

EESC European Consumer Day Conference – 14 March 2014 'Challenges in the field of consumer protection: a business perspective'

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- I would like to thank the organisers for inviting BUSINESSEUROPE to be present in this forum.
- We are here today with a major common objective: a Single Market which works and delivers for consumers and businesses.
- We appreciate these platforms to exchange our experiences on the best way forward.
- Turning to the title of this panel '*challenges in the field of consumer protection*', I would like first to take distance and look at what has been achieved:
 - Harmonised rules for buying online;
 - Single currency; end of purchase limits;
 - Lower roaming costs and cheaper plane travels;
 - High consumer protection standards in place, closer authority cooperation;
 - Consumers gained more access to information and to assistance with tools as the European Consumer Centers, SOLVIT, Europe Direct, YourEurope website.
- In the last 20 years, the Single Market has drastically changed the life of consumers and companies.
- But, there is still work to be done.
- In our assessment:
 - There is a lot of legislation in the EU in the consumer area and more will soon be in force: banking rules, package travel as the most recent one;
 - Harmonisation was one of our favorite tools to achieve a level-playing field for consumer law in Europe but we saw the limits with the standoff during the consumer rights directive negotiations. Important chapters of the directive were scrapped in order to make it possible to find agreement among co-legislators.
 - Ecommerce figures are sub-optimal: 9% of Europeans shop online in another Member State; 25% of traders selling cross-border to consumers (with a slow increase).
 - We live in times where small businesses are struggling to keep afloat and to keep their staff.
 - We live in times where family budgets are tight and where the consumer in general is more conscious of his expenses.
- We need to have a realistic picture for the next 20 years of consumer protection.



- Consumption represents 56% of the EU GDP. We cannot neglect its importance if we want to have a sustainable recovery.

Where can we find the answer to these challenges?

a) Dialogue

- Let us build on a culture of dialogue.
- Although business representatives and consumers representatives do not always see eye to eye on specific topics, dialogue has clear advantages:
 - Ensuring mutual understanding,
 - Reducing of confrontation,
 - Sharing of experience.

b) Digitalisation of the Economy

- The role of digital in the economy is bringing a lot of new opportunities as new business models, more competition whilst offering wider choice and cheaper prices for consumers.
- Let us seize new opportunities rather than holding back on risks.

c) Boosting consumer (and business) confidence

- This cannot be done only on the basis of making more laws.
- Businesses need an environment which fosters investment and job-creation.
- We need to strengthen the capacity of consumers to take optimum decisions by themselves when buying a TV online, a mobile app or when signing a mortgage.
- Consumer **education and consumer information** is fundamental to make this happen. At BUSINESSEUROPE, we do our share by supporting the:
 - Consumer Rights Awareness campaign soon to be presented. SMEs also need to be guided because value creation and entrepreneurship demands a lot, leaving lesser resources to hire lawyers in order to find their way in an immense body of rules.
 - Development of a model of information for the purchase of online goods (e.g. apps) and development of an EU approach to price comparison websites and to environmental claims are two other areas where we cooperating with EU institutions.

SEV initiative

Our own members are also developing their own national initiatives. One of them, known by some you, the Hellenic Federation of Enterprises (SEV) has been working hard in this field since 2007:

- It developed an online tool for business to self-evaluate how they are dealing with consumers;
- In 2013 a Roadmap for a Better Consumer Service was adopted. We were pleased to hear that it has been endorsed by the General Secretariat for Consumer Affairs in Greece.



- This is a 4 steps scheme:
 - Step 1: Be informed about your options as a consumer and about available communications channels;
 - Step 2: How to communicate with the company in order to submit and solve your problem;
 - Step 3: How can the company respond;
 - Step 4: If you are dissatisfied with the solution given what are the alternative/steps to be taken.
- This tool can be useful:
 - **For Consumers** who desire to get in contact with the company: to solve a problem related to the purchased product or service; or to receive general guidance for optimal use of the product or service.
 - **For companies** which support interactive communication channels in order to urge consumers to make complaints or ask questions, or even to give guidance for the optimal use of products or services.
- BUT companies also need to feel confident to offer their products and services across borders. Disparity of consumer laws, different VAT rules, payment systems, product information, recycling provisions are longtime identified hurdles.

d) Accessibility

- Accessibility is also a key factor.
- We understand that many citizens find it hard to access basic products, services and even to access their own administration. This makes consumers paying more for the same products and services or being dependent on others.
- Europe is physically connected but when it comes to online we are not there yet.

e) Effective Consumer protection

- Consumer protection is important for companies.
- The EU provides many rules but this framework needs to be made effective.
- Market surveillance is essential; as it is to avoid unnecessary burdens in the form of extra labels, markings and too technical information. These will not help neither consumers nor businesses. New requirements should always be evidence-based and justified.
- To feel confident, consumers also need to know where to go when a problem arises.
- Since many years, BUSINESSEUROPE has been calling further promotion of out-of-court means of redress. We are happy about the adoption of EU legislation in this field and are optimistic about its future impact.
- Let me give you two concrete examples where ADRs do play a significant difference:
 - European Consumers Centers Network. It helped 80 000 consumers in 2013.



- The UK Financial Services Ombudsman alone dealt with nearly 300 000 cases in 2012 operating in 25 different languages.

Conclusion

Ladies and gentlemen

To help consumers feel included and protected requires a combination of efforts. It is a **shared responsibility** involving public authorities, consumer organisations and businesses.

Dialogue is a big part of it. There is no Single Market without companies and consumers.

We have a strong expectation that the next institutions (Commission, EP) will support this approach and BUSINESSEUROPE looks forward to work together with all of you to face Europe's future challenges.