

General info

What is the exact title of the session?

Restoring Consumers' Confidence in the Single Market

What is the timing?

Wednesday 30 June from 15:45 – 17:00

What is the framework of the session?

The Single Market is the most tangible achievement of the EU and has produced growth, jobs and numerous advantages for European citizens, consumers and companies. A strong economy and competitive companies are highly dependent on consumer confidence and satisfaction. The current economic downturn has weakened consumer confidence, and even if improving in April, consumer confidence is still low. To boost consumer confidence, future policies will have to look after consumer-specific interests; several ongoing proposals can improve the situation: creation of the Single Market for services, improved information and assistance mechanisms, or more effective enforcement of consumer laws. However, securing consumer confidence should not result in excessive regulatory burden on business. It should strike a balance between consumers and the companies' interests.

Introduction: the topic

The Single Market is the pillar of EU integration, since the 1990s it has created numerous advantages and opportunities. Thanks to the Single Market, European citizens can live, work, retire, study and shop abroad. As for consumers in particular, they benefit from a wider range of products, at more competitive prices, while businesses have access to a market of almost half a billion potential consumers in 30 countries. Nevertheless, without efficient consumer protection, consumers and business would not be able to enjoy the full benefits of the single market.

Therefore, the European Union has progressively developed numerous measures aimed at protecting the specific interests of consumers by reinforcing their safety, education, information, economic and legal interests. In addition, numerous Single Market policies like transport, telecoms or competition, have brought additional benefits to consumers.

Consumers and businesses are partners within the Single Market. Their interests are compatible and are taken into account in Single Market policy-making. Single Market policies must meet business and consumer needs alike and take account of their impact on competitiveness and the economy at large. The market does not work if consumers do not feel confident to shop. This is why companies do their best to meet consumers' needs and need adequately protected consumers. Furthermore, a sound and balanced EU consumer policy that ensures an adequate high level of consumer protection and promotes competitiveness of companies can also pave the way out of the economic downturn.

Main issues at European level

As Europeans have been bracing themselves for the worst recession in decades, consumer confidence and consumption have fallen. Between December 2007 and November 2008, Eurostat's consumer confidence indicator fell from -5.0 to -26.8 in the UK; from -9.8 to -29.3 in France, and from 2.1 to -14.7 in Germany. In the light of this scenario, decision-makers' first task is to revitalise the economy for both companies and consumers. On the consumer side, policy-makers should focus their attention in areas that play an important role in consumer confidence. A duty that will require tackling the following remaining impediments to consumer confidence:

- Product safety is still an issue in Europe; the 2009 RAPEX report shows that there are still numerous dangerous products which find their way on to the Single Market. Market surveillance and product traceability will have to be reinforced, in particular for products intended for more vulnerable users.
- There is a need to adapt EU consumer protection to the digital era: development of e-commerce and of ICTs in general (social network websites, RFID technologies, targeted ads) is posing new challenges regarding consumer protection and privacy (in accordance with the Digital Agenda).
- Divergences in national consumer protection legislation have resulted in legal uncertainty and extra-compliance costs which hamper the development of cross-border transactions.
- Consumers encounter difficulties accessing comparable and objective information due to a lack of reliable sources (and complex contracts).
- Opinion polls show that consumers are not sufficiently aware of their rights; consumers need to be more aware of their rights and obligations to make an informed choice.
- Assistance, customer care and complaint handling are fundamental in the relationship between consumer and companies. Also, strong and efficient dispute resolution mechanisms will bring benefits to both parties.
- In a large Single Market where consumers sometimes face difficulties to enforce their rights, appropriate consumer redress is a key element in consumer satisfaction. In this regard, the potential of alternative dispute resolution systems (ADRs) - which provide cheaper and faster means of redress - remains unexploited.

Challenges in the short and long term

Challenges in the short term

- Improve dialogue between consumer and business organisations as a way to heighten mutual understanding, sharing of expertise, and reduction of confrontation.
- Facilitate consumer access to information and assistance.
- Ensure security of transactions and privacy of personal data, especially in the Digital Single Market.
- Reinforce cross-border trade in services by good implementation and enforcement of the Services Directive.
- Move towards a more harmonised EU legal framework on consumer protection.
- Integrate the consumer dimension in the relevant policies without creating unnecessary burden on companies.

Challenges in the long term

- Reinforce traceability and safety by developing international dialogue and market surveillance.
- Promote a more evidence-based consumer policy on the basis of consumer patterns and attitudes.
- EU and national authorities should invest more in education and information campaigns from school onwards making use of modern technologies and online educational tools. Consumers need to be aware of their rights and obligations to make an informed choice in the market.

Possible questions to be discussed during the session

5 Most relevant questions to be discussed during this session

Question 1:

How to improve information to consumers without overburdening them?

Question 2:

How to reach the right balance between consumer and business' interests?

Question 3:

How to improve dialogue between companies and consumers?

Question 4:

For better consumer redress, which tool is the best? Public or private enforcement, and what should be the role of ADRs?

Question 5:

Is there an EU consumer? Is the harmonisation of consumer protection laws the way forward?

Further reading

Provide 3 interesting weblinks for further reading

1. Website of the European Commission Directorate-General for Health and consumer:
http://ec.europa.eu/consumers/index_en.htm
2. BUSINESSEUROPE website on consumer issues:
<http://www.buinesseurope.eu/Content/Default.asp?PageID=666>

3. BEUC website on consumer law acquis:

<http://www.beuc.eu/Content/Default.asp?PageID=657&LanguageCode=EN>

Provide 3 articles/books for further reading

1. *Communication from the Commission on the enforcement of the Consumer Acquis*, COM(2009) 330 final, Brussels, 2.7.2009.
2. *Third edition of the Consumer market scoreboard*, SEC(2010) 385 final, Brussels, 29.3.2010.
3. *New Frontiers of Consumer Protection: The Interplay Between Private and Public Enforcement*, Fabrizio Cafaggi and Hans-W Micklitz (Editors), Intersentia, August 15 2009.