

Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions

Consumer policy strategy 2002-2006

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(Text with EEA relevance)

1. INTRODUCTION

1.1. Content

This communication sets out the Commission's strategy for consumer policy at European level over the **next five years** (2002-2006). Last year, the Commission issued an interim report ⁽¹⁾ on progress made under the past action plan (1999-2001) in order to prepare this new strategy. It sets out **three mid-term objectives**, implemented through **actions included in a short-term rolling programme**, which will be regularly reviewed through a working document of the services of the Commission. The three objectives are:

- a high common level of consumer protection,
- effective enforcement of consumer protection rules,
- involvement of consumer organisations in EU policies.

These three objectives are designed to help achieving integration of consumer concerns into all other EU policies, to maximise the benefits of the single market for consumers and to prepare for enlargement.

Under the first objective 'A high common level of consumer protection', the chief actions are initiatives on follow-up to commercial practices issues addressed by the Green Paper on EU Consumer Protection ⁽²⁾ and on the safety of services. The priority actions, under the second objective 'Effective enforcement of consumer protection rules', are the development of an administrative cooperation framework between Member States and of redress mechanisms for consumers. And to achieve the third objective 'Involvement of consumer organisations in EU policies', the main actions consist in the review of mechanisms for participation of consumer organisations in EU policymaking and in the setting up of education and capacity-building projects.

European consumer policy is central to one of the Commission's strategic objectives, that of contributing to a better quality of life for all ⁽³⁾. It is also an essential element of the Commission's strategic objective of creating new economic dynamism and modernising the European economy. The creation of a Directorate-General for Health and Consumer Protection in 1999 and a reorganisation of

scientific and regulatory work in order to ensure independence, transparency and better protection of consumer interests, demonstrates the increased importance attached to consumer policy.

This communication invites the European Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and all interested parties to support the overall approach and the three objectives in particular. The Commission also invites them to foster the adoption of the key measures proposed and to support their implementation.

1.2. Scope

Consumer policy in this communication covers safety, economic and legal issues relevant to consumers in the market place, consumer information and education, the promotion of consumer organisations and their contribution with other stakeholders to consumer policy development. The scope of this strategy does not cover food safety issues. Food issues are now dealt with separately and have their own legislative agenda. The White Paper on Food Safety adopted on 12 January 2000 ⁽⁴⁾ contains proposals for a major programme of legislative reform in this area.

2. THE RATIONALE OF THE NEW CONSUMER POLICY STRATEGY

The development of consumer policy at EU level has been the essential corollary of the progressive establishment of the internal market. The free circulation of goods and services has required the adoption of common, or at least convergent, rules to ensure at one and the same time sufficient protection of consumer interests and the elimination of regulatory obstacles and competitive distortions.

Measures have frequently sought to give consumers the means to protect their own interests by making autonomous, informed choices. This typically ensures that consumers will have sufficient, correct information before engaging in transactions and certain legal rights in case the transaction does not deliver the required outcome. These measures seek to redress structural imbalances between individual consumers and business flowing from limits on the former's access to information and legal expertise as well as on their economic resources.

⁽¹⁾ COM(2001) 486 final.

⁽²⁾ COM(2001) 531 final of 2 October 2001.

⁽³⁾ Commission communication COM(2000) 154 final of 9 February 2000; Strategic Objectives 2000-2005 'Shaping the new Europe'.

⁽⁴⁾ COM(1999) 719 final.

However, in some situations, providing a basis for informed choice and legal redress has been regarded as insufficient, notably as regards protection of physical health and safety. In such situations, harmonised rules are considered necessary to guarantee an adequate level of protection to all consumers quite independently of their ability to protect themselves by making informed choices. The decision to adopt such a measure depends to a large extent on a political assessment of the importance of the interest to be protected and the feasibility of consumers being able to protect themselves by informed choices in practice.

2.1. The scope of EU consumer policy

EU consumer policy should provide **essential health and safety requirements** and safeguard economic interests to ensure a **high level of protection** and meet the expectations of citizens throughout the EU. Products and services placed on the market should be safe and consumers should receive the relevant information to make appropriate choices. Consumers should also be protected from abusive practices. Much of the work in this domain concerns legislation and other actions having a direct impact on market behaviour, such as standardisation, codes of conduct or best practice.

EU consumer policy should also **empower consumers** to understand policies that affect them and to make an input into these policies. Consumers should have the **capacity** to promote their interests in order to be on the same footing as other civil society stakeholders represented at the EU level.

It is also important that consumers have comparable opportunities to benefit fully from the potential of the internal market in terms of greater choice, lower prices, and the affordability and availability of essential services. Barriers to cross-border trade should therefore be overcome in order that the consumer dimension of the internal market can develop in parallel with its business dimension. EU consumer policy therefore aims at setting a **coherent and common environment ensuring that consumers are confident in shopping across borders throughout the EU**.

As well as specific consumer protection rules, consumers are also affected by other important EU policies such as the internal market, environment and sustainable development, transport, financial services, competition, agriculture, external trade and more. Consumer policy as such cannot be developed in isolation without taking into account other areas that have an impact on consumers. **Systematic integration of consumer concerns into all relevant EU policy areas is essential**. In recent years significant progress has been made toward achieving this. The aim for the future should be to build on these achievements in order to make integration of consumer interests into other policies more systematic.

Similarly consumer policy must take into account concerns of other areas to ensure a coherent approach to Community policy as a whole. Also, consumers' choices are very

important for these other areas, e.g. sustainable development in its social, environmental and economic dimensions.

Consumer policy is an area where the EU can add value. It is a **shared responsibility** between the EU and national public authorities. EU rules are enforced at the national level. Integration of consumer interests into all policies can only be effective if there is a similar approach at national level. This means that consumer policy is a **collective endeavour** of all European Union policy sectors and at all levels, regional, national and European.

The principles outlined above are enshrined in Articles 153 and 95 of the Treaty establishing the European Community.

2.2. The process of the new strategy

2.2.1. Impact assessment

The success of a consumer policy strategy can only be measured by the **impact** it has for consumers in Europe. It is therefore essential that the rationale for the strategy is clearly set out in advance, that progress on the strategy is **regularly monitored** and that the success of individual actions is clearly **evaluated** and lessons learned for the future. This would allow lessons to be drawn and suggest any necessary policy adaptation.

2.2.2. A knowledge-based policy

Consumer policy needs to be backed by relevant information and data in order to adjust policies and prioritise in the most appropriate ways. A more comprehensive, systematic and continuous effort is needed to develop a suitable knowledge base as an essential tool for policy makers. There is also a need for information and data for the general public, especially since the introduction of the euro, which increases price transparency across the euro area. Consumers also require accurate data on the safety of goods and services to make informed decisions, and many consumers desire information on other aspects of products, such as the environmental effects associated with them. The Commission will continue to provide detailed information on relevant issues for consumers through its 'Dialogue with citizens' publications and website (<http://europa.eu.int/citizens>).

Due to the diversity of consumer issues, comprehensive consumer-related information and data has to include general quantitative data (such as on consumption, living conditions and other socioeconomic aspects), data linked to consumer activities (such as on the participation to consumer associations) and consumer economic interests (such as on prices). Policy makers need to complement quantitative data available with qualitative data, which can be provided by opinion surveys on consumer attitudes, knowledge and satisfaction. Monitoring of consumer complaints and their handling is also a key issue for better information about consumers' interests and market responses.

The Commission will continue to develop its **'knowledge-base' on information and data on consumers and the market**. It intends to continue the publication 'Consumers in Europe — facts and figures', surveys on consumer prices, Eurobarometer and focus group surveys on services of general interest. The Commission will also carry out Eurobarometer surveys on cross-border consumer problems and consumer information and representation. It also intends to develop indicators on consumer satisfaction, and will make use of the interactive policy-making initiative which uses internet-based mechanisms to gather feedback and to conduct consultations. The Commission will also make use of scientific research where relevant, in particular through the Framework Programmes for research and technological development.

2.3. Key factors underlying the new strategy

Five key factors have been taken into account in developing this new strategy.

2.3.1. *The euro*

The long-awaited arrival of the euro in consumer pockets is beginning to fundamentally change business and consumer attitudes. The introduction of the euro has removed an important psychological barrier to consumers shopping in other Member States and has made it easier to compare prices. Cross-border opportunities should, therefore, become more evident for consumers.

2.3.2. *Social, economic and technological changes*

Internet use and its household penetration rates are increasing. In November 2001, almost 50 % of the population (over 15 years) used the internet either at home, at work, at school, in public access places or on the move. Internet penetration in EU households increased from 18 % in March 2000 to 38 % in December 2001 ⁽⁵⁾. These trends will raise awareness amongst a growing number of consumers of the possibilities of electronic commerce.

E-commerce and the information society reduce the relevance of distance in advertising, marketing and retailing for many products but above all, for services.

Consumption patterns are also changing. The **service sector** is growing. In the EU, it is now at least double the size of the manufacturing sector in terms of GDP; three times the size if social and public services are included ⁽⁶⁾. This means that

⁽⁵⁾ E-Europe benchmarking report, 5 February 2002, COM(2002) 62 final.

⁽⁶⁾ Source: Eurostat.

services, including their safety aspects, will have to be increasingly taken into account in EU consumer policy.

2.3.3. *Reaping the full benefits of the internal market*

With these changes, cross-border trade is now a more realistic proposition. However, obstacles to realising the full potential of the retail internal market still remain.

Surveys show that there are still wide differences in price for many consumer goods and services across the EU, of which consumers would be able to take advantage if they were able to have more confidence in shopping across borders. In addition, prices might be reduced if companies could sell across border without having to establish specific arrangements for different countries.

Wide divergences in prices

The last Commission report ⁽⁷⁾ on the functioning of product and capital markets shows that the retail prices of food and consumer goods continue to vary widely between Member States and that the narrowing of such price variations has slowed down considerably in recent years. In general, prices vary three to five times more across the EU than inside a country. The report concludes that different national regulations, company behaviour and competition problems may be combining to keep prices apart across the Community.

Different consumer protection rules apply in different Member States. Unsure of what protection they do or do not have when they shop abroad, consumers restrict their choices to the products and services available in their own Member State.

Lack of consumer confidence in buying across border

Across the EU, consumers have significantly less confidence about shopping cross-border than in their own countries — only 31 % of consumers think they would be well protected in a cross-border dispute with a supplier, against an average of 56 % who would feel well protected regarding a similar dispute within their own country ⁽⁸⁾.

⁽⁷⁾ COM(2001) 736.

⁽⁸⁾ EOS Gallup Europe 'Consumers survey', January 2002, the overall report of the survey is available on:
http://europa.eu.int/comm/dgs/health_consumer/events/event42_en.html

Likewise businesses are frequently unclear about what practices they should follow if they sell to consumers in other Member States. It is therefore essential for the European Union to ensure that internal market rules and practices promote **consumer confidence in cross-border transactions**. This implies simpler and more common rules, a similar level of enforcement across the EU, more accessible consumer information and education and effective redress mechanisms.

Cross-border shopping will not replace routine shopping, except for those who live very near borders. But even just **making cross-border shopping a realistic possibility** can itself have a major **knock-on impact on competition** in local markets. Even if a small percentage of consumers shop abroad, it will have an effect on the prices in each Member State's overall market. This impact has already been seen for example in the UK car sector⁽⁹⁾.

2.3.4. Implementing governance reform

The Lisbon European Council, the White Paper on Governance adopted in July 2001⁽¹⁰⁾ and the better regulation action plan to be presented shortly to the Commission, together represent a dynamic expression of political will to reform. These initiatives opened an important debate to improve the quality, effectiveness and simplicity of regulatory acts and to better consult and involve civil society in the EU decision-making process.

Consumers have high expectations of the European Union, its ability to ensure their safety, to protect their interests and to enable them to realise directly some of the benefits of European integration. But alongside that, citizens also feel increasingly alienated from the EU and its processes and institutions. This means that future EU consumer protection policy should both produce concrete benefits for citizens in their daily life, and engage consumers in the development and implementation of that policy. The five principles for good governance of openness, participation, accountability, effectiveness and coherence are directly relevant to consumer policy and should form an integral part of the future strategy.

2.3.5. Preparing for enlargement

Accession of the candidate countries to the EU will have an important impact on the functioning of the internal market. This is particularly true in the area of consumer protection, where citizens, in their capacity as consumers, will directly experience the effects of an enlarged market. The EU will be faced with **new regulatory and enforcement structures** and, more generally, with new attitudes towards consumer protection.

Many consumer protection rules are currently covered by national law rather than European legislation. Though the

detail of these provisions varies across the current Member States, their fundamentals are broadly similar. However, with the accession of the current candidate countries the heterogeneity of national provisions will significantly increase. Enforcement structures are not always as strong in the candidate countries and the experience and expectations of their consumers are also very different. The consumer movement of the candidate countries has still a long way to develop in order to play its full role of informing consumers, representing them and playing their full role in market surveillance.

The challenge will be to meet the legitimate expectations of new members while safeguarding and improving the present level of consumer protection both in terms of safety and legal and economic rights of consumers. Enlargement issues are therefore taken into account throughout this strategy, and the Commission will continue to make every effort to help consumers, their representatives and national authorities from the candidate countries prepare for accession.

2.4. The structure of the new consumer policy strategy

This communication provides the Commission's strategy for consumer policy at the European level over the **next five years** (2002-2006). It sets out **three mid-term objectives**, implemented through **actions included in a short-term rolling programme**, which will be reviewed regularly. The regular update of the rolling programme will be carried out through a working document of the services of the Commission. The medium-term strategy will provide a consistent orientation, while the short-term plan can be more quickly adapted to changing circumstances.

The Commission also plans to better integrate the preparation of the policy strategy with the financial instrument for consumer protection actions⁽¹¹⁾, which currently runs to a different timetable.

3. THE POLICY OBJECTIVES OF THE NEW CONSUMER POLICY STRATEGY

The key factors outlined above have led us to identify **three mid-term objectives**:

Objective 1: 'A high common level of consumer protection'. We must go further to enable consumers and business to realise the benefits of the internal market. Central to this is the establishment of common consumer protection rules and practices across Europe. This means moving away from the present situation of different sets of rules in each Member State towards a more consistent environment for consumer protection across the EU.

⁽⁹⁾ http://europa.eu.int/comm/competition/car_sector/price_diffs

⁽¹⁰⁾ COM(2001) 428 final.

⁽¹¹⁾ Decision No 283/1999/EC of the European Parliament and of the Council of 25 January 1999 establishing a general framework for Community activities in favour of consumers (OJ L 34, 9.2.1999, p. 1).

Objective 2: 'Effective enforcement of consumer protection rules'. There is no good law if it is not properly enforced. As the degree of economic integration in the internal market steadily increases and more opportunities are open for consumers, consumers should be given in practice the same protection throughout the EU, and even more so in an enlarged EU. Business has also a keen interest in a more uniform application of rules. Public authorities should have practical and effective means of cooperating to that end.

Objective 3: 'Involvement of consumer organisations in EU policies'. The input of consumer organisations into policies is essential both in terms of content and in terms of process.

These objectives are mutually reinforcing. Enforcement of EU policies is easier if a high common level of consumer protection is achieved; but common EU rules, which are not uniformly enforced creates uncertainty and reduces benefits for consumers. The benefits of a common level of protection can not be reaped fully if consumer organisations are not strong enough to play their role by providing policy makers with policy input, evidence of problems and by helping to enforce rules through market surveillance.

Priority has been given in the strategy to actions which complement each other and which, together, form a critical mass of actions, which reinforces their leverage effect. These priority actions address mainly cross-border issues. They are chosen to maximise impact at EU level. Some of these actions propose pooling scarce resources, from EU or national level. They often serve more than one objective. Particular prominence is given to actions promoting integration of consumer concerns into other policies and preparing for enlargement.

3.1. Mid-term objective 1: A high common level of consumer protection across the EU

This objective does not mean regulating all consumer protection in detail at European level. That would be neither desirable nor practical. It means harmonising, by whatever means is most appropriate (framework directive, standards, best practices), not just the safety of goods and services, but also those aspects of consumer economic interests that give consumers the confidence necessary to conduct transactions anywhere in the internal market. It could mean setting in place a common set of simple and clear EU rules and safety requirements, on commercial practices and on consumer contractual rights. It could also mean filling gaps between existing EU rules, which will require reform of existing directives. In line with the governance initiative, it would mean reinforcing business and consumer responsibility

through making better use of alternative forms of regulation, such as self-regulation and co-regulation, standardisation. A high common level of consumer protection also requires incorporating the integration principle by ensuring that other EU policies, such as internal market, financial services, transport, energy, environment, competition, agriculture, external trade and more, systematically and specifically address consumer interests. Provisions, which are essential to consumers and which ensure a high level of protection across the EU, should be fully taken into account in the definition of all EU policies. Likewise, consumer policy initiatives should also of course take into account their impact on business and other interested parties. The Commission is also developing an integrated approach to assessing the impact of initiatives across the full range of policies and groups affected by them.

A high level of consumer protection is required. This will be fully taken into account into the definition of other policies.

This objective requires actions in the following policy areas:

3.1.1. Safety of consumer goods and services

Community action has been successful in ensuring free circulation of consumer products within the EU and a strategy for achieving similar results in the case of services is being pursued. However, it is still necessary to reinforce Community action intended to ensure that a high and consistent level of protection in relation to consumer goods is guaranteed through the EU. In the case of services, Community initiatives to contribute to consumer safety have been limited so far to a few areas, notably transport. It is therefore necessary to examine the needs for further Community action in this respect and launch the appropriate initiatives.

The priorities in this policy area include **the implementation of the revised Directive on general product safety** ⁽¹²⁾, in particular the development of **standards** under this new Directive, the appropriate initiatives in the area of the **safety of services** provided to consumers and tackling **specific safety problems** as they arise. The preparation of new legislation on **chemicals** will provide for adequate risk reduction measures and will increase the level of consumer safety.

⁽¹²⁾ Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety (OJ L 11, 15.1.2002, p. 4).

3.1.2. Legislation on consumer economic interests

3.1.2.1. Commercial practices

The Green Paper on Consumer Protection⁽¹³⁾ set out options for the further harmonisation of rules on commercial practices, either on a case-by-case basis or supplementing this through framework legislation. There is also a need to review and reform existing EU consumer protection directives, to bring them up to date and progressively adapt them from minimum harmonisation to 'full harmonisation' measures. The Green Paper and the Commission's strategy on services⁽¹⁴⁾ make it clear that the simple application of mutual recognition, without harmonisation, is not likely to be appropriate for such consumer protection issues. However, provided a sufficient degree of harmonisation is achieved, the country of origin approach could be applied to remaining questions.

The Commission will present a follow-up communication to the **Green Paper on Consumer Protection in 2002**, which will further clarify its intentions in relation to new and existing initiatives regarding commercial practices and provide for further consultation.

3.1.2.2. Review of existing Community legislation relating to consumer protection

The Commission's Reports⁽¹⁵⁾ on the Directives on timeshare⁽¹⁶⁾ and on package travel⁽¹⁷⁾ indicated a number of shortcomings and further evidence has come to light in the form of complaints to the European Parliament and to the Commission. These two Directives provide for a mixture of contract law remedies and rules on commercial practices (e.g. selling techniques). Reform of the latter could be partially completed under any initiative subsequent to the Green Paper on EU Consumer Protection. For these directives, one of the key priorities for the Commission would be to propose full harmonisation in order to minimise variations in consumer protection rules across the EU that create fragmentation of the internal market to the detriment of consumers and business.

Moreover, the Commission will report on the implementation of several of the existing directives, which require it. These reports could be accompanied by proposals for amendment, if appropriate.

The Commission will review the existing Directives on **timeshare, package travel and indication of prices**.

⁽¹³⁾ COM(2001) 531 final.

⁽¹⁴⁾ COM(2000) 888.

⁽¹⁵⁾ SEC(1999) 1795 final and SEC(1999) 1800 final.

⁽¹⁶⁾ Directive 94/47/EC of the European Parliament and of the Council (OJ L 280, 1994, p. 83).

⁽¹⁷⁾ Council Directive 90/314/EEC of 13 June 1990 on package travel, package holidays and package tours (OJ L 158, 23.6.1990).

3.1.2.3. Law governing consumer contracts

In 2001, the Commission adopted a communication on European Contract Law⁽¹⁸⁾, which launched a consultation process on potential problems for the internal market and the uniform application of Community law resulting from the divergence of national contract laws. Consumer contract law represents an important part of the EC contract law. The Council has invited the Commission to communicate the results of the consultation and its observations and recommendations if necessary in the form of a Green or a White Paper at the end of 2002. The European Parliament has called on the Commission to draw up an action plan.

The follow-up to the communication will respond to the requests of the Council and of the European Parliament. It could suggest a mix of regulatory and non-regulatory measures. Among the non-regulatory measures it could propose coordination of research activities. These activities could lead to the elaboration of a general frame of reference, establishing common principles and terminology. Furthermore it could explain which measures would be taken to ensure coherence of the existing and future *acquis*, taking into account the general frame of reference. In this context, a **review of existing consumer contract law** in order to remove existing inconsistencies, to fill gaps and to simplify could be envisaged. **Harmonisation of the cooling-off periods** of several Directives⁽¹⁹⁾ would also be part of this review.

3.1.3. Financial Services

The financial service action plan⁽²⁰⁾ sets out a programme of initiatives designed to complete the internal market in retail financial services. Much has already been done, such as the Regulation on cross-border payments in euro⁽²¹⁾ which will greatly benefit consumers and contribute to enhancing cross-border trade by aligning bank charges for cross-border and national transactions. However, more is needed, as the action plan sets out. This includes both actions to facilitate the cross-border provision of financial services and measures to ensure the proper protection of financial consumers, wherever they are in the EU and to increase their confidence in cross-border transactions. The Commission will reinforce a regulatory approach in the field of financial services based on early, broad and systematic consultation of all interested parties, including consumers and end-users.

⁽¹⁸⁾ COM(2001) 398 final.

⁽¹⁹⁾ Directive 94/47/EC of the European Parliament and of the Council on the protection of purchasers in respect of certain aspects of contracts relating to the purchase of the right to use immovable properties on a timeshare basis (OJ L 280, 29.10.94, p. 83), Directive 97/7/EC of the European Parliament and of the Council on the protection of consumers in respect of distance contracts (OJ L 144), Council Directive 85/577/EEC of 20 December 1985 to protect the consumer in respect of contracts negotiated away from business premises.

⁽²⁰⁾ COM(1999) 232 final.

⁽²¹⁾ Regulation (EC) No 2560/2001 of 19 December 2001 (OJ L 344, 28.12.2001, p. 13).

To these ends, the Commission will, in particular, propose to revise and update the **Directive on consumer credit** ⁽²²⁾.

The Commission will make a **proposal for a comprehensive legal framework for payments in the internal market**. The forms that money and payments take are changing rapidly: plastic money, electronic money. The introduction of the euro is speeding up this development. Efficient and secure payment instruments and networks are indispensable in a well-functioning internal market. The legislator will have to address the developments in the areas of prices, time periods and the relationships between the issuers and holders of these new forms of payments. Existing legislation will also have to be reviewed.

In the securities field, the Commission has adopted proposals for directives on market abuse ⁽²³⁾ and prospectus ⁽²⁴⁾ that have a high level of consumer protection. The revision of the directive on investment services will lead to harmonisation of the conduct of business rules. The Commission intends to also make a proposal on the transparency obligations of quoted companies. These proposals would all benefit consumers by creating a fairer and more transparent internal market for financial services.

3.1.4. *Electronic commerce*

Consumers are still wary of shopping online, with less than 2 % of retail sales being made online. In the context of the e-Europe Action Plan adopted in 2000 ⁽²⁵⁾, the Commission has developed a strategy to build consumer confidence online, made up of four elements: high quality e-commerce codes; quality alternative dispute resolutions (ADRs); clear and consistent laws and effective enforcement.

Whilst there are many codes, trustmarks and other schemes, their sheer number and variety make it difficult for consumers to decide whether they can be confident about dealing with any particular site. The Commission's e-confidence initiative was launched in May 2000. This brought together a wide range of stakeholders, including consumer and business representatives, in an effort to reach agreement on common requirements of good practice. In December 2001, stakeholders presented a broad agreement to the Commission proposing

⁽²²⁾ Council Directive 87/102/EEC of 22 December 1986 for the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit, as amended by Directive 90/88/EEC of 22 February 1990; European Parliament and Council Directive 98/7/EC of 16 February 1998, (OJ L 42, 12.2.1987, OJ L 61, 10.3.1990, OJ L 101, 1.4.1998).

⁽²³⁾ COM(2001) 281 final.

⁽²⁴⁾ COM(2001) 280 final.

⁽²⁵⁾ http://europa.eu.int/information_society/eeurope/action_plan/index_en.htm

European trustmark requirements and a structure to monitor their implementation in practice.

On the basis of this agreement, the Commission intends to adopt a **Recommendation on consumer confidence in electronic commerce** and will work with stakeholders to monitor the implementation of their agreement.

Secure networks, secure access and the protection of privacy are also vital elements in building consumer confidence in electronic commerce. The 2002 e-Europe Benchmarking Report ⁽²⁶⁾ states that progress to improve protection against security threats is still slow despite several initiatives initiated by the public and private sectors such as the adoption of the electronic signature Directive ⁽²⁷⁾. In the last two years, there has been an increase in threats and security incidents, for example virus attacks. Against this background, the e-Europe security approach has evolved towards a more comprehensive approach of network and information security.

The Commission and Member States will take a series of **measures to improve electronic commerce security** encompassing awareness-raising, technological support, regulation and international coordination ⁽²⁸⁾.

3.1.5. *Services of general interest (SGI)*

Services of general interest are defined in the Commission communication on 'Services of general interest in Europe' ⁽²⁹⁾ as being services which the public authorities class as being of general interest and subject to specific public service obligations. They cover such areas as **transport, energy (electricity, gas), telecommunications** ⁽³⁰⁾ and **postal services** ⁽³¹⁾. A guarantee of **universal access, high quality and affordability** of these services constitutes the basis of the consumer needs as well as other obligations to accompany the liberalisation process. The Commission report on services of general interest to the Laeken European Council ⁽³²⁾ announced the Commission's intention to produce a regular series of reports monitoring market performance in this field. The first such report has been produced and it has identified the **quality** of services as a big challenge for the future.

⁽²⁶⁾ E-Europe benchmarking report, 5 February 2002, COM(2002) 62 final.

⁽²⁷⁾ Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures (OJ L 13, 19.1.2000, p. 12): entry into force 19.7.2001.

⁽²⁸⁾ Commission communication, COM(2001) 298 of 6 June 2001; Council Resolution 14378/01 of 6 December 2001.

⁽²⁹⁾ COM(2000) 580 of 20 September 2000.

⁽³⁰⁾ Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002, 'Universal Service Directive' (OJ L 108, 24.4.2002, p. 51).

⁽³¹⁾ However, not all activities in these sectors are subject to public service obligations and some operate under normal market conditions, for example in the sectors of transport and energy, though some consumer protection measures apply across these sectors.

⁽³²⁾ COM(2001) 598 of 17 October 2001.

There is currently a lack of quality indicators sufficiently developed to conduct an evaluation of these services. The Commission intends to produce a **communication defining a methodology to conduct horizontal evaluations of services of general interest**. This methodology will pay special attention to consumers' views on the performance of these services.

3.1.5.1. SGI — Transport

In the **transport** area, certain services have given rise to a high level of consumer dissatisfaction as expressed in Eurobarometer⁽³³⁾ and qualitative focus group surveys. Considerable progress is being made as regards passenger rights in air transport. There is, however, a need to extend this progress to other modes of transport.

The Commission White Paper 'European transport policy for 2010: time to decide'⁽³⁴⁾ states the Commission's intention by 2004 and as far as possible **to extend consumer protection measures for air transport to other modes of transport**, and in particular the railways, maritime transport and as far as possible, urban transport services.

3.1.5.2. SGI — Energy

In the **energy** sector, the Commission has made proposals⁽³⁵⁾ to further open up to competition the **electricity** and **gas** markets. These proposals foresee that all customers would be free to choose their supplier by 1 January 2005.

The proposals contain a detailed set of **consumer basic rights** including, in the case of electricity, a right to a universal service. They also provide for a minimum set of conditions in contracts, transparency of information on applicable prices and tariffs, measures to protect vulnerable customers and the availability of low-cost and transparent complaint handling and dispute settlement mechanisms.

The Commission will continue to monitor the implementation of the internal electricity and gas market rules, in particular regarding their effect on consumers, and to continue research on a wide range of energy options for the future.

⁽³³⁾ Eurobarometer on SGI, September 2000, available at:

http://europa.eu.int/comm/dgs/health_consumer/library/surveys/facts_euro53_en.pdf

⁽³⁴⁾ COM(2001) 370 of 12 September 2001.

⁽³⁵⁾ Proposed Directive amending Directives 96/92/EC and 98/30/EC concerning common rules for the internal market in electricity and natural gas — Commission communication COM(2001) 125 of 13 March 2001.

3.1.6. International trade, standardisation and labelling issues

The world trading system is governed by the World Trade Organisation agreements. Apart from trade liberalisation itself, various aspects of these agreements are relevant for consumers.

A new round of WTO trade negotiations was launched in Doha in November 2001 comprising both further trade liberalisation and new rule making. Many aspects of these negotiations are relevant to consumers, including, for example: WTO negotiations on services, including financial services, discussions on labelling, on product safety and on deceptive practices in the context of the TBT⁽³⁶⁾ agreement, the use of precaution and intellectual property issues.

In addition to the WTO the EC has negotiated or is in the process of negotiating trade agreements with several countries and regions, which are also relevant to consumers' interests.

International standards, in particular those established by ISO⁽³⁷⁾, have an important status under the TBT agreement and may influence the safety or interests of European consumers. It is therefore important to ensure transparency and adequate representation of consumer interests in the international standardisation process.

Private schemes, such as codes of conduct, guidelines and private, voluntary labelling, that aim at informing consumers about the origin, production and potential impact of the product in question can complement public policy measures, in view of promoting sustainable development.

The Commission will **promote and protect consumer interests** in the WTO as well as in the context of bilateral trade relations and in other forums. The Commission will maintain a dialogue with consumer organisations to this end. It will also promote consumer participation in international standardisation.

3.2. Mid-term objective 2: Effective enforcement of consumer protection rules

Effective cooperation on enforcing consumer protection rules is the second objective of this strategy. There are both legal and practical obstacles to enforcement cooperation at the moment, which need to be overcome if consumer protection principles are to be effectively applied in practice. While there is a coordination role at EU level, enforcement remains principally a national, regional or local competence. Actions in the following areas should be considered to achieve this mid-term objective:

⁽³⁶⁾ WTO Agreement on technical barriers to trade.

⁽³⁷⁾ International Standards Organisation.

3.2.1. Enforcement cooperation between Member States

Cooperation between the public authorities responsible for the enforcement of rules on commercial practices and product safety is key to the functioning of the internal market. The ability of rogue traders to act cross-border unimpeded would have a detrimental effect on consumer and business confidence. The Green Paper on EU Consumer Protection⁽³⁸⁾ outlined the case for a legal instrument, similar to what exists in other EU policies, to formalise this cooperation. Such a legal instrument could also provide the basis for cooperation agreements with third countries. The ideas in the Green paper on these issues were the subject of a very large consensus.

Reinforced structures for enforcement cooperation on product safety, such as the Consumer product safety network have already been foreseen in the revised Directive on general product safety.

The Commission intends to propose a **legislative framework for enforcement cooperation** on consumer protection between Member States, including the setting-up of a committee of representatives of national enforcement bodies.

Existing ad-hoc and informal cooperation instruments, such as IMSN or CLAB have pioneered this form of cooperation and will continue to be important:

3.2.1.1. The International marketing supervision network (IMSN)

The IMSN is an organisation consisting of the law enforcement authorities of 29 countries. In principle these authorities are members of the Organisation for Economic Cooperation and Development (OECD). The mandate of the network is to share information about cross-border commercial activities that may affect consumer interests, and to encourage international cooperation among law enforcement agencies. The European Commission participates as observer to the biannual IMSN conferences. The European sub-group 'International marketing supervision network — Europe' (IMSN-Europe) is a network of governmental authorities involved in the enforcement of fair trade practice laws and other consumer protection activities from the European Economic Area countries.

To ensure a permanent and systematic exchange of information between the members of IMSN-Europe, the Commission intends to develop its existing **website** for information exchange purposes and the **database**, which registers enforcement related information.

3.2.1.2. The CLAB⁽³⁹⁾ — 'unfair contract terms' — database

The Unfair Contract Terms Directive⁽⁴⁰⁾ was adopted to eliminate unfair terms from contracts drawn up between a professional and a consumer. The Commission launched the CLAB database to create an instrument for monitoring the practical enforcement of the Directive in the form of a database on 'national jurisprudence' governing unfair terms. 'Jurisprudence' as understood by CLAB covers not only court judgments but also decisions by administrative bodies, voluntary agreements, out-of-court settlements and arbitration awards.

The Commission intends to **complete and improve the CLAB database** in the next years.

3.2.2. Information and data on the safety of goods and services

The effectiveness of the systems in place in the EU for ensuring a high level of consumer health and safety protection should be monitored closely in order to identify any weaknesses, determine the priorities for reinforcing or completing the safety provisions applicable, intervene rapidly in case of emergencies and assist the decision makers in defining new policy orientations. This involves, in particular, collecting and assessing information and data on dangerous consumer products, the risks posed by certain services, the accidents related to consumer products and services.

Collecting and exchanging at EU level such information is also important in order to contribute to ensuring a consistent enforcement of Community provisions on product and service safety.

The **'rapid alert system'** (RAPEX) and the programmes to collect and exchange data on product-related injuries should be developed further. A **reinforcement of RAPEX** will be part of the implementation of the revised General Product Safety Directive⁽⁴¹⁾. The **development of a scheme to collect, assess and exchange data and information on service safety** and on the accidents in certain service sectors may be considered as part of the initiative on the safety of services. Moreover, the existing scheme to collect and assess data on product-related injuries under the Injury Prevention Programme⁽⁴²⁾, will be continued as part of the new health programme, and reinforced if necessary by appropriate specific initiatives.

⁽³⁹⁾ CLAB refers to the French term 'clauses abusives', i.e. unfair contract terms.

⁽⁴⁰⁾ Directive 93/13/EEC (OJ L 95, 21.4.1993).

⁽⁴¹⁾ Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety (OJ L 11, 15.1.2002, p. 4).

⁽⁴²⁾ http://europa.eu.int/comm/health/ph/programmes/injury/index_en.htm

⁽³⁸⁾ COM(2001) 531 final.

Enlargement will add the challenge of integrating in the Community system weaker enforcement mechanisms. In order to facilitate such integration, the Commission is assisting candidate countries in the difficult task of steadily **putting in place adequate administrative structures and enforcement powers** to implement and monitor the consumer protection *acquis*.

Candidate countries will be involved in the implementation of the revised general product safety directive, in particular through their **participation in the reinforced 'rapid alert system'** (RAPEX).

3.2.3. Redress

If consumers are to have sufficient confidence in shopping outside their own Member State and take advantage of the internal market, they need assurance that if things go wrong they have effective mechanisms to seek redress. Better and easier access to courts and out-of-court mechanisms for resolving cross-border disputes are therefore necessary to facilitate more effective access to justice for consumers.

3.2.3.1. Alternative dispute resolution

Where cross-border disputes arise, resorting to traditional litigation is not always practical nor cost effective for consumers and business alike. The Commission has responded with a number of initiatives aimed at promoting simple, low cost and effective means of resolving cross-border disputes such as alternative dispute resolutions⁽⁴³⁾ (ADRs).

In order to coordinate out-of-court-settlement procedures throughout Europe, the European extra-judicial network (EEJ-Net) has been launched in October 2001. The EEJ-Net provides a communication and support structure made up of national contact points (or 'clearing houses') established by each Member State. The clearing house will help the consumer with information and support in making a claim to an appropriate out-of-court alternative dispute resolution system. The EEJ-Net is complemented by FIN-NET; the

⁽⁴³⁾ The Commission has adopted two Recommendations on the principles applicable to the bodies responsible for the out-of-court settlement of consumer disputes (98/257/EC, OJ L 115, 17.4.1998, p. 31) and on the principles for out-of-court bodies involved in the consensual resolution of consumer disputes (2001/310/EC, OJ L 109, 19.4.2001, p. 56).

EU-wide out-of-court network dealing with cross-border complaints related to financial services set up in February 2001.

The Commission will develop the **EEJ-Net** with Member States. It will ensure minimum guarantees for **ADRs** by encouraging the application of the principles under the 1998 and 2001 Commission Recommendations. The Commission will further develop and improve FIN-NET and will promote the development of **EU-wide ADR schemes, particularly online schemes**. The Commission also adopted a Green Paper on Alternative Dispute Resolution⁽⁴⁴⁾ to take stock of the existing situation with a view to setting future priorities, and will propose a communication on Online Dispute Resolution.

3.2.3.2. European consumer centres (Euroguichets)

The European consumer centres network (ECC-Network) acts as an interface between the Commission and European consumers to support better use of the internal market and to give feedback to the Commission on market problems. The ECCs provide information on legislation and on case-law both at the European and at the Member State level. The ECCs also give assistance and advice on mediation, information concerning the procedures, first legal aid and orientation towards other authorities. The ECCs cooperate closely within their network and with other European networks such as EEJ-net and FIN-NET. The Commission would like to see one European Consumer Centre in every Member State and, as soon as possible, also in the candidate countries.

The Commission will continue to **build up the ECCs' network** within the EU Member States and the candidate countries. In order to help the Commission to better identify consumer needs, the ECCs will participate to the Commission initiative '**Interactive policymaking**', which is a new feedback mechanism to deliver valuable information from the market place.

3.2.3.3. Judicial cooperation in civil matters

The main objective of cooperation in civil law is to establish better collaboration between Member States in order to encourage free movement of citizens. The European Council of Tampere (15 and 16 October 1999) established a map for the effective implementation, among others, of the civil cooperation provisions introduced by the Amsterdam Treaty. The three priorities in this field are better access to justice, mutual recognition of judicial decisions, and increased convergence in the field of procedural law.

⁽⁴⁴⁾ COM(2002) 196 final.

The Commission will pursue the targets set for the effective **implementation of the civil cooperation provisions introduced by the Amsterdam Treaty and developed by the conclusions of the European Council of Tampere**. The Commission will continue to update, at regular intervals, a 'Scoreboard', to monitor the progress in the adoption and implementation of the range of measures needed to meet these targets.

An EU Regulation on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters ⁽⁴⁵⁾, which has entered into force on 1 March 2002, provides for a new set of rules of immediate consumer relevance. New rules for the applicable law on contractual and non-contractual obligations are also about to be established ⁽⁴⁶⁾.

The Commission will take into account the consumer's interest **when Community rules on international private law** are established.

3.2.4. Support to consumer associations

Consumer associations can make an important contribution to the proper enforcement of consumer policy measures both through their use of injunctions and their general market surveillance role. They are able to identify consumer products and services that are, for example, unsafe or of unacceptably poor quality. In this way they complement the enforcement and market surveillance role of the public authorities. This is resource intensive work that frequently requires a high level of expertise.

Many of the actions envisaged in support of Objective 3, such as the training programme for consumer associations professionals or the online education platform, will serve to strengthen the ability of consumer associations and of individual consumers themselves to contribute to market surveillance. In addition, the Commission will undertake some specialised initiatives relating to general product safety.

The Commission will organise in 2003 a special **training course for consumer associations relating to market surveillance** in the context of the revised General Product Safety Directive. It will also explore the possibility of launching further coordinated initiatives with Member States when the Directive comes into force.

⁽⁴⁵⁾ Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (OJ L 12, 16.1.2001, p. 1).

⁽⁴⁶⁾ Revision of the 1980 Rome Convention on the law applicable to contractual obligations ('ROME I') and completion by a new instrument governing conflict of laws rules for non-contractual aspects of commercial transactions ('ROME II').

3.3. Mid-term objective 3: Proper involvement of consumer organisations in EU policies

In order for consumer protection policies to be effective, consumers themselves must have an opportunity to provide an input into the development of policies that affect them. This goes beyond the immediate scope of consumer policy as such and is essential to achieve the integration of consumer protection requirements into all other EU policies. For example, the variety of public services and other services of general interest which are provided through some form of market structure is steadily increasing, and consumer interests should be taken into account in those areas. Involving consumer organisations also acts as a valuable 'reality check' on what is being proposed. Specific actions should be developed in the following areas:

3.3.1. Reviewing mechanisms for participation of consumer organisations in EU policymaking

3.3.1.1. Consultation requirements

To achieve more effective and transparent legislation at the EU level, the White Paper on Governance ⁽⁴⁷⁾ proposes that the consultation process, as a whole, should take place in accordance with commonly agreed standards. The White Paper also recognises the impact this process will have on the resources of civil society and that this will have to be taken into account in the future by all public authorities concerned.

Consumer organisations have a forum, the Consumer Committee, for inputting into consumer policy as such. The Consumer Committee is an advisory committee composed of consumer representatives from all Member States and of European-wide organisations. The current challenge for consumer organisations is to have the opportunity and the capacity to make an input into wider EU initiatives, which have a consumer dimension, at all stages of the EU decision-making process.

A communication establishing **minimum requirements** for the conduct of the Commission's consultation processes will be presented shortly to the Commission.

3.3.1.2. Participation in consultation bodies and working groups

Consumer participation within consultative bodies and working groups will also help to ensure integration of consumer concerns in all EU policies. Most of these consultative bodies are in the agricultural field. New consultative bodies have also been set up in certain fields such as transport, energy, telecommunications or fisheries. Throughout the years, consumer representation in such bodies has increased haphazardly, without a general coordinated approach.

⁽⁴⁷⁾ COM(2001) 428 final.

The Commission is working towards greater transparency as regards the activities of the **different advisory bodies**. In this context, the Commission will examine whether consumer organisations are properly represented across the spectrum of policies which concern them.

3.3.1.3. Standardisation work

Voluntary standards, established by the European standardisation bodies, play an important part in the concrete application of many Community measures related to consumer protection. The use of standards for achieving public policy objectives gains legitimacy through the transparency of the standardisation process and through the full and effective involvement of all stakeholders, including consumers. The participation of consumers in the European standardisation is still insufficient and does not match the dominant position of producers and other economic interests.

The Commission will examine how it can ensure **better consumer participation** in the work of standards-setting bodies. European standardisation involves activities both at EU level and in the national standardisation committees. Therefore, the Commission and the Member States should cooperate to ensure that the EU level activities are properly coordinated and that consumer representatives are properly involved at national level.

3.3.1.4. Consumer participation in the work of other EU institutions

The proper involvement of consumer organisations in EU policies concerns all EU institutions. Consultation of European and national consumer organisations already takes place with the Parliament and the Council. The Nice Treaty specifically adds 'consumers' to the list of civil society representatives in the Economic and Social Committee⁽⁴⁸⁾. However, consumer participation could be more systematic.

The Commission **urges other EU institutions** to examine how to improve the involvement of consumers in policy-making.

3.3.2. Consumer information and education

Subsidiarity implies that much of the responsibility for consumer information and education rests with the national, regional and local authorities.

3.3.2.1. Information

The growing expectations of citizens to have full and easy access to information on European affairs call for a modern, efficient and reliable information policy taking into account the latest developments in research and knowledge. This is an ongoing challenge for the Commission and for other EU institutions, which are committed to a policy of openness and accountability. This is particularly true for consumers as EU consumer protection policies and activities have a direct impact on their lives. Over the last few years, the Commission has developed various information tools, which are aimed at the general public, at consumers or at specific target groups. These include its website, the Consumer Voice newsletter and information campaigns. The European consumer centres network (Euroguichets) plays an important role by directly informing consumers about EU initiatives.

The Commission will pursue its efforts to improve its **information policy** towards consumers. Future actions will include information campaigns on tobacco prevention for young people.

3.3.2.2. Education

In recent years, particularly in the context of the single market, it has become increasingly evident that more attention should be given to the education of consumers so that they can shop with confidence in the full knowledge of their rights. Action at EU level should address specific problems related to cross-border transactions, the European dimension of consumer rights and the exchange of experience and good practice between Member States. Enlargement reinforces the necessity of this type of action.

The Commission will develop **online interactive education tools** that can be used by consumer associations for further training of their own staff in specific aspects of cross-border transactions, for example financial services, and of the EU consumer rights in the internal market. To this end, the Commission will make full use of best practices developed by Member States and consumer organisations.

3.3.3. Support and capacity building of consumer organisations

3.3.3.1. Training programme for staff members from consumer organisations

The consumer movement varies substantially across the EU, both in terms of strength, structure and capacity. The Commission will concentrate its own efforts on capacity building (management, lobbying, consumer law) and will encourage the Member States to do likewise.

⁽⁴⁸⁾ Article 257 TEC.

An ambitious **training programme for consumer professionals has been launched and will be developed over the coming years**. This should help the consumer organisation professionals to make an effective input into the elaboration of EU policies in the main area of consumer interest. This effort will be combined with already existing measures to provide support to consumer organisations.

3.3.3.2. Review of the legal instrument establishing a general framework for Community activities in favour of consumers

At EU level, the Decision of the European Parliament and the Council establishing a general framework for Community activities in favour of consumers⁽⁴⁹⁾ provides the financial legal basis for initiatives to support and strengthen consumer organisations. This Decision will expire at the end of 2003. The new general framework will reflect and support the objectives outlined in this strategy.

The Commission intends to adopt a **proposal establishing a new general framework for Community activities in favour of consumers** in 2002. This proposal will also provide for the possibility of candidate countries participating in these activities, in conformity with the general rules of participation of candidate countries to EC programmes.

4. CONCLUSION

EU Consumer Policy is at a critical juncture. During the coming years, consumers should reap tangible benefits from the single market and the euro. They should see the concrete results of integration of consumer interests into all EU policies. And consumers in the enlarged European Union of 470 million citizens should all benefit from the same high level of protection.

This Commission Strategy for Consumer Policy at EU level will provide a consistent orientation for the next five years. The objectives are mutually reinforcing and will be implemented through a short-term rolling programme, which will be reviewed regularly. Each review will assess the actions achieved on the basis of new data and of progress indicators in order to adjust ongoing actions, as appropriate, and to identify new ones.

The Commission invites the European Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and all interested parties to support the overall approach and the three objectives in particular. The Commission also invites them to foster the adoption of the measures proposed and to support their implementation.

⁽⁴⁹⁾ Decision No 283/1999/EC of the European Parliament and of the Council of 25 January 1999 establishing a general framework for Community activities in favour of consumers (OJ L 34, 9.2.1999, p. 1).

ANNEX

ROLLING PROGRAMME FOR CONSUMER POLICY (2002-2006)**INDICATIVE LIST OF ACTIONS**

OBJECTIVE 1: A HIGH COMMON LEVEL OF CONSUMER PROTECTION

Action	Description	Timeframe
Safety of consumer goods and services		
Commission communication on the safety of services	Identify the needs, possibilities and priorities for Community action on the safety of services and prepare a report on the issue	4th quarter 2002
Commission proposals on the safety of services	Finalise the appropriate proposals for Community action on the safety of services	4th quarter 2003
Guidelines to ensure coordination between the new General Product Safety Directive (GPSD) and vertical Community legislation on product safety	Finalise a guidance document on the relationships between the GPSD and Community vertical legislation on product safety	2nd quarter 2003
Guidelines on notification by producers and distributors of dangerous products	Prepare a guide on the contents, criteria and forms for information on dangerous products to be provided, according to the GPSD, by producers and distributors to the competent authorities	2nd quarter 2003
Decision to launch the assessment of certain product safety standards	Identify the priorities for publication of safety standards under the new GPSD	4th quarter 2002
Decision to publish the reference of certain product safety standards and launch new standardisation mandates	Publish the references of certain existing safety standards and launch some standardisation mandates under the new GPSD	4th quarter 2003
Workshop on chemicals in products/articles	Identify safety issues and potential questions for scientific committees in relation to the release of chemicals from products and articles	2nd quarter 2002
Revision of the Toys Directive	Finalise a proposal for a revision of the Toys Directive	2003
Revision of the Low Voltage Directive	Finalise a proposal for the revision of the Low Voltage Directive regulating the safety of electrical products	2003
Revision of the Cosmetics Directive	Finalise a proposal for the revision of the Directive regulating the safety of cosmetics	2003
Revised proposal for a Directive on phthalates in toys	Ensure a permanent solution for preventing risks to child health from phthalates in toys	2002
Proposal for a revised Council Recommendation on fire safety in hotels	Finalise a proposal to update and reinforce the Council Recommendation on fire safety in hotels	3rd quarter 2003
Legislation on consumer economic interests		
Commercial practices		
Proposals following the Commission's Green Paper on EU Consumer Protection	Follow-up communication to Green Paper and associated actions Further research on consumer and business attitudes to the internal market	2nd quarter 2002

Action	Description	Timeframe
Review of the existing acquis		
Amendment to the Timeshare Directive	Submit a proposal amending the Directive on Timeshare in order to update it and protect consumers against the new developments that have appeared in the timeshare market since the adoption of the Directive	2003
Amendment to the Package Travel Directive	Submit a proposal amending the Directive on package travel in order to update it and strengthening consumer protection in this area	2003-2004
Report on the Directive on price indication	Report on the application of the Directive on price indication (98/6/EC) accompanied by a proposal as requested by the Directive	1st quarter 2003
Report on the Directive on injunctions	Report on the Directive on injunctions for the protection of consumers' interests (98/27/EC) and propose any revisions considered necessary	3rd quarter 2003
Report on the Directive on distance selling	Report on the Directive on the protection of consumers in respect of distance contracts (97/7/EC) and propose any revisions considered necessary	2nd quarter 2001
Report on the Directive on certain aspects of the sale of consumer goods and associated guarantees	<ul style="list-style-type: none"> — Report on the Directive on certain aspects of the sale of consumer goods and associated guarantees (99/44/EC); in particular regarding the use made by Member States of consumers' obligation to report a lack of conformity within a time limit — Report on the application of this Directive examining in particular the case for introducing the producer's direct liability and, if appropriate, accompanied by a proposal 	1st quarter 2003 (notification requirement) 3rd quarter 2006
Law governing consumer contracts		
Follow-up to the communication on European contract law	<ul style="list-style-type: none"> — Identify areas in which the diversity of national legislation in the field of contract law may undermine the proper functioning of the internal market and the uniform application of Community law — Describe in more detail the option(s) in the area of contract law selected following the consultation. In this context, the improvement of existing EC legislation will be pursued — Develop an action plan for the chronological implementation of the Commission policy conclusions — Propose the coordination of research activities. These activities could lead to the elaboration of a general frame of reference establishing common principles and terminology 	4th quarter 2002
Review of existing consumer contract law	Review existing contract law in order to identify inconsistencies and gaps, with a view to simplifying and completing the consumer contract law <i>acquis</i>	2004-2006
Financial services		
Implementation of the measures set out in the Financial Services action plan and the road map	Many of the individual legislative proposals make, or will make, provision for the protection of consumers. This will require wide consultation with all stakeholders including consumers	2002-2006
Retail payments and fraud prevention action plan on non-cash means of payment	In particular work on aspects of retail payment security and the deployment of new means of payments. The legal and technical security aspects are covered in the fraud prevention action plan for non-cash means of payments and in the revision of some existing legislative acts. The intention is to create a single phone line in the EU for 'card stop' (for lost or stolen cards). It is also proposed to include several consumer education and awareness-raising projects	2002-2006

Action	Description	Timeframe
Replace the Consumer Credit Directive (87/102) and its two modifications by a new, substantially updated Directive	Amend the existing Directive in order to extend its scope to cover all forms of consumer credit all suppliers of consumer credit; to achieve a better balance of rights and obligations between the consumer and the supplier of credit, and to increase the degree of harmonisation	2nd quarter 2002
Proposal for a comprehensive legislative framework for payments in the internal market (including provisions on refunds)	Transform Recommendation 97/489 on electronic means of payment into binding legislation; update Directive 97/5 on cross-border payments in order to add supplementary legal aspects for retail payments in the internal market	2nd quarter 2002
Creation of a forum for financial services users (Finuse)	Obtain input from consumers and other users of financial services on EU initiatives	4th quarter 2002

Electronic commerce

Commission Recommendation on consumer confidence in electronic commerce	Contribute to the introduction of EU Guidelines for good online business practice and help to develop consumers' confidence in cross-border e-commerce by a Recommendation setting out principles for good online business practice and their effective implementation	2nd quarter 2002
Measures to improve electronic commerce security	Take a series of measures encompassing awareness-raising, technological support, regulation and international coordination	2002

Services of general interest (SGI)

Involve consumer representatives in policy, evaluation and monitoring of SGI	<ul style="list-style-type: none"> — Develop mechanisms at EU level for involving consumer representatives in the development of policies for SGIs, and to ensure their participation in the monitoring and evaluation of outcomes delivered for consumers — Promote, in cooperation with Member States and consumer groups, the setting-up of bodies representing the interests of consumers in individual SGIs 	2002-2006
Improve the sector reporting and to strengthen the consumer focus	Work in cooperation with sectoral DGs and consumer groups to highlight consumer issues in sector reporting	2002-2006
Communication on a methodology for conducting horizontal evaluations and Commission annual report on horizontal evaluation	Produce a coherent and consistent methodology for evaluating the performance in SGI sectors, including assessments of the quality of services and consumer satisfaction and to report annually on this	2002-2006
Development of a system of benchmarking in certain areas of services of general interest	Work with Member States and other public authorities on a system of benchmarking in areas of SGI not covered by sector reporting or the regular horizontal evaluation	2002-2006
Monitoring of consumer satisfaction in the area of services of general interest	<ul style="list-style-type: none"> — Continue regular Eurobarometer surveys and qualitative focus group surveys in order to monitor levels of consumer satisfaction in the SGI — Develop more rigorous indicators for measuring consumer satisfaction in the SGI 	2002-2006

SGI — Transport

Commission proposal for a regulation concerning requirements relating to air transport contracts	Clarify air passenger contracts and improve the rights of consumers	2003
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Action	Description	Timeframe
Produce consumer reports on air service quality	Focus on indicators of service quality including notably flight punctuality, flight cancellations, denied boarding because of overbooking, loss and damage of baggage and complaints filed by passengers	2002-2006
Commission proposals extending Community measures protecting air passengers' rights to other modes of transport	Extend the Community measures protecting passengers' rights as far as possible to include other modes of transport other than air transport, and in particular the railways, maritime transport and, as far as possible, urban transport services. This concerns in particular service quality and the development of quality indicators, contract conditions, transparency of information and extra-judicial dispute settlement mechanisms	2002-2004
Commission proposal for a regulation on international rail passenger rights	Include provisions on fair contracts; consumer consultation; complaint handling and dispute settlement mechanisms; and compensation for delays	By the end of 2002, beginning of 2003
Promotion of rail transport users' organisations	Promote the setting-up of a European platform of rail passenger organisations for negotiation and consultation purposes	2002-2004
Promotion of voluntary actions by rail companies to improve service quality and information	Encourage rail operators to develop a voluntary charter on service quality covering such issues as punctuality, provision of information in electronic form, accessibility for groups with special needs, such as persons with reduced mobility or persons travelling with their bike, and protection of non-smokers	2002-2003

SIG — Energy

Monitor the implementation of the internal electricity and gas market rules	Continue to monitor the implementation of the internal electricity and gas market rules, in particular regarding their effect on consumers	ongoing
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SIG — Telecommunications

Monitor the implementation of the telecommunication market rules	Continue to monitor the implementation of the telecommunications market rules, in particular regarding their effect on consumers	ongoing
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Competition

Studies on the efficiency and functioning of markets	Identify 'less efficient' markets with a view to remedial actions in the interests of consumers	2002-2003
Actions to inform consumers about competition policy and its impact on them	Enable consumers to identify and thus help them to bring to the Commission's attention anti-competitive activities	2002-2003
Organisation of the biannual 'European Competition Day'	Organisation together with the Presidency of the biannual 'European Competition Day' focusing on topics which illustrate the benefits for the consumer deriving from competition	2002-2006

Environment

Communication on environment and health	The communication will establish a strategy consisting of a holistic approach integrating health aspects into various environmental policies with the purpose of limiting the impact of environmental hazards to human health, paying special attention to children	2002
White Paper on Integrated Product Policy	This will seek to draw up a strategy for implementing IPP on an EU level. Taking the environmental problems caused by products across their life cycle as the starting point it will seek to reduce their environmental impacts. All actors having an influence on these — designers, manufacturers, distributors, retailers, consumers and waste experts will be involved	2002

Action	Description	Timeframe
Development and marketing of the EU Eco-label	The EU Eco-label provides a guarantee for consumers that wherever they are in the EU, any product they purchase that bears the EU Eco-label will meet the highest European environmental standards. Criteria for further product groups will be developed. Increased marketing activities will be pursued to increase the Eco-label's visibility	2002
Commission proposal on chemicals	New legislation on chemicals will be prepared, as the large majority of chemicals have been on the market for many years without sufficient knowledge about their risks. This will provide for adequate risk reduction measures, and will increase the level of protection of human health and the environment. All stakeholders, including consumers, will have better access to information about chemicals to make better-informed choices about the chemicals they use and are exposed to	4th quarter 2002
Commission initiatives on sustainable consumption	As a follow-up to the Sixth environment action programme, take forward appropriate initiatives for Community action on promotion of sustainable production and consumption patterns	4th quarter 2004
Commission proposal for a directive to reduce further the volatile organic compounds (VOC) emissions during the use of products	A possible proposal for a directive to reduce further the VOC emissions during the use of products. Consumer goods, such as paints would be under its scope	3rd quarter 2002
Commission Recommendations on consumer information on the fuel economy and CO ₂ emissions of new passenger cars	Under the Directive ⁽¹⁾ the Commission is required to take measures to enable the provisions on promotional literature to non-printed material. This may include internet marketing and radio and TV advertising	2003

International trade

Promotion of the consumer interests within EC positions during the next Round of WTO negotiations, in bilateral negotiations, and in the standardisation process	Promote and protect consumer interests, the consumer interests in the WTO in general and in the on-going WTO Round of negotiations launched in Doha in particular, as well as in the context of bilateral trade relations. Maintain a dialogue with consumer organisations to this end. Promote consumer participation in international standardisation	ongoing
Examine existing private labelling schemes	Examine existing private labelling schemes, such as organic labelling, Fair Trade and Corporate Social Responsibility measures, to assess their effectiveness and the need for further measures in achieving the objectives of transparency and information for consumers with a view to sustainable development	2002-2003

⁽¹⁾ Directive 1999/94/EC of the European Parliament and of the Council of 13 December 1999 relating to the availability of consumer information on fuel economy and CO₂ emissions in respect of the marketing of new passenger cars (OJ L 12, 18.1.2000, p. 16).

OBJECTIVE 2: EFFECTIVE ENFORCEMENT OF CONSUMER PROTECTION RULES

Action	Description	Timeframe
Enforcement cooperation between Member States		
Commission proposal for a legal basis for administrative cooperation between Member States	This proposal is intended to include the setting-up of a committee of representatives of national administrations	4th quarter 2002

Action	Description	Timeframe
Establish a website and database for International marketing supervision network — Europe (IMSN-Europe)	Website for information exchange purposes and a database to register enforcement-related information	Pilot phase: 4th quarter 2002, first review: 4th quarter 2003
Update of the CLAB ('unfair contract terms') database	Update the European database on case-law about unfair contract terms established to monitor practical enforcement of Directive 93/13/EEC	Call for tender for the years 2000 to 2005

Enforcement aspects of product and service safety

European framework for the collection and assessment of data on product-related injuries	Finalise the appropriate initiatives to ensure systematic collection and assessment of data on product-related injuries	3rd quarter 2003
Guidelines to ensure the effective functioning of the rapid alert system (RAPEX) of the GPSD	Finalise and implement guidelines on the functioning of a reinforced RAPEX system	4th quarter 2002
Establishment of the consumer product safety network under the GPSD	Launch administrative cooperation activities between market surveillance and enforcement authorities to facilitate the effective and consistent application of the new GPSD	1st quarter 2003
Strengthening of product safety enforcement in candidate countries	Implementation of the revised General Product Safety Directive, in particular through candidate country participation in the reinforced rapid alert system' (RAPEX)	2nd quarter 2003

Redress

Alternative dispute resolution (ADRs)

Support and development of the EEJ-Net	In the first phase, completion of the one-year pilot phase and report upon its effectiveness. In the second phase continue to improve cooperation and the service that the EEJ-Net will provide to users	2002
Support and development of FIN-NET	FIN-NET, the EU-wide complaints network for financial services, was set up in 2001 to facilitate consumers access to out-of-court settlement of cross-border disputes when the consumer and their financial service provider come from different Member States	ongoing
Promotion of the principles under the 1998 and 2001 Commission Recommendations on ADRs	An update of the existing database of out-of-court bodies under the 1998 Recommendation ⁽¹⁾ will be conducted. In addition, Member States have been invited to notify the Commission of the details of their national ADRs that apply the principles of the 2001 Recommendation in order to create a second database and to monitor the effectiveness of the application of both Recommendations on ADRs by the Member States. Both databases will be accessible to the public on the Europa website.	ongoing
Communication on the promotion of online dispute resolution (ODR) services in the global information society	As part of the e-Europe initiative the Commission will adopt a communication on promoting confidence in ODR services for settling cross-border disputes in the Information Society. It will aim to encourage consensus with stakeholders at global level on criteria and guidelines for ODR certification schemes	2002-2003
Establishment of an EU-wide online ADR schemes, 'Ecodir'	Ecodir will provide a pan-European online consumer mediation service	4th quarter 2002

Action	Description	Timeframe
European consumer centres (Euroguichets) ECCs		
Development of the network	— To have a centre in each Member State and extend the network to the candidate countries. EEA countries can participate if they wish	2nd quarter 2004
	— Develop record system	4th quarter 2002
Interactive policymaking — 'your voice in Europe'	IPM involves the development of two Internet-based mechanisms to enable the Commission to assess the impact of EU policies on the ground. These are a feedback mechanisms which help to collect spontaneous reactions in the marketplace, and a consultation mechanism designed to receive stakeholders views to new legislative proposals or other policy initiatives. The European consumer centres will become an active partner in the IPM initiative by encoding problems that consumers have in the internal market	2002-2006
Effective problem-solving in the internal market — Solvit		
Effective problem-solving in the internal market — Solvit	Solvit, which is due to be fully operational in June 2002, is a network of coordination centres and contact points in the Member States involving officials involved in the day-to-day practised administration of the internal market. It will contribute to the resolution of cross-border problems emanating from the misapplication of internal market rules for the benefit of both citizens and businesses. A key element is a database and the use of electronic communications to connect administrations in Member States	2002-2006
Judicial cooperation in civil matters		
Commission proposal for a Council Directive to improve access to justice in cross-border disputes by establishing minimum common rules relating to legal aid and other financial aspects of civil proceedings	The proposal aims to: <ul style="list-style-type: none"> — improve access to justice in cross-border disputes by establishing minimum common rules relating to legal aid — guarantee that an adequate level of legal aid is granted, under certain conditions, to persons whose financial situation makes it impossible for them to bear the cost of the proceedings, and — facilitate the compatibility of national laws on this subject and to establish cooperation mechanisms between Member State authorities 	Proposal adopted on 18 January 2002 ⁽²⁾
Green Paper on measures to create a uniform European procedure for a payment order and on measures to simplify and speed up cross-border litigation on small claims	Examine the systems existing in Member States with a view to consulting on possible measures at EU level	4th quarter 2002
Green Paper on Alternative Dispute Resolution	Take stock of the existing situation and consult broadly with the view of setting future priorities in this area	Green Paper adopted on 19 April 2002 ⁽³⁾
Support to consumer associations		
Organisation of a training course for consumers' associations	Organise a special training course for consumer associations relating to market surveillance in the context of the revised GPSD. It will also explore the possibility of launching further coordinated initiatives with Member States when the Directive comes into force	2003

⁽¹⁾ The Commission has adopted two Recommendations on the principles applicable to the bodies responsible for the out-of-court settlement of consumer disputes (98/257/EC, OJ L 115, 17.4.1998, p. 31) and on the principles for out-of-court bodies involved in the consensual resolution of consumer disputes (2001/310/EC, OJ L 109, 19.4.2001, p. 56).

⁽²⁾ COM(2002) 13 final.

⁽³⁾ COM(2002) 196 final.

OBJECTIVE 3: PROPER INVOLVEMENT OF CONSUMER ORGANISATIONS IN EU POLICIES

Action	Description	Timeframe
Reviewing mechanisms for participation of consumer organisations in EU policymaking		
Consultation standards		
Commission proposal for minimum standards for the conduct of the consultation process	As part of the White Paper on Governance and of the better regulation action plan, the Commission intends to establish minimum standards for the conduct of the consultation process	2nd quarter 2002
Participation in EC committees and working groups		
Assessment of consumer participation within EU consultative committees	The inter-service group on consumer policy will assess and coordinate consumer participation within EU consultative committees to determine whether and where consumer input is lacking could be improved and further developed	2nd quarter 2002
Standardisation work		
Launch of a cooperation project to promote consumer participation in standardisation	Launch coordinated action at Community and national level to ensure the effective participation of consumer representatives in standardisation work and the decision-making process of European standardisation bodies	2003
Reinforce the cooperation between Commission Directorates-General		
Organisation of regular meetings of the inter-service group on consumer policy	Reinforce the cooperation between Commission Directorates-General on consumer policy to improve integration of consumer concerns with other EU policy areas	2002-2006
Consumer information and education		
Information		
Development of information policy tools for consumers	The Commission will pursue its efforts to improve its information policy towards consumers. It will focus its future information campaigns on tobacco prevention for young people	2002-2006
Education		
Development of online interactive education tools	The Commission will develop online interactive education tools that can be used by consumer associations for further training of their own staff in specific aspects of cross-border transactions and of the EU consumer rights in the internal market. The Commission will also develop sector-specific tools on consumer items more likely to be traded, such as cross-border services, and in particular financial services. The Commission will explore with Member States how to capitalise similar work done by Member States or by consumer organisations so that tools can be developed to exchange best practices	2002
Support and capacity building of consumer organisations		
Training		
Training programme for staff members from consumer organisations	<ul style="list-style-type: none"> — In its first phase (year 2002) the contractor will create training material, select trainers and train them in three different areas: management, public relations and lobbying and EC consumer law — In its second phase (from beginning of 2003 until end of 2004) the trainers coming out of the first phase will train the staff of consumer organisations in these three areas 	<p>2002-2004</p> <p>From beginning of 2003 until end of 2004</p>

Action	Description	Timeframe
Review of the legal instrument establishing a general framework for Community activities in favour of consumers		
Commission proposal establishing a new general framework for Community activities in favour of consumers	Proposal of a general framework, which will reflect and support the objectives and actions outlined in this strategy, on the basis of which specific projects can be adopted and receive Community support. It will propose provisions to allow participation of candidate countries	3rd quarter 2002

ACTIONS TO IMPROVE THE QUALITY OF CONSUMER POLICIES

Action	Description	Timeframe
Impact assessment		
Commission communication establishing a comprehensive impact assessment mechanism	Ensuring that the impact on consumers' economic interests (in terms of price, choice, quality, affordability, accessibility and market transparency and fairness) is properly taken into account in relevant legislative and policy initiatives is essential to fulfilling the obligations of Article 153(2) of the Treaty. The development of a comprehensive impact assessment mechanism, as recognised by the White Paper on Governance ⁽¹⁾ and the Commission communication on better regulation ⁽²⁾ is therefore essential	2nd quarter 2002

The development of a knowledge-based policy

Organisation of a conference with the Danish Consumer Authority on consumer policy statistics	This conference would take stock and draw attention to this particular field in statistics (combining both quantitative and qualitative data), highlighting economic consumer detriment studies	3rd quarter 2002
Continuation of the 'Consumers in Europe' publication with Eurostat	Build on the first edition (2001) to develop the publication as a major element of the knowledge base used for consumer policymaking	2002-2006
Production of a Eurobarometer survey on consumer information and representation	Produce a Eurobarometer survey to be published for the Consumer Day (15 March 2002) and other surveys of the same kind in the subsequent years	2002-2006
Scanner data price surveys for 'supermarket goods'	Continue the work done during the pilot phase (covering data 1999-2000) to produce data allowing price comparisons on supermarket goods throughout Europe	2002-2006
Surveys on business and consumer attitudes to cross-border trading	Two surveys will analyse business and consumer attitudes to trading and shopping cross-border in the internal market	3rd quarter 2003
Survey on the prices of services, as a complement to the regular surveys coordinated by Eurostat	If necessary, to conduct complementary surveys on prices of services	2002-2006
Development of more comprehensive information systems and data on the safety of goods and services, building on RAPEX and Ehlass	<ul style="list-style-type: none"> — Continue and reinforce the collection and assessment of data on product-related injuries and to examine the possible extension to service-related injuries — Reinforce the operation of the RAPEX system by introducing new operational guidelines and an Internet-based exchange framework — Complete RAPEX by a framework for the direct exchange of information between market surveillance authorities, as part of the establishment of the product safety network of the General Product Safety Directive 	2002-2006

⁽¹⁾ COM(2001) 428 final.

⁽²⁾ Commission communication 'Simplifying and improving the regulatory environment', 5 December 2001, COM(2001) 726 final.