UFC-Que Choisir has launched a <u>legal action</u> before the



Paris court against 20 airlines for failing to comply with the EU legislation and imposing vouchers on consumers. In addition, UFC-Que Choisir has lodged a <u>complaint</u> with the Council of State (*Conseil d'Etat*) to request the annulation of the legal act authorizing professionals to impose 18-month vouchers on consumers. The Council of State decided that this was not an emergency proceeding and therefore the ordinance has still not been suspended until now. Proceedings are ongoing.

Second, many member organisations started actions before their market authorities. For example, in Italy, Altroconsumo submitted 31 complaints to the Italian consumer and competition Authority (AGCM) for unfair or misleading practices relating to the COVID-19 pandemic. AGCM subsequently decided to open 28 proceedings. 12 proceedings ended up with commitments from the concerned companies. In the UK, Which? reported holiday letting companies to the CMA and also made a formal complaint on refunds to the aviation regulator. In parallel, Which? also reported a major wedding insurance company to the financial regulator for using dubious tactics to reject Coronavirus claims. In Spain, OCU sent complaint letters to the Spanish consumer protection authority and the aviation authority to report infringements by airlines.

# 4.5. Engaging with traders

Several consumer organisations tried to actively engage with traders to find quick solutions to consumers' problems. For example, in Czech Republic, dTest highlighted several problematic online shops selling protective equipment. As a result, one of these companies agreed to change its behaviour and provided better information to consumers about the availability of goods and the duration of the shipping periods. dTest has also been in touch with another company to further improve their business practices. In the UK, Which? received positive responses from businesses who wanted their endorsement and had been willing to change their policies in order to receive it. In March 2020, Test Achats/Test Aankoop sent a warning letter to several airline companies urging them to respect consumer rights. In France, UFC-Que Choisir sent a formal notice letter to 57 airlines urging them to respect passengers' rights. In Denmark, the Danish Consumer Council was informed that a company had modified its terms & conditions and that this could prevent consumers from obtaining reimbursement in case of cancellation. The Danish Consumer Council reached out to the company and asked for clarifications and changes. The company responded and subsequently amended its terms & conditions.

<sup>&</sup>lt;sup>13</sup> See among others en.agcm.it/en/media/press-releases/2020/7/PS11820-PS11821; en.agcm.it/en/media/press-releases/2020/7/PS11737; en.agcm.it/en/media/press-releases/2020/5/DS2620; en.agcm.it/en/media/press-releases/2020/4/PS11734; en.agcm.it/en/media/press-releases/2020/3/ICA-Coronavirus-the-Authority-intervenes-in-the-sale-of-sanitizing-products-and-masks.



# 4.6. Engaging with authorities and monitoring legislation changes

BEUC members organisations have carefully monitored and spoken up in cases of attempts to weaken existing legislations.

#### 4.6.1. Passengers rights and vouchers

In France, UFC-Que Choisir and CLCV took part in a new committee set up by the public authorities. Not satisfied with the functioning of the committee and given that this Committee had only limited powers (among others, the Committee could only make nonbinding recommendations for traders), UFC-Que Choisir and CLCV finally decided to step out and called on the European Commission to act to protect European travelers' rights. In Czech Republic, dTest closely followed COVID-19-related legislations and their impact for consumers. Their experts were frequently asked to provide the consumer point of view. In Spain, OCU published several press releases every time changes were made to the legislation. On several occasions, OCU used press releases to react against the government and travel airlines. In Italy, Altroconsumo sent several letters, position papers, request for amendments, requests for participation in formal hearings whenever the Italian government intended to take new emergency measures. Altroconsumo backed up its position with several petitions conducted with consumers: 11,562 consumers participated in the petition on Coronabonds, 6,519 in the petition on vouchers for canceled events, and 6,027 participants in the petition against vouchers for canceled flights and cancelled holidays. In Denmark, the Danish Consumer Council sent a letter to the Minister of Transports to express concerns about vouchers for package travels and cancelled flights. In Ireland, our member organisation CAI demanded action in regard to exceptionally poor engagement from airlines with consumers, the negative manner in which they limited consumer engagement on their websites to leave them no alternative but to opt for a voucher rather than their entitled refund and, significantly, the lack of enforcement of consumer law on behalf of those consumers by Government and enforcement bodies in Ireland. The engagement of the Consumer Association of Ireland (CAI) action led the Commission for Aviation to issue a definitive advice making clear that passengers must have the right to choose a refund of the ticket price paid when their flight is cancelled.

In Slovenia, ZPS sent several letters to the Ministry of Economic Development and Technology and to the government urging them to protect consumers and to enforce the law. At the beginning of April 2020, a legislation with special emergency measures was passed allowing package travel organisers to refund consumers within a period of 12 months (instead of 14 days) when they refuse vouchers. This rule significantly weakened consumers rights and did not comply with the EU legislation. During the preparatory phase, ZPS urged Members of the Parliament to reject the proposal and submitted propositions for amendments to preserve consumers rights. However, unfortunately, the proposed amendments were not taken up. In Greece, EKPIZO sent several letters urging authorities to safeguard the rights of consumers. Among others, EKPIZO contacted the Ministry of Tourism and the Ministry for Transports, wrote to the Ministry of Education for the reimbursement of canceled trips. EKPIZO also had several meetings with the Ministry of Transport, the Ministry of Tourism and the Hellenic Civil Aviation Authority. The Ministry of energy also requested EKPIZO's assistance for several issues in the energy sector.

In France, UFC-Que Choisir published a <u>press release</u> together with CLCV to remind authorities that reimbursement should always be possible. In Iceland, the government proposed a bill to change the legislation on package travel tours. Instead of the consumer having a right to a full refund, the tour operator was authorised to provide a voucher. The Iceland consumer organisation Neytendasamtökin protested against that proposal, claiming among other things that it violated constitutional rules. The government finally



withdrew the proposal and set up a special fund for tour operators to get a favourable loan to refund consumers. In Slovakia, SOS Poprad also checked the compliance of several Covid19-related legislations with EU law.

### 4.6.2. Other issues (tracing apps, ban on price-gouging, etc.)

Among many examples, ZPS called on the government, the relevant ministries (i.e. the Ministry for Health, Public Administration, Economic Development and Technology, Justice and the Ministry for the Interior) and the Parliament to not make the mobile tracing app mandatory for all individuals. In the UK, Which? <u>called for</u> a legislative proposal to ban price gouging of essential items during emergencies. EKPIZO sent an open letter to the health authorities regarding the need to facilitate the distribution of medicines and vaccines manufactured in other countries under a compulsory licensing regime.

# 4.7. Understanding consumer behaviour during the pandemic through in-depth market research and testing

UFC-Que Choisir conducted several surveys to understand consumer behaviour during the COVID-19 pandemic. 16,209 consumers responded to a first survey (April 2020), 12,000 to a second (April 2020) and 10,806 to a third one (May 2020). In addition, UFC Que Choisir conducted a study on postponed medical appointments and accompanied the report with policy recommendations urging for a better coordination for patient care between public and private hospitals, and a study on moto and car insurance during COVID-19 (also accompanied with policy recommendations). In Slovenia, ZPS carried-out an online survey to know more about consumers' experience with travel agencies and the options they were offered when contracts were cancelled or postponed due to the pandemic. ZPS also conducted a testing of 15 hand sanitizers based on alcohol, which can be bought at stores, drugstores and at gas stations. The test gave Slovene consumers a clear and unbiased information about hand sanitizers available on the market. As part of the testing, ZPS checked the alcohol content of disinfectants and made a comparison between the information stated on the packaging and measurements made in the lab. On these topics, ZPS also established close cooperation with the National institute of Public Health and the National Laboratory of Health, Environment and Food. EKPIZO conducted a survey on energy consumption. The main goal of the research was to identify the main problems faced by consumers during the lockdown, and to understand whether energy responded to their needs. OCU published a survey which revealed that Spanish consumers spent more during the COVID-19 pandemic.

# 4.8. Raising money and launching crowdfunding campaigns to support medical sectors

Some members raised money to support the medical sector. For example, <u>Altroconsumo</u> launched a crowdfunding campaign entitled "*They heal us, we protect them*" to buy masks, suits and disposable gloves necessary for protection of doctors, nurses and all health professionals. In Belgium, Test-Achats / Test Aankoop, through the campaign "<u>Ensemble Solidaires</u>", donated €25,000 to the Baudouin Foundation's Fund for Solidarity Care and launched the campaign #EnsembleSolidaires.



# 5. BEUC's "lessons learnt": enforcing consumers rights during the COVID-19 crisis

#### The pandemic cannot be a reason for watering down consumer protection rules

Millions of Europeans benefit daily from the comprehensive set of consumer rights that are today in place in the EU. Consumer protection rules should not be weakened in difficult times. On the opposite, this is the period where the enforcement of consumer rights has to be strengthened. The European Commission should be very vigilant, carefully monitor and, where necessary, prevent any attempt made at national level to circumvent or lower the level of consumer protection.

Greater coordination and synergies between consumer organisations and enforcement authorities is necessary to share resources and intelligence in their mutual fight against COVID-19-scams and unfair practices.

The COVID-19 outbreak has shown that joint efforts by consumer organisations and authorities are necessary to protect the rights of consumers. In several cases, authorities welcomed the input of consumer organisation. For example, in the UK, Which? received largely positive feedback from regulators and government about their work. ZPS in Slovenia and EKPIZO in Greece also set up good and productive relationships with their market authorities.

However, there remains still a large room for improvement as several authorities did not respond to information provided by consumer organisations (e.g. about consumer complaints). For example, in the UK, Which? highlighted that they had more difficulties in getting responses from the aviation regulator.

The European Commission and national authorities should increase transparency about their actions and regularly publish the results of their ongoing investigations against rogue traders.

At the EU level, the CPC network has improved transparency about its investigations by, for example, making publicly available the letters that online platforms sent as responses to the letter of Commissioner Reynders who had required additional information about their initiatives to take down scams from their platforms following the Common Position of the CPC network.<sup>14</sup> This is a clear improvement which should quide the practices of national authorities.

Market authorities should issue deterrent fines on traders, in particular when they manipulate consumers fears and anxiety in time of distress and uncertainty.

Authorities should make use of the enforcement tools now available under the revised CPC regulation and increase the amounts of the fines imposed on roque traders.

<sup>&</sup>lt;sup>14</sup> www.ec.europa.eu/info/sites/info/files/covid\_19\_scams\_letter\_to\_platforms\_march\_2020.pdf (March 2020) and www.ec.europa.eu/info/sites/info/files/covid\_19\_scams\_letter\_to\_platforms\_april\_2020.pdf (April 2020).



• EU Authorities should increase the liability and obligations of online platforms hosting and/or facilitating the circulation of scams.

Online marketplaces can no longer be regarded as passive intermediaries. As part of its "sweep" exercise, the CPC found a significant number of dubious offers and advertisements among one-third of 73 controls carried out on major platforms. This situation should be taken into account in the ongoing discussions on the Digital Services Act. Self-regulatory initiatives by the platforms have not led to satisfactory results.

• The European Commission and the CPC authorities must follow up quickly on the external alert submitted against airlines.

For the first time, BEUC made use of the external alert system provided for under the revised CPC regulation. We hope that the CPC network will use this opportunity to carry out the necessary investigations against airlines.

 Times of crisis require quick and coordinated responses from enforcers operating in a wide range of sectors. To facilitate exchanges, ad hoc task forces gathering representatives from the different enforcement authorities should be established. Such task-forces should also serve as clear contact points and main intermediaries for consumer organisations.

The COVID-19 outbreak has shown that quick response and coordination were necessary between authorities in charge of health, consumer protection, aviation, etc. A dedicated task force can be beneficial in such contexts. Some countries (e.g. France) have established such a horizontal taskforce. Such task forces should also operate as clear contact points for consumer organisations. In time of crisis and emergency, time should not be waisted in identifying the competent authority/ies.

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<sup>15</sup> www.ec.europa.eu/commission/presscorner/detail/en/ip\_20\_938



#### **Other relevant BEUC materials:**

- BEUC dedicated webpage: <u>COVID-19 and consumer policy</u>
- BEUC's Position on Travellers' right during the COVID-19 crisis (April 2020)
- A coordinated strategy for the exit and recovery of the aviation industry from the COVID-19 crisis (August 2020)
- Addressing medicine shortages during the COVID-19 pandemic and beyond: the consumer check list (May 2020)
- <u>Stepping up the enforcement of consumer protection rules</u> (September 2020).



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