

Consumer Protection in the EU

On January 25, MEUSAC held its monthly Core Group meeting which brings together representatives of Government, the political parties, constituted bodies and civil society representatives to discuss EU legislative and policy proposals with national implications. The first Core Group meeting of this year was addressed by the European Commissioner for Health and Consumer Policy, Dr Tonio Borg. During his address, Commissioner Borg gave a detailed description of the sectors that fall under his remit, namely: health, consumer affairs and food safety. He termed his portfolio as 'The People's Portfolio' as in his words, "we are all consumers at the end of the day and at some point in our lives we have all been patients."

When speaking about consumer policy, Commissioner Borg referred to the latest developments proposed by the European Commission, including certain Directives which should come into force later on this year and others that are still in the pipeline, such as the revision of the Tobacco Products Directive.

The first important legislative initiative - the proposed revision of the Alternative Dispute Resolution (ADR) Directive and the proposed regulation on Online Dispute Resolution (ODR) - affect consumers positively and directly, as they enforce the efforts to improve the functioning of the retail internal market and more particularly to enhance redress for consumers.

The ADR Directive ensures that all European consumers who buy a product which turns out to be faulty would not need to take action in court which is both costly and time consuming. The ADR schemes - or out-of-court mechanisms, as they are also known - have been developed across Europe to help citizens who have a consumer dispute but who were unable to reach an agreement directly with the trader. ADR schemes usually use a third party such as an arbitrator, mediator or an ombudsman to help the consumer and the trader to reach a favourable solution. There are over 750 ADR schemes in the EU. In some countries, they only cover specific consumer disputes such as financial services, energy supply, or transport. In a few others, ADR covers all consumer disputes. Some offer the entire process online (ODR). In 2010, according to the European Commission, one in five European consumers encountered problems when buying goods and services in the single market.

The ODR applies to products bought online. Nowadays online commerce is increasing at a fast rate and the Commission saw fit to cover all aspects of online commerce so that consumers can be given better protection. According to Commissioner Borg, the main problem with online commerce is that in many cases consumers do not know with whom they are dealing with. This fact highlights the need for better regulation to protect consumers, whilst on the other hand ensuring that trade and competitiveness are safeguarded.

Dr Borg also spoke of another initiative to protect consumers: the 'EU sweep'. This is an action co-ordinated by the European Commission, and carried out simultaneously by the national consumer enforcement authorities in the Member States together with Norway and Iceland. Consumer authorities randomly check hundreds of sites in particular sectors in order to detect whether consumer rights are being compromised or denied. If they find that a website does not comply with EU consumer law, they contact the operator and ask for corrective action. Those who fail to correct illegal practices can face fines or be ordered to close their websites.

Another Directive to be proposed in the coming months relates to bank accounts. According to recent studies, around 30 million consumers over the age of 18 in the EU do not have a bank account. Out of these 30 million 'unbanked' citizens, it is estimated that between 6 and 7 million do not have a bank account because they have been denied access to one. European Commissioner for the Internal Market and Services, Michel Barnier took the initiative for the Commission to issue a recommendation on access to a basic payment account. The recommendation aims to ascertain that all citizens have access to bank accounts - a pre-condition for participating fully in the economic and social life of modern society and to benefit fully from the Single Market. . The recommendation seeks to eliminate the obstacles to switching bank accounts from one bank to another and envisages transparency in European bank tariffs.

The legislative proposals and initiatives explained above highlight in just one aspect the priority that is given by the EU to its citizens. MEUSAC on its part is committed to engage civil society and the general public in the EU's decision making process, to raise awareness on EU citizens' rights, and assist local councils and NGOs to tap into EU funding opportunities. As the official National Contact Point for the European Year of Citizens 2013, MEUSAC will be implementing its three-pronged role by holding events together with other stakeholders to raise awareness on the rights, benefits and obligations that go with EU citizenship. For more information kindly access MEUSAC's dedicated website for EU citizens' rights www.e-rights.eu or call on 2200 3300.

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