



# Information gathering for assisting the European Commission in complying with its obligations under Article 40 (“reporting”) of Regulation (EU) 2017/2394 on Consumer Protection Cooperation

Case study on car rental



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## 1. Introduction

This case study focuses on consumer protection and the CPC actions in the car rental sector. The report provides an overview of key actors and market trends prior to and during the COVID-19 pandemic as well as emerging trends and projections post-COVID-19. It highlights the main challenges faced by consumers and how consumer law infringements have evolved. Lastly, it assesses whether both traditional traders (i.e., car rental companies) and intermediaries (including brokers, price comparison websites and travel websites linking car rental traders to the consumers) have become more compliant since the CPC actions in the sector (i.e., a coordinated action on traders in 2016 and a study followed by a ‘mini-sweep’<sup>1</sup> on intermediaries in 2021 and 2022 respectively).

The case study draws evidence from reports, consumer complaint data and interviews from a diverse group of relevant stakeholders including European Commission officials, traders, trade organisations and consumer organisations.

## 2. Market trends and changes in consumer behaviour

### 2.1. Market developments and main market actors

In the five years prior to the COVID-19 pandemic, the European car rental market grew at an average rate of 5% per year and was expected to continue on this trajectory<sup>2</sup>. However, the pandemic had a significant negative impact on the sector by halting consumer demand. Leaseurope<sup>3</sup> estimates that the European passenger car sector saw a decline of 14.1% in 2020 and 16.2% for commercial vehicles as a result of government lockdowns<sup>4</sup>. Interviews with traders in the car rental sector reported similar trends with one trader reporting an illustrative example whereby prior to COVID-19, the trader in question rented thousands of vehicles per day at a key airport hub (in the peak of summer) while as few as 5-10 vehicles were rented per day at the height of the pandemic<sup>5</sup>. The trader highlighted that as much as 60% of their business comes from renting cars at the airports.

As governments progressively lowered restrictions in 2021, demand for car rental increased with consumers travelling again for work and for leisure. As a result, traders

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<sup>1</sup> As part of the 2021 European Commission’s study on “the compliance of the car rental intermediaries’ online services with the requirements of the EU legislation”, a compliance check (i.e., ‘mini-sweep’) was conducted, investigating to what extent a sample of 547 car rental intermediary websites comply with the relevant legal regulations and directives

<sup>2</sup> European Commission, 2021, Study on the compliance of the car rental intermediaries online services with the requirements of the EU legislation, Available at: [Study on the compliance of the car rental intermediaries online services with the requirements of the EU legislation | European Commission \(europa.eu\)](#)

<sup>3</sup> Leaseurope brings together 46 member associations in 32 European countries representing the leasing, long term and/or short-term automotive rental industries. In 2020, these associations represented about 1,500 leasing firms and more than 520 short term rental companies. It is estimated that Leaseurope represented approximately 90% of the European leasing market in 2020.

<sup>4</sup> Leaseurope, 2020, Key facts and Figures. Available at: [s3 \(leaseurope.org\)](#)

<sup>5</sup> Interview with trader

reported renewed growth in 2021<sup>6</sup> and according to a market study on the car rental sector, the European vehicle rental market currently valued at over 11 billion EUR (2020) is expected to reach a value of over 18 billion EUR by 2026.<sup>7</sup> Other statistics show similar findings and project growth in user penetration (currently at 6% in 2022) of 8.5% by 2026.<sup>8</sup> They also estimate that the number of users will increase to 37.5 million users by 2026 compared to 16.4 million users in 2017 (pre-COVID time). This expected growth is the result of several market trends, including:

- An increase in business and educational tourism, especially in the Central and Eastern European regions,
- An increase in spending on transport and business infrastructure development in Eastern and Southern European countries, attracting executives, investors, and professionals from across the world,
- A change in business models with the emergence of new e-commerce companies, that prefer rentals as an alternative to buying delivery vehicles (lower investment)<sup>9</sup>.

Despite the exceptional circumstances within which the car rental sector has had to operate in 2020 and 2021, car rentals remain an important economic sector of the European Union’s Single Market and the sector is expected to continue to grow in significance in the coming years.

The European vehicle rental market is dominated by five major players: Avis Budget Group Inc., Enterprise Holdings Inc., Europcar, The Hertz Corporation, and SIXT SE. These companies have an EU-wide presence and together account for two-thirds of all private car rentals in the EU<sup>10</sup>. The remaining traders consist of independent companies active in the different Member States at the national level. Beyond traditional traders, intermediaries have become an important actor in the car rental sector<sup>11</sup>. They do not own fleets of rental vehicles but arrange the services of rental companies for the consumer. Intermediaries include travel agencies, transport companies, operators of booking applications, price comparison websites, etc.<sup>12</sup> One trader interviewed estimates that between 60% and 70% of their business now comes through intermediaries, mainly Rental Car, Car Trawler, Do you Spain and Auto Europe.<sup>13</sup>

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<sup>6</sup> Interview with trader

<sup>7</sup> Mordor Intelligence, 2021, Europe Vehicle Rental Market – Growth, Trends, COVID-19 Impact and forecasts (2022-2027), Available at: [Europe Vehicle Rental Market | 2022 - 27 | Industry Share, Size, Growth - Mordor Intelligence](#)

<sup>8</sup> Statista, 2022, Car rentals, Available at: [Car Rentals - EU-27 | Statista Market Forecast](#)

<sup>9</sup> Ibid.

<sup>10</sup> Competition and Market Authority (UK), 2015, Short-term car rental in the European Union, Available at: [Short-term car rental in the European Union \(publishing.service.gov.uk\)](#)

<sup>11</sup> Car rental intermediaries are most often operating on a cross-border basis, providing their websites in a variety of languages and their services in different countries around the world. Some websites focus on a limited number of languages (or country markets). Consumers benefit from using online intermediaries by easier comparability of price and features, and access to a variety of suppliers and offers/products. Some car rental intermediaries operate as metasearch engines, broadcasting results from several search engines. There are several benefits for car rental companies using online intermediaries such as access to a broader consumer base and better distribution opportunities, often with a cross-border scope. With an increased use of online intermediaries, these websites have become important for small and large players in the car rental market as otherwise they would miss out. However, car rental companies may note also some disadvantages of using online intermediaries as costs (i.e., broker commissions and fees), or brand differentiation.

<sup>12</sup> European Commission, 2021, Study on the compliance of the car rental intermediaries online services with the requirements of the EU legislation, Available at: [Study on the compliance of the car rental intermediaries online services with the requirements of the EU legislation | European Commission \(europa.eu\)](#)

<sup>13</sup> Interviews with traders

## 2.2. Current and emerging trends reflecting consumer attitudes and expectations

Technology has transformed the car rental sector enabling operators to deliver improved services to their customers. This includes the utilisation of optimised corporate and customer information management and the development of convenient internet booking applications.<sup>14</sup> In response to consumer demands for more effective and efficient processes that require less or no time spent at the counter of the rental office, traders have further developed online booking services to include a variety of services, such as verification of documents, offering information to the renter, services like drop-off and pick-up of the rented car at a certain place, e-signing contracts, and cashless transactions.<sup>15</sup> Industry players such as Sixt SE and Avis have also launched mobile apps through which customers can easily choose vehicles from a portfolio and make bookings. Traders have also been responding to the increase in demand for connected ‘smart’ vehicles which can be locked and unlocked through a phone application without requiring a physical key (and therefore do not require a trip to the rental office or interaction with the salesmen).<sup>16</sup> Similarly, since March 2021, the car rental firm Hertz introduced an annual membership fee for its 24/7 service that allows members contactless rental of cars and vans without interaction.<sup>17</sup> One trader highlighted that the shift toward digitalisation has led to greater consumer satisfaction as reported by the trader’s net promoter score (which is a metric used by the trader to measure consumer satisfaction).<sup>18</sup>

Collaboration is another key strategy used by industry players to strengthen their market position. For instance, in May 2021, Uber launched a new car rental service called Uber Rent in partnership with CarTrawler. The partnership will see CarTrawler run Uber's car rental technology. Hertz has also entered into an agreement with Uber and is expected to rent out half of its newly acquired Tesla 3S model to Uber drivers. Several market players are also partnering with prominent airlines to provide vehicle rental services directly at the airport. For example, in January 2020, Ryanair partnered with Rentalcars.com and integrated the car rental platform across the airline to increase car rental bookings.<sup>19</sup>

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<sup>14</sup> Mordor Intelligence, 2021, Europe Vehicle Rental Market – Growth, Trends, COVID-19 Impact and forecasts (2022-2027), Available at: [Europe Vehicle Rental Market | 2022 - 27 | Industry Share, Size, Growth - Mordor Intelligence](#)

<sup>15</sup> Interview with trader and trade organisations

<sup>16</sup> Interview with traders

<sup>17</sup> Mordor Intelligence, 2021, Europe Vehicle Rental Market – Growth, Trends, COVID-19 Impact and forecasts (2022-2027), Available at: [Europe Vehicle Rental Market | 2022 - 27 | Industry Share, Size, Growth - Mordor Intelligence](#)

<sup>18</sup> Interview with trader

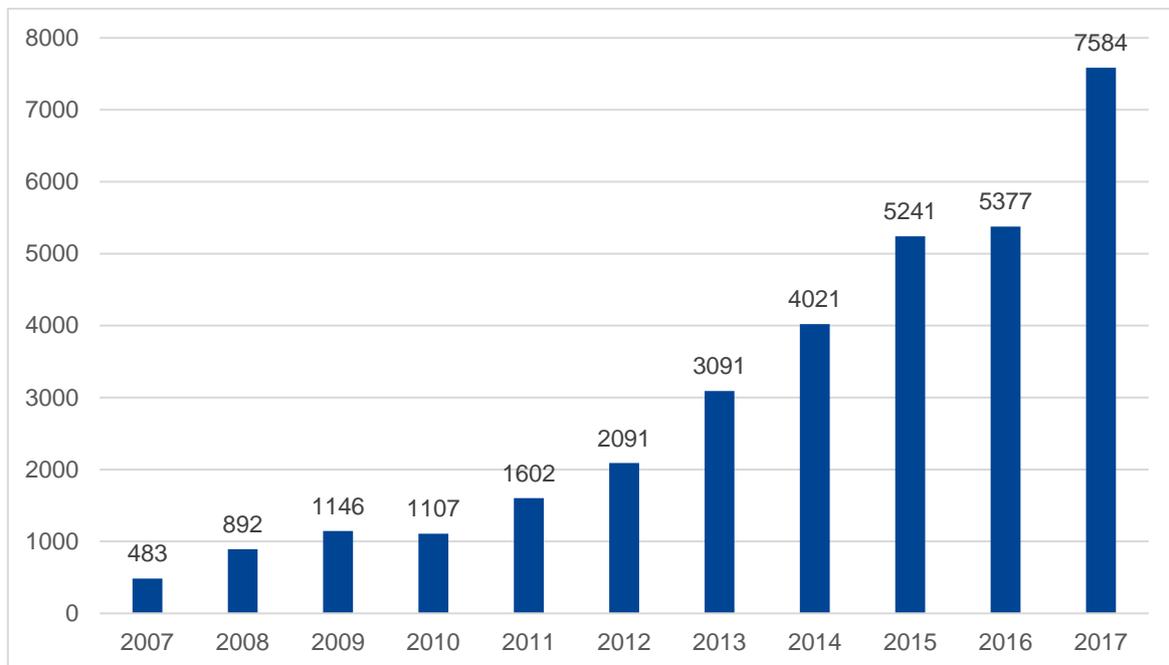
<sup>19</sup> Mordor Intelligence, 2021, Europe Vehicle Rental Market – Growth, Trends, COVID-19 Impact and forecasts (2022-2027), Available at: [Europe Vehicle Rental Market | 2022 - 27 | Industry Share, Size, Growth - Mordor Intelligence](#)

### 3. Challenges for consumers and consumer protection infringements

#### 3.1. Consumer complaints and trader practices

Between 2006 and 2018 consumer complaints data were collected from competent national authorities and gathered by the European Consumer Complaints Registration System (ECCRS). **Error! Reference source not found.** below provides an overview of the evolution in the number of consumer complaints in the car rental sector between 2007 and 2017 (the data for 2018 was omitted as the uploading of the data was discontinued as of the 1<sup>st</sup> of November 2018).<sup>20</sup> The data demonstrates a rapid increase in the number of complaints over the past decade.

Figure 1: Number of consumer complaints (2007 - 2017)



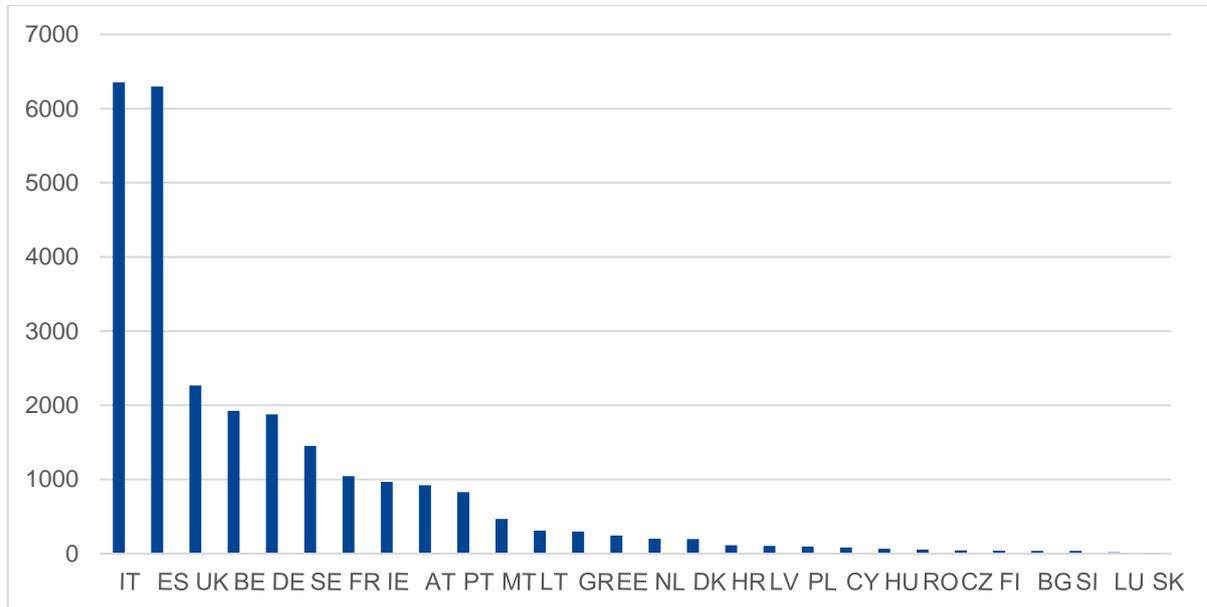
Source: *European Commission, Consumer Complaints Statistics*

**Error! Reference source not found.** below provides a breakdown of the number consumer complaints collected by the ECCRS per Member States in which the trader operates. It highlights that most complaints are issued against traders based in Italy (24%) or Spain (24%), followed by the UK (9%), Belgium (7%) and Germany (7%).<sup>21</sup>

<sup>20</sup> European Commission, Consumer Complaints Statistics, Available at: [Consumer complaints statistics | European Commission \(europa.eu\)](https://ec.europa.eu/consumer/complaints-statistics)

<sup>21</sup> European Commission, Consumer Complaints Statistics, Available at: [Consumer complaints statistics | European Commission \(europa.eu\)](https://ec.europa.eu/consumer/complaints-statistics)

**Figure 2: Number of consumer complaints per country of trader (collected by the ECCRS between 2006 and 2018)**



*Source: European Commission, Consumer Complaints Statistics*

Data collected by the ECC Net between 2018 and 2019 reports similar trends of consumer complaints in the car rental sector, with the number of consumer complaints continuing to increase. While ECC Net data for 2020 and 2021 shows a decrease in the number of consumer complaints, this is due to the decrease in the number of consumers renting cars during the COVID-19 pandemic. Lastly, ECC Net data also evidenced a continuing trend in regard to the countries where most consumer complaints are issued, namely Spain, Italy, the United Kingdom and Germany.<sup>22</sup>

Historically, the most common consumer complaints related to issues over deposits, unauthorised payments taken, failure to refund and disputes over damage to the rental vehicle (as reported in an analysis dating from 2012-2014 conducted by the UK’s Competition and Markets Authority or CMA, which has been active in investigating issues in the sector)<sup>23</sup>. Similar data was also reported by ECC Net with consumer complaints due to alleged damage representing the highest share of complaints (27% of complaints issued between 2018 and Q1 of 2022) followed by supplementary charges (17%) and insurance-related complaints (15%)<sup>24</sup>. Similarly, according to the European Car Rental Conciliation Service (ECRCS)<sup>25</sup>, damage liability (39%) and charges for additional cover (14%) continued to dominate the reason for cross-border complaints in 2021. The key trend that underpinned these issues relate to the alleged failure of the traders and intermediaries to be transparent during the entirety of the process, from the booking and pick-up of the rental car (transparency of pricing, additional charges, and key terms and conditions) through to the assessment of vehicle damage and the debiting of customers’ pre-authorised payment

<sup>22</sup> The European Commission, 2022, ECC NET Data shared with the contractor

<sup>23</sup> CMA, 2015, CMA Intelligence Report: Analysis of consumer contacts about car rental made to Citizens Advice during the period April 2012 to May 2014, available at: [Annex A: CMA intelligence report \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/414212/annex_a_cma_intelligence_report_publishing_service_gov_uk.pdf)

<sup>24</sup> The European Commission, 2022, ECC NET Data shared with contractor

<sup>25</sup> Established in 2009 to help customers with unresolved complaints concerning cross border vehicle rentals within the European Union and the UK. The ten biggest car rental companies on the European market are members of ECRCS and are thus bound by the decision reached by the conciliation service

cards. This was further confirmed during interviews with the European Commission which highlighted that despite improvements since the CPC 2016 coordinated action, issues remained notably regarding additional charges and hidden costs.

Another important segment of consumer complaints relates to the different terms and conditions and the commercial practices of traders and intermediaries (10% of ECC Net consumer complaints between 2018 and Q1 2022)<sup>26</sup>. The main issue in that regard relates to the perceived lack of clarity on whether the intermediary or the trader is bound to the consumer in relation to the car rental, and whether complaints should be directed against the intermediaries, or the car rental companies. Typically, if the booking is carried out by an online intermediary, the consumer enters a contract with that intermediary regarding the actual booking. The booking is then forwarded to the car rental company by the intermediary. At the pick-up, the consumer signs a rental agreement with the car rental company. Thus, the consumer is involved in two different agreements: one with the intermediary regarding the booking, and one with the car rental supplier regarding the rental, with two sets of terms and conditions.<sup>27</sup> Numerous practical problems can arise from this situation. For instance, in case of an accident, even if the consumer has taken an insurance policy with the intermediary, he/she would still be required to pay the trader and then claim back the money from the intermediary (which can be a time-consuming exercise and particularly challenging if the cost is high).<sup>28</sup> This is also an issue as the consumers are not always aware (i.e. do not receive sufficient information in a transparent way) that they have a contract with an intermediary as well as with the car rental company. Another issue that arises from having two separate terms and conditions is that a consumer who has already paid for insurance with the intermediary often faces aggressive and misleading marketing practices when picking up the car from the trader and is often encouraged to subscribe to the trader’s insurance despite already being covered under the insurance subscribed from the intermediary.<sup>29</sup>

There is also a reported lack of information on the identity and contact details of the intermediaries and the car rental companies, making it challenging for consumers to know who to contact. The assessment results of a 2021 European Commission study on compliance in the car rental sector indicate that some crucial contact details are often not provided, such as the telephone number (26% of intermediaries and 73% of traders do not provide a telephone contact) or e-mail address (33% of intermediaries and 78% of traders do not provide an email contact).<sup>30</sup> The lack of this information may have a detrimental practical impact leading to difficulties when the consumer needs to file a complaint against the parties involved. Lastly, during the COVID-19 pandemic, ECRCS reported a large increase in complaints relating to cancellation fees and refunds since the pandemic (8% of complaints in 2021). These related to refunds not being issued (in cases where rental customers were unable to travel due to lockdowns or travel restrictions) or rental companies insisting on customers accepting vouchers instead of refunds.<sup>31</sup>

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<sup>26</sup> The European Commission, 2022, ECC NET Data shared with contractor

<sup>27</sup> European Commission, 2021, Study on the compliance of the car rental intermediaries online services with the requirements of the EU legislation, Available at: [Study on the compliance of the car rental intermediaries online services with the requirements of the EU legislation | European Commission \(europa.eu\)](#)

<sup>28</sup> Interview with consumer organisation

<sup>29</sup> Interview with the European Commission

<sup>30</sup> European Commission, 2021, Study on the compliance of the car rental intermediaries online services with the requirements of the EU legislation

<sup>31</sup> ECC-Net, 2020, For a Europe which protects its consumers in their daily lives, Available at: Car rental.indd (epc.si)

## 3.2. Consumer feedback

The Consumer Market Monitoring Survey (MMS) assesses the performance of a range of product and service markets across the European Union, Iceland, Norway and the United Kingdom. It looks at consumers’ experiences and perceptions of the markets using a standard set of indicators to allow consistent and comparable monitoring across markets, countries and survey waves. According to the 2020 consumer MMS, most (86%) participants trust car rental providers and 93% had a positive experience in renting a vehicle.<sup>32</sup>

However, 10% of survey participants reported having experienced problems with car rental service providers where they felt they had a legitimate cause to make a complaint. Thinking back about their most recent problem, 43% reported having experienced financial loss as a result of the problem and 76% reported having experienced a non-financial impact. In addition, only 63% made a complaint, among which only 54% were satisfied with the outcome of the complaint.<sup>33</sup> This suggests both the difficulty that consumers experienced in using the complaint mechanisms as well as a potential lack in the effectiveness of the complaint mechanism to arrive at a satisfactory outcome. It should be noted however that the survey does not differentiate between complaints addressed to the car rental traders and those addressed to the intermediaries. According to the traders and trade organisations interviewed, most complaints (an estimated 80% by one trader) are caused by the services provided by the intermediaries.<sup>34</sup> However, when cross-checked with feedback received from stakeholders at the European Commission as well as the ECC Net data (which while incomplete allows for a conjecture to be made) intermediaries do not appear to be the cause of most complaints as claimed by traders.

## 4. Compliance of traders

The Consumer Protection Cooperation (CPC) Network and the European Commission undertook the following activities to gain insights into the spread of consumer regulations violations and to increase compliance from traders and intermediaries:

- **A CPC coordinated action** into the five European car rental industry leaders<sup>35</sup>, led by UK’s CMA in 2016.<sup>36</sup>
- **A study on the compliance of the car rental intermediaries’** online services with the requirements of the EU legislation in 2021.<sup>37</sup>

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<sup>32</sup> European Commission, 2020, Market Monitoring Survey, available at: [mms-overview-report-19-20\\_en.pdf \(europa.eu\)](#)

<sup>33</sup> Ibid.

<sup>34</sup> Interview with traders and trade organisations

<sup>35</sup> Avis Budget Group, Enterprise Rent-A-Car, Hertz Europe Limited, Sixt SE, and Europcar Mobility Group. Competition and Market Authority (UK), 2015, Short-term car rental in the European Union, available at: [Short-term car rental in the European Union \(publishing.service.gov.uk\)](#)

<sup>36</sup> European Commission, 2017, Europa website, available at: [Car rental companies improve treatment of consumers, thanks to EU-wide enforcement \(europa.eu\)](#)

<sup>37</sup> European Commission, 2021, Study on the compliance of the car rental intermediaries online services with the requirements of the EU legislation, Available at: [Study on the compliance of the car rental intermediaries online services with the requirements of the EU legislation | European Commission \(europa.eu\)](#)

## 4.1. Traders’ compliance

The coordinated action and ensuing dialogue between the CPC network and the five traders resulted in several voluntary commitments from each company, including to:

- **Improve transparency when making a website booking or reservation** including on mandatory charges and surcharges; optional extras and their prices; rental terms and requirements; the need to pre-authorise a specified amount on the consumer’s credit or debit card at the pick-up desk;
- include more information at the booking stage about **optional waiver and insurance products**, including their prices, exclusions and applicable excesses;
- be more **transparent on fuel policies**;
- provide more upfront information about **pre- and post-rental vehicle inspection processes**, and how they can help to minimise potential disputes about damage;
- improve practices for taking **additional charges** from consumers, ensuring that consumers are given a reasonable opportunity to challenge any damage and associated repair charges before any payment is taken from their credit or debit card;
- provide better information on booking websites about **local traffic rules and regulations** in the rental country.<sup>38</sup>

In 2019 the CPC Network published its assessment on the status of the commitments made by the five major car rental companies in response to the coordinated action.<sup>39</sup> While Enterprise and Sixt had made all the required changes, this was not yet the case for Avis (which committed to making the remaining changes by May 2019), Europcar (which committed to implementing the remaining changes by June 2019) or Hertz (which committed to make all the necessary changes at the latest by the first quarter of 2020).<sup>40</sup> Feedback from traders, trade organisations and Commission officials confirmed that all proposed changes have since been made. The traders also emphasised that (some) commitments made at the EU level were implemented at the international level. For instance, greater transparency and information on the website were applied at the international level of the business and not just within the EU market.

Beyond the five traders targeted by the coordinated action, other actors in the car rental sector have also introduced changes. For instance, Leaseurope reviewed and revised its Code of Best Practice and published new guidelines to ensure it reflects the core principles underpinning the proposals made by the major car rental companies.<sup>41</sup> The principles adopted by Leaseurope were also incorporated into the codes of best practice of its member which includes the five traders mentioned but also others such as Budget, Maggiore, Thrifty, Dollar car rental, Alamo, National, and Firefly.<sup>42</sup> Leaseurope’s Code of Best Practice also now forms the basis of the European Car Rental Conciliation Service by setting out the standards its members must adhere to.<sup>43</sup> However, as reported by stakeholders at the European Commission, the CPC action did not have a domino effect

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<sup>38</sup> *ibid*

<sup>39</sup> European Commission, 2019, Europa website, available at: [Car rentals: EU action leads to clearer and more transparent pricing \(europa.eu\)](#)

<sup>40</sup> *Ibid*.

<sup>41</sup> Leaseurope, 2017, Leaseurope Guidelines to the code of best practices for the car and van short term hire industry, Available at: [LE RAC guidelines 6.5.pdf \(leaseurope.org\)](#)

<sup>42</sup> ECRCS, 2022, ADR Frequently asked Questions, available at: [ECRCS ADR Frequently Asked Questions ECRCS](#)

<sup>43</sup> *Ibid*.

on the smaller national traders who, for the most part, did not modify their practices to conform with the commitments made by the traders targeted by the 2016 CPC action.

Despite an overall increase in compliance from the five traders, stakeholders consulted within consumer organisations as well as the European Commission noted that some of the issues which should have been addressed through the commitments implemented by the traders continue to remain a problem for consumers. These include complaints regarding additional charges when returning a vehicle and the lack of transparency when taking out an insurance policy (including aggressive/misleading advertising of unnecessary insurance policies when the consumer is already covered through the intermediary)<sup>44</sup>. The continued recurrence of these issues is also evidenced in the ECC Net data and the ECCRS data presented in the previous section of this report. However, since the commitments were only recently implemented by traders and because the past two years were extraordinary years due to the COVID-19 pandemic, it is challenging to make a judgement on the extent to which traders’ compliance has increased as a result of the CPC action.

## 4.2. Intermediaries’ compliance

As part of the 2021 European Commission’s study on “the compliance of the car rental intermediaries’ online services with the requirements of the EU legislation”, a compliance check (i.e. ‘mini-sweep’) was conducted, investigating to what extent a sample of 547 car rental intermediary websites comply with the relevant legal regulations and directives.<sup>45</sup> The findings from the study highlights that the following obligatory information concerning essential aspects of the service was most often found missing

- **information on the company** (i.e., the address is not provided in 26% of cases and telephone numbers are not provided in 33% of cases);
- **information on the contracts** (i.e., information about the timing of the contract signing/acceptance is lacking in 50% of cases and information on the procedures to end the contract is absent in 86% of cases as well as consequences if that procedure is not followed. In addition, 50% of intermediaries do not provide information about ending the contract);
- **information on fuel policy, insurance policy, insurance products and damage coverage** are missing in a small portion of cases (13%, 10%, 8%, and 7% respectively);
- **information on the policy regarding deposits** (i.e., missing in 50% of cases).<sup>46</sup>

The findings from the Commission’s study thus revealed several obligatory information concerning essential aspects of the service to be missing. This suggests that intermediaries in the car rental sector are not entirely compliant. This was also the view expressed by interviewees in the car rental sector as well as within the European Commission. In line with the recommendations of the study, an (ongoing) mini sweep was launched in 2022. The preliminary findings from the sweep have validated the findings from the study and

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<sup>44</sup> Interviews with consumer organisation and the European Commission

<sup>45</sup> European Commission, 2021, Study on the compliance of the car rental intermediaries’ online services with the requirements of the EU legislation, Available at: [Study on the compliance of the car rental intermediaries’ online services with the requirements of the EU legislation | European Commission \(europa.eu\)](#)

<sup>46</sup> European Commission, 2021, Study on the compliance of the car rental intermediaries’ online services with the requirements of the EU legislation, Available at: [Study on the compliance of the car rental intermediaries’ online services with the requirements of the EU legislation | European Commission \(europa.eu\)](#).

some national authorities have already expressed their willingness to participate in a CPC action targeting intermediaries in the car rental sector.<sup>47</sup>

### 4.3. Measures to improve compliance

The following issues and measures on how to improve compliance from traders and intermediaries were suggested by the stakeholders consulted:

**Information sharing:** Traders interviewed were not always aware of the extent to which the intermediaries comply with the law. Two traders noted that a CPC action was meant to take place to assess intermediaries’ compliance in the car rental sector, but they were not familiar with the extent to which the action was successful or if it had taken place. One international trade association and another trader highlighted that, to the best of their knowledge, no information was publicly available on the status of the study conducted. As a result, both the traders and trade association interviewed suggested that the European Commission could be more forthcoming in publishing information on the CPC activities as it would ensure that relevant actors are aware of their obligations, and it would motivate all traders and intermediaries to comply with the findings of the CPC.

**Lack of enforcement:** Both traders and consumer organisations interviewed provided positive feedback regarding the 2016 CPC coordinated action. They acknowledged the need for and therefore relevance of the action and noted that the process had been constructive and effective. However, they were more critical regarding the aftermath of the action, suggesting that not enough was done by the CPC to enforce the commitments made by traders, especially those not directly targeted by the CPC action. They argued that the CPC should pursue a more assertive role by enforcing consumer laws through the use of sanctions. One of the interviewees noted that the existing EU legal framework, the findings and resulting commitments from the CPC action and Leaseurope’s code of best practice (and guidance documents which were developed together with the Commission) were sufficient in ensuring that traders and intermediaries are informed of their rights and obligations. Having developed an effective regulatory framework, the traders and consumer organisations were of the opinion that the European Commission, together with Member States, needed to take the necessary enforcement actions to ensure that all traders and intermediaries comply with the established framework.

## 5. Conclusion

Despite an overall increase in compliance from traditional traders (i.e., car rental companies) following the CPC coordinated action in 2016, issues related to damage claims, additional charges when returning a vehicle and the lack of transparency when taking out an insurance policy continue to affect consumers. In addition, consumers also face issues when dealing with intermediaries (including brokers, price comparison websites and travel websites linking car rental traders to consumers) due to the lack of transparent and clear information provided by the intermediaries on the contracts/ terms of conditions and on the fuel policy, damage coverage, and insurance products

To address these issues and increase compliance in the car rental sector, stakeholders consulted as part of this case studies suggested for the CPC to be more transparent about

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<sup>47</sup> Interviews

its activities and resulting findings, and to be more assertive when dealing with infringements and non-compliant traders and intermediaries, including through the use of sanctions. This would ensure that actors in the sector are better aware of and more likely to comply with their obligations.

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### 6.1. List of interviews

Type of organisation	Name of organisation	Interview date
Trader	Europcar	26 April 2022

Information gathering for assisting the European Commission in complying with its obligations under Article 40 (“reporting”) of Regulation (EU) 2017/2394 on Consumer Protection Cooperation  
Case study on car rental

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Type of organisation	Name of organisation	Interview date
Trader	Avis	26 April 2022
Consumer association	BEUC	27 April 2022
Trade organisation	ACRIS	19 April 2022
Trade organisation	LeaseEurope	24 April 2022
European Commission	DG JUST, Consumer enforcement and redress	1 June 2022

