

# The Future of EU Consumer Protection Legislation

# BUSINESSEUROPE's position on the review of the consumer acquis

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BUSINESSEUROPE

#### BUSINESSEUROPE

#### ✓ The Confederation of European business, representing more than 20 million small, medium and large companies

✓ A Social Partner

#### **Mission**

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- "Actively promote and represent business in Europe"
  - "Advocate a favourable and competitive business environment to foster sustainable economic growth"

#### **Purpose**

 ✓ Influence EU policies to create a businessfriendly environment

#### **Pillars**

✓ Members FIRST

BUSINESSEUROPE

- ✓ Staff: about 45 persons
- ✓ Supporting network of 22 companies (ASGroup)
- ✓ Alliance for a Competitive European Industry
- ✓ European Employers Network





## **BUSINESSEUROPE:** Policy priorities

- Implement the reforms for growth and jobs
- Integrate the European market
- Govern the EU efficiently
- Shape globalisation and fight all kinds of protectionism
- Promote a secure, competitive and climatefriendly energy system
- Reform European social systems to respond to global challenges



# **BUSINESSEUROPE and Consumer Policy**

- A sound and balanced EU consumer policy is important for a well-functioning internal market
- Consumers and business interests are compatible and a balance must be found in policy-making
- More evidence-based, better impact assessment and stakeholder consultation/dialogue
- Simpler and more harmonised consumer protection regulatory environment is desirable
- Effective and even enforcement
- Education and information



#### **Overall objectives of the consumer acquis review**

- Implement the better regulation agenda;
- Improve the Internal Market;
- "to achieve a real consumer internal market striking the right balance between a high level of consumer protection and the competitiveness of enterprises, while ensuring the strict respect of the principle of subsidiarity" (p.3)
- "wherever you are in the EU or wherever you buy from it makes no difference: your essential rights are the same" (p.3)





#### Full respect of Better Regulation:

- 1. The analytical work should be completed:
- Clear identification of cross-border problems of the average consumer and enterprises when trading across frontiers. Their source (regulatory, linguistic, personal convenience, proximity, tax, etc) and their real impact. Will new EU regulation solve them?
- 2. simplification of existing rules;
- 3. reduction of administrative burdens;
- 4. right balance between the competitiveness of companies and an appropriate common level of consumer protection;
- 5. Coherence with existing legislation and compatibility with Internal Market



# **BUSINESSEUROPE** on the review (2)

- It should seek targeted full harmonisation which provides:
  - more legal certainty (less room for national divergences)

  - similar level of consumer protection
    reduce obstacles to SMEs in cross-border activities
  - increase consumer and business confidence
  - easier and more even enforcement
- Scope of full harmonisation must be pragmatically defined:
  - focused on targeted and proportionate solutions to the problems identified;
  - no discrimination between domestic and cross-border transactions
  - Mutual recognition for non harmonised aspects
- Impact assessment should be done based on a competitiveness impact test
- Full consultation of representative stakeholders



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# **Content of future legislation (1)**

- "Let's keep things simple": do not go beyond the scope of the eight acquis directives;
- Ensure coherence between future and existing legislation: "Internal Market compatibility";
- The link with the ongoing research on European contract law should be clarified:
  - BUSINESSEUROPE is strongly opposed to creation of a European civil code for consumers.





# **Content of future legislation (2)**

# Scope:

- It could cover definitions, general principles, conditions for exercise of the right of withdrawal, calculation of time limits, general duty to notify seller of the lack of conformity, etc
- Should <u>not</u> cover:
- Liability issues
- Judicial redress/damage compensation
- Additional limits to the freedom to contract



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# **Conclusions: "the way forward" (1)**

- No new laws if not Internal Market added-value
- It must result in true EU and national regulatory simplification
- Strike a balance between interests at stake
- Be proportionate, practical and targeted, based on real evidence of need for better functioning of the internal market
- Backed up by impact assessments based on a competitiveness test



# **Conclusions: "the way forward" (2)**

- Flanking measures to ensure correct and timely national transposition and implementation (e.g. services directive)
- Better enforcement via:
  - Improve out-of-court problem-solving mechanisms
  - Adequate and effective sanctions
  - Better market surveillance and administrative cooperation
  - Better education and information of consumers

What next? A WHITE PAPER should follow, no rush is needed





# Thank you for your attention!

For more information: www.businesseurope.eu

