



Consumers in the Green and Digital Transition: Challenges and Solutions for a New Consumer Policy



European Consumer Summit 2020

Hosted by

Didier Reynders

Commissioner for Justice and Consumers

Hotel Crown Plaza Brussels - Le Palace

Thursday, 30 January 2020

13:00 – 14:00 **Registration and welcome coffee**

14:00 – 14:20 **Welcome and introduction by Alexandra Jour-Schroeder, Acting Deputy Director-General for DG Justice and Consumers**

Keynote speech by Didier Reynders, Commissioner for Justice and Consumers
“Setting the scene for the future Consumer Policy”

14:20 – 15:30 **High-level policy panel on “How Consumer Policy will contribute to the future priorities of the EU” moderated by Diana Madill**

With key interventions from:

- Darko Horvat, Minister of Economy, Entrepreneurship and Crafts, Croatia
- Gerd Billen, State Secretary at the Federal Ministry of Justice and Consumer Protection, Germany
- Petra De Sutter, Chair of the European Parliament’s Committee on Internal Market and Consumer Protection (IMCO)
- Christian Verschueren, Director General of Eurocommerce
- Monique Goyens, Director General of BEUC

Q&A with the audience

15:30 – 16:00 **Coffee break**

16:00 – 18:15

“What challenges are consumers facing in the green and digital transition? What solutions?”

Each of the following eight 1-hour workshops will run in parallel. They will be held twice so that participants will be able to take part in two:

- 1. Artificial Intelligence – a consumer-centric approach**
What is the impact of automated decision-making methods on the daily lives of consumers? What are the challenges for consumer safety and choice? Are there AI examples and tools that could benefit consumers’ economic interests and safety?
- 2. Safety and consumer protection in online trade**
How is the digitalisation of B2C transforming consumption patterns and supply chains? What are the challenges and solutions of the platform economy for consumer protection? What are the roles and responsibilities of actors for product safety across the online supply chain?
- 3. Fairness in the digital environment**
How can we ensure the same level of fairness and protection for consumer online like offline? What are the implications of the digital economy for access and inclusiveness?
- 4. Financial services in the digital age**
Is the current legislative framework on financial services fit for purpose? How do we best protect consumers in this fast moving sector? Is digitalisation a catalyst or barrier to an internal market for financial services with equal and easy access for all?
- 5. Responsible lending and indebtedness**
Are current creditworthiness assessments designed in the best interest of consumers? How do we best help over-indebted consumers escape the spiral of debt? How do we ensure that consumers in payment difficulties are treated fairly and with dignity?
- 6. Product durability and the circular economy**
What are the issues and solutions on product durability, reparability or “planned obsolescence”? How can we ensure consumer interests in innovative trends such as sharing, renting and refurbishing products?
- 7. Fighting greenwashing**
What regulatory and non-regulatory efforts are needed to tackle false green claims and fight greenwashing? Can we learn from the binding labels for energy consumption of products?
- 8. Consumer information to reduce their footprint**
How can better information help consumers to contribute to achieving climate neutrality by 2050? What are the current tools and apps available for consumers to reduce their environmental footprint? Could the Commission play a role in this context?

18:45

Networking cocktail and dinner hosted by the European Commission

Friday, 31 January 2020

8:30 – 9:00 **Welcome coffee**

9:00 – 9:15 **Introduction by Nils Behrndt, Director for Consumers, DG Justice and Consumers**

Keynote speech on Sustainable Consumption by Professor Lucia Reisch, Copenhagen Business School

9:15 – 11:15 **“How can we best work together to deliver for consumers in the green and digital transition?”**

Eight 2-hour workshops discussing all of the following topics:

- I. Capacity building
- II. Consumer education
- III. Enforcement fit for the next era
- IV. Knowledge building and sharing
- V. Collaborative implementation of European Consumer Policy Strategy

11:15 – 11:30 **Coffee break**

11:30 – 12:30 **Closing plenary**

Reporting from workshops and conclusions

- Day 1 by Jan Panek, Head of Unit for Consumer Policy, DG JUST
- Day 2 by Massimo Serpieri, Deputy Head of Unit for Consumer Policy, DG JUST
- Closing remarks by Nils Behrndt, Director for Consumers, DG JUST

12:30 – 13:30 **Light buffet lunch before departure**

Meeting venue: HOTEL CROWN PLAZA BRUSSELS-LE PALACE
Address: Rue Gineste 3, 1210 Bruxelles (metro « Rogier »)
Conference language: The conference language is English. Interpretation will be provided from English into French, German and Spanish during the plenary sessions. The workshops will be held in English.

DAY 1

WORKSHOPS



DAY 1

Workshop 1

Artificial Intelligence – a consumer centric approach

Speaker: **Pierre Chalançon**, *Member of the CEN-CENELEC Focus Group on Artificial Intelligence*

Moderator: **Filip Van den Abeele**

Rapporteur: **Pablo Olivares Martinez**, *JUST E4*

Context

Artificial intelligence (AI) is already part of the lives of consumers. From using a virtual assistant to organise our working day, to phones suggesting songs or restaurants, to chatbots and voice assistants, AI is a reality. Consequently, as any new technology, the use of AI brings both opportunities and challenges for consumer protection.

State of play

The European Union has a robust regulatory framework that ensures the protection of consumers. It also aims at encouraging innovation and technological uptake. At the same time, emerging technologies such as AI are transforming the characteristics of many products in the market, thus bringing new challenges and risks related to product safety and consumer protection, in particular for certain issues linked to fairness.

For safety, new technologies can pose risks not only because they can have a direct impact on the health and safety of the consumers, but also because for example through connectivity, they can be indirectly used to threaten their personal security and safety. An additional challenge that AI might bring is the fact that some of these new products have the ability to evolve when they are already in the hands of consumers. This is particularly relevant for products incorporating machine learning and software downloads, as for their very nature they imply changes to the products after their placing on the market.

The principle-based and technology neutral Unfair Commercial Practices Directive aims to ensure transparency at all stages of B2C commercial relations and prohibits misleading or aggressive practices that target consumer vulnerabilities. However, increased use of AI may require additional clarifications in consumer law instruments to ensure a continued high level of consumer protection, regarding fairness and transparency.

Consumer-related risks in commercial transactions result from the interplay of user interface design, complex algorithms and data management. The consumer choice architecture may be used to exploit the consumers' behavioural biases, e.g. through personalisation, localisation and targeted marketing, to such an extent that it effectively limits consumers' access to information and significantly reduces autonomous individual decision-making and consumer's informed choice.

On the other hand, AI can be used as a tool for authorities to better and faster identify infringements of consumer law. Public authorities are also now able to develop or adapt AI-based solutions using big data technics and AI in order to guarantee effective enforcement. AI based solutions can also facilitate consumers' access to redress in case of online or alternative dispute resolution.

Questions for discussion

- What are the new risks that AI, automated decision-making and related new technologies can entail for the health and safety of consumers that a safety concept need to include (e.g. risk to personal security in case a product is hacked, mental health risk)?
- How should product safety and transparency legislation tackle the fact that AI products can change after their placing on the market?
- Do we need new rules on transparency?
- Does fairness need to be reassessed in the environment of AI? Should consumers have a right to object to personalisation based on AI?
- Are there AI tools that authorities and companies could use or that can be developed to enhance the safety and protection of consumers? How to develop and share efficient AI-tools enabling better enforcement and redress?

DAY 1

Workshop 2

Consumer product safety in online trade

Speaker: (TBC)

Moderator: **Claire Doole**

Rapporteur: **Kristyna Deiberova, JUST E4**

Context

Consumers buy increasingly online: in 2018, about 60% of EU consumers have made a purchase online. Rates vary according to countries ranging from 20% in Romania to 84% in Denmark ¹.

At the same time, there are still too many dangerous products available to EU consumers. In 2018 there were still over 2200 dangerous products notified in the EU Rapid Alert System, many of them offered online.

State of play

Consumer purchasing habits and product supply chains have fundamentally changed with the emergence of e-commerce.

According to the General Product Safety Directive, all consumer non-food products placed on the EU market must be safe, regardless of whether they are sold online or in brick-and-mortar shops.

The E-commerce Directive² establishes the general legal framework for e-commerce in the EU. According to Article 14 of the Directive, hosting service providers (which include online marketplaces) can only be held liable for the information stored at the request of third parties if they have actual knowledge that the content they are hosting is illegal (such as for example unsafe products) and they have not acted expeditiously to remove or to disable access to the information upon obtaining such knowledge or awareness.

The Commission published in 2017 a Notice on the market surveillance of products sold online³, providing guidance to market surveillance authorities on the application of EU product safety rules specifically to online sales. The Regulation on market surveillance and compliance of products was adopted in 2019, tackling specifically online supply chains for harmonised products.

In addition, five online marketplaces operating in the EU have signed the Product Safety Pledge⁴, a voluntary initiative with the goal of improving the detection of unsafe products offered through online marketplaces before they are sold to consumers or as soon thereafter as possible. These commitments go beyond their legal obligations. The first progress report on the Pledge⁵ that marketplaces have submitted to the Commission shows progress in certain areas, e.g. marketplaces reported that 87% of the product listings flagged by the authorities were removed within 2 working days. However, the report showed that there is still room for improvement in areas such as preventive and awareness-raising actions for traders, cooperation with market surveillance authorities and exploitation of new technologies to detect unsafe products.

Questions for discussion

- Is the current legal framework on product safety suitable for ensuring that products sold online to EU consumers are safe?
- Should distributors and online marketplaces have different “duty of care” responsibilities regarding the safety of products sold online or shall it be the same or similar⁶?
- Are voluntary commitments by marketplaces sufficient? Shall distributors also check the EU Safety Gate to identify dangerous products?

1 Consumer Conditions Scoreboard 2019 edition, figures 43 and 44.

2 Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce')

3 Commission Notice C/2017/5200 on the market surveillance of products sold online

4 Product Safety Pledge, available at https://ec.europa.eu/info/sites/info/files/voluntary_commitment_document_4signatures3-web.pdf

5 First Progress report on the Implementation of the Product Safety Pledge, available at https://ec.europa.eu/info/sites/info/files/product_safety_pledge_-_1st_progress_report.pdf

6 Article 5.2 of Directive 2001/95/EC

DAY 1

Workshop 3

Fairness in the digital environment

Speaker: **Edwin van Houten**, *Director for consumer directorate, ACM (NL Authority)*

Moderator: **Tamsin Rose**

Rapporteur: **Mireille Busson**, *JUST E1*

Context

Consumers purchasing decisions are increasingly influenced by their digital activities. Online shopping is increasing very fast: in some countries like the Netherlands, nearly a third of consumers' total spending is online. Moreover, digital ad spending has a growing impact and now roughly represents half of total media ad spending worldwide.

When shopping online, consumers have potentially more and better opportunities to compare offers and take informed transactional decisions. But they are also increasingly exposed to misleading marketing practices and frauds. The results of a recent EU wide survey of consumers show that more than half of the population has been exposed to at least one fraud or scam in their digital activities over the last two years. In addition, complaints' data show a fast increase in purchases from third countries-based web shops exposing issues such as denial of withdrawal and guarantee rights, no information on the need to pay custom duties and VAT, counterfeiting (or unsafe goods – discussed in Topic 2). Furthermore, consumers are also faced with an overwhelming amount of information, and a large majority of consumers agrees to default choices without checking. Businesses integrate in their user interfaces consumers' limited capacity to absorb information, sometimes to be confusing on purpose. Combined with personalisation and localisation (using consumer data and algorithms) as well as with disguised marketing practices (for example, influencer marketing), some of these practices can steer consumers to take decisions to their detriment.

State of play

EU consumers benefit from a high level of protection of their economic interests thanks to existing EU laws. Independently of the technology used, horizontal EU consumer and marketing legislation aims at high level of transparency and prohibits unfair commercial practices (e.g. misleading advertising and aggressive sales behaviour). It also provides that third country websites targeting EU consumers should respect consumer rights.

The recently adopted the Directive 2019/2161 on better enforcement and modernisation of EU consumer protection rules introduced important new online requirements (e.g. prohibition of hidden advertising in search results and "fake" consumer reviews; information about the identity of the counterpart; information about parameters used in ranking; information about personalisation of prices by automated decision-making).

Questions for discussion

- Is the current definition of 'unfairness' used in consumer legislation (Unfair commercial practices directive, Unfair contract terms directive) adequate to cover personalisation practices hindering the consumers' ability to take informed choices? If not, what are the legal gaps?
- As marketing practices constantly evolve, how to ensure the next business models will embed fairness by design?
- What could large e-commerce players do to make online shopping fairer?

DAY 1

Workshop 4

Financial services in the digital age

Speaker: **Vinay Pranjivan**, *expert in consumer protection in financial services at the Portuguese consumer organisation DECO*

Moderator: **Adam Robert Green**

Rapporteur: **Elena Brolis**, *JUST E1*

Context

In the last decade, digitalisation has transformed the retail financial services sector, with new products being offered to consumers (e.g. peer-to-peer lending), new channels being used (e.g. mobile apps) and new actors entering the market (e.g. FinTech). The share of households with internet access is now 85%, the proportion of consumers using regularly the internet has been steadily rising and at least half of them use online banking. Cross-border purchases of financial products and services remain relatively low (up to 3% depending on the product), mostly because of external barriers: natural obstacles such as language or trust in national suppliers, policy-induced obstacles such as different levels of consumer protection or technical obstacles for providers. However, the upward trend in financial activities carried out over the internet is expected to continue in the next years. The European Commission is currently evaluating the 2002 Distance Marketing of Financial Services Directive, which lays down information requirements and rights for consumers buying financial products sold at distance.

State of play

The digital transformation has eased the access to online information and products for consumers, which should lead to better comparison and decreased switching costs. However, digitalisation also implies risks for consumers, because of the complex design of many financial services sold online, of commercial practices exploiting behavioural biases and nudging consumers towards sub-optimal choices, and of the fast digital environment accelerating consumers' purchase decisions. The Distance Marketing of Financial Services Directive¹ provides a list of key information to be provided to the consumer in good time before the agreement is concluded, in a clear and comprehensible way appropriate to the means of distance communication used. However, it does not specify exactly how and when the information should be given.

Questions for discussion

- Is the current legislative framework on financial services fit for purpose?
- How do we best protect consumers in this fast moving sector?
- Is digitalisation a catalyst or barrier to an internal market for financial services with equal and easy access for all?

¹ Directive 2002/65/EC of the European Parliament and of the Council of 23 September 2002 concerning the distance marketing of consumer financial services and amending Council Directive 90/619/EEC and Directives 97/7/EC and 98/27/EC

DAY 1

Workshop 5

Responsible lending and indebtedness

Speaker: **Sandy W. Madar**, *President of the European Consumer Debt Network*

Moderator: **Chris Burns**

Rapporteur: **Francesco Gaetano**, *JUST E1*

Context

More than 10% of EU households have arrears in mortgage or rent, loans or utility bills payment and are at risk of over-indebtedness; in some EU regions, this can be up to 33%. Over-indebted households have a persisting difficulty to meet financial commitments without lowering their living standards. When linked to credit activities, over-indebtedness can be prevented through responsible lending practices, such as provision of information, education of consumers and the assessment of consumer creditworthiness. The emergence of aggressive selling practices and high cost short-term credit (e.g. payday loans) – often granted without checking the affordability – has been harming consumers by aggravating their financial situation. Irresponsible lending practices can be very detrimental, in particular for vulnerable groups. The CCD provision on creditworthiness assessment is quite general – the assessment is performed on the basis of ‘sufficient’ information and the type of data to be used is not specified – and was implemented in different ways by Member States. Concerning the measures to remedy the situation, the 2018 **Debt Advice Stakeholder Forum and other valuable evidence** have highlighted debt advice as a powerful tool to help over-indebted people to exit the debt spiral and to help creditors to be repaid.

State of play

The Consumer Credit Directive¹ (CCD) is currently under evaluation, including its provisions seeking to prevent irresponsible lending by introducing an obligation on creditors to perform a creditworthiness assessment of the consumer before issuing a credit in order to check whether the consumer will be able to repay it. To combat over-indebtedness, the Commission has just launched a project for exchanging best practices and capacity building, to foster the availability of debt advice services in countries where they do not yet exist.

Questions for discussion

- Are current creditworthiness assessments designed in the best interest of consumers?
- How do we best help over-indebted consumers escape the spiral of debt?
- How do we ensure that consumers in payment difficulties are treated fairly and with dignity?

1 Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC.

DAY 1

Workshop 6

Product durability and the circular economy

Speaker: **Kilian Kaminski**, Founder & CEO, Refurbed and **Anton Berwald**, Department Environmental and Reliability Engineering, Fraunhofer Institute

Moderator: **Evy Puelinckx**

Rapporteur: **Jeroen Van Laer**, JUST E1

Context

This session will discuss the challenges and opportunities on the durability and reparability of products, new emerging trends such as refurbished products or the sharing and renting of products, and the possible solutions EU consumer policy could offer in this context.

The Communication on The European Green Deal¹ announced that the upcoming circular economy action plan, to be published in March 2020, will also include measures to allow consumers to choose reusable, durable and repairable products. The 'right to repair' and measures to curb the built-in obsolescence of devices will be also further examined. Consumer policy will help to empower consumers to make informed choices and play an active role in the ecological transition. New business models based on renting and sharing goods and services will play a role as long as they are truly sustainable and affordable.

Consumers are increasingly willing to contribute to the green transition but actual engagement is still low. Consumers face barriers in their efforts to do this in practice. For example, one of the problems are early failures of products in the context of 'premature obsolescence' or 'planned obsolescence' of products². Moreover, consumers do not always have easy access to consumer friendly and affordable repair services. Consumers find it often too costly or too time-consuming to make use of a repair service³. Lastly, new innovative trends are emerging such as refurbished products and the sharing or renting of products but this remains a niche market at this stage.

State of play

The Belgian Consumer association Test Achat/Aankoop received 9000 consumer complaints via its 'Trop vite usé' platform in only 2 years.⁴ Other consumer organisations are also launching initiatives in this context.⁵ At national level, in France, a law explicitly forbids "planned obsolescence" practices⁶ and French organisations such as HOP⁷ are launching legal action and raise awareness on which products are longer lasting.⁸ At EU level, a new Horizon 2020 project PROMPT has been launched to establish an independent testing programme for premature obsolescence.⁹ Several pieces of EU law, including EU consumer law¹⁰, have already relevance for a green and circular economy. An EU wide consumer behavioural study found that while a majority of consumers repair products, a substantial share have not repaired products in the past, or have no experience in renting or leasing products or buying second hand products.¹¹ According to the study, consumers lack information regarding products' durability and reparability and there are insufficiently developed markets for repair, second hand products, renting, leasing or sharing services etc.

1 COM(2019)640 final of 11.12.2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2019:640:FIN>

2 https://www.beuc.eu/publications/beuc-x-2018-057_premature_obsolescence.pdf

3 https://www.vzbv.de/sites/default/files/downloads/2017/06/01/umfrage_haltbarkeit_und_reparierbarkeit_von_produkten_o_gewaehrleistung.pdf

4 <https://www.test-achats.be/trop-vite-use>

5 <https://www.beuc.eu/durable-goods#memberactions>

6 <https://www.legifrance.gouv.fr/affichTexteArticle.do?sessionId=CB43D59AE00301DAC88BC417173E15C4>.

7 [tpdila16v_3?idArticle=JORFARTI000031044819&cidTexte=JORFTEXT000031044385&dateTexte=29990101&categorieLien=id](https://www.halteobsolescence.org)

8 <https://www.halteobsolescence.org>

9 <https://www.produitsdurables.fr>

10 <https://prompt-project.eu>

11 Directive 1999/44/EC, Regulation 2017/2394, Directive 2005/29/EC, Directive 2019/771, "New Deal for Consumers" proposals. For an overview, see also Chapter 5. Consumer rights and consumer protection in a circular economy, available in Sustainable Products in a Circular Economy - Towards an EU Product Policy Framework contributing to the Circular Economy (SWD(2019) 92 https://ec.europa.eu/environment/circular-economy/pdf/sustainable_products_circular_economy.pdf

11 https://ec.europa.eu/info/live-work-travel-eu/consumers/sustainable-consumption_en#behaviouralstudyonconsumersengagementinthecirculareconomy

Questions for discussion

- How can consumers get more transparency and information at the point of sale on the durability and reparability of products?
- How can consumer policy curb planned obsolescence? Should a ban, such as in France, be introduced at European level? How can we tackle software obsolescence?
- How can producers be incentivised to take responsibility for their products for a longer time? For example, via mandatory information on extended manufacturer's warranties (building on existing provisions - Directive 2019/771, Art. 17) i.e. to make it mandatory to communicate whether producers provide a commercial guarantee for durability or not?
- How can the EU promote consumer friendly repair services?
- What should the 'right to repair' entail? The right for a consumer that components of a product are easily removable/accessible? The right that spare parts are available for a minimum number of years after purchase? Or that spare parts are delivered quickly after product failures? Or that the cost of the repair should be below a certain threshold of the product's purchasing price? That detailed and user-friendly repair manuals should be available to consumers? Other rights?
- How can consumer interests be protected in innovative trends such as sharing, renting and refurbishing products?

DAY 1

Workshop 7

Fighting greenwashing

Speaker: : **Cecilia Tisell**, *Director General, Konsumentombudsman, Swedish Consumer Agency*¹

Moderator: **Brian Maguire**

Rapporteur: **Georgios Kiriazis**, *JUST E1*

Context

This session will discuss the problems and challenges consumers face when they try to “do the right thing” for the environment with their consumption decisions, and the possible solutions EU consumer policy can offer to tackle misleading or false environmental claims.

In today’s world, consumers face a proliferation of environmental claims and voluntary ecolabels when they go shopping. Environmental claims are widespread on both product packaging and in advertising. According to EU consumer law (Unfair Commercial Practices Directive) , claims that a product has a positive or no impact on the environment or is less damaging to the environment than comparable products must be presented in a clear, specific, unambiguous and accurate manner, cover the main environmental impacts of the product and be based on evidence which can be verified by the relevant competent authorities . However, many environmental claims fall short of these requirements. This may mislead consumers and influence them to purchase products without any environmental benefits at best, or even outright harmful for the environment in the worse cases. These practices – lumped generically under the term “greenwashing” – have led to a growing mistrust by consumers.

State of play

61% of consumers state that they find it difficult to understand which products are truly environmentally friendly, and 44% indicate that they do not trust this type of information. Consumers also appear unable to understand the meaning of environmental logos, and make no distinction between non-certified (self-declarations) and third party certified labels.

In a pilot phase, the Commission developed a standardised ‘Product and Organisation Environment Footprint’ methods . The Communication on the European Green Deal highlights that reliable, comparable and verifiable information plays an important part in enabling buyers to make more sustainable decisions and reduces the risk of ‘greenwashing’. Companies making ‘green claims’ should substantiate these against a standard methodology to assess their impact on the environment. The Commission will step up its regulatory and non-regulatory efforts to tackle false green claims.

Questions for discussion

- Should specific requirements for environmental claims be laid down at EU level and, if yes, how?
- What interventions are needed to tackle false green claims (e.g. prohibition (“blacklisting”) of specific misleading environmental claims or of ‘non-reliable’ ecolabels, use of standardised methodology for making an environmental claim, higher penalties for greenwashing, mutual recognition of decisions between EU countries)?
- What non-regulatory efforts are needed? How can clear and reliable information on the environmental impacts of products be promoted via non-regulatory ways?
- How can the European Commission help national consumer and market surveillance authorities enforce the existing provisions under EU consumer law?

1 The Swedish Consumer Agency is organising a workshop in March 2020 with consumer protection authorities on fighting misleading green claims.

2 There are currently 463 ecolabels worldwide <http://www.ecolabelindex.com>

3 https://ec.europa.eu/info/publications/environmental-claims-non-food-products_en

4 https://ec.europa.eu/info/law/law-topic/consumers/unfair-commercial-practices-law/unfair-commercial-practices-directive_en

5 See chapter 5.1 of the Guidance on the application and implementation of the Unfair Commercial Practices Directive Document, SWD(2016)163 final of 25.5.2016, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52016SC0163>. See also Compliance Criteria developed by the multi-stakeholder group on environmental claims, https://ec.europa.eu/info/sites/info/files/compliance_criteria_2016_en.pdf

6 idem

7 idem

8 https://ec.europa.eu/environment/eussd/smgp/ef_pilots.htm

9 COM(2019)640 final of 11.12.2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2019:640:FIN>

DAY 1

Workshop 8

Consumer information to reduce their footprint

Speaker: **Terho Markus**, *Project Director, Sitra*

Moderator: **Diana Madill**

Rapporteur: **Liene Balta**, *JUST E1*

Context

This session will discuss which information consumers would need to have about environmental impacts of their daily decisions and what could be consumer friendly tools to provide such information in order to empower them to make sustainable choices.

Consumers have a significant impact on the environment because of how they live, eat, move, travel and what they buy on a daily basis. By making sustainable choices consumers can have a significant impact on lessening the pressure on the environment. Understanding and supporting the change of the consumers' lifestyle is essential in the green transition.

A recent report from the Joint Research Centre, adopting Life-Cycle-Assessment as reference methodology, assessed the environmental impacts of EU consumption for different domains (e.g. climate change, ecotoxicity, land use related impacts, water use related impacts). Results show that the environmental impact of the consumption of an average EU citizen is outside the safe operating space for humanity for several important areas, namely climate change, particulate matter, resource use (fossils fuels, minerals and metals), freshwater eutrophication, and human toxicity–cancer. Other estimates indicate that if all people globally would consume at the same rate as an average European consumer, we would need today a planet of around three times the size of the Earth.

State of play

Consumers do not always have easy access to simple and trustworthy information or advice to help them take decisions consistent with sustainable behaviour. Such information exists for some products (e.g. EU Ecolabel or similar national schemes) but these schemes are limited to some products and moreover do not cover consumer behaviour or other daily decisions. A Finnish initiative by Sitra focused on the creation of a tool where an individual consumer can track his/her carbon footprint and set future reduction goals as well as offering practical sustainable everyday actions which can be used as a guideline of easy-to-take, small changes in every day routines that have a positive environmental impact.

The European Green Deal¹ announced that the Commission will launch a European Climate Pact by March 2020 to focus on engaging with the public on climate action.

Questions for discussion

- What information consumers need in order to be aware what carbon/environmental footprint they are making? How can we avoid risks of information overload, which could lead to the contra-productive effects?
- What could be the most effective ways to provide such consumer information in order to reduce environmental footprint and ways that it could reach all consumers, including vulnerable consumers or those who are not engaged to primarily 'buying green and clean'?
- What are the current tools and apps available for consumers and which fields (e.g. overall environmental impact, sharing goods, food waste reduction, mobility apps)? What are their results (including their use and impact)?
- Do we need EU level tool/s, for instance an EU 'consumer footprint calculator'? Or an EU wide platform of these best practice initiatives? What should be the role of the European Commission in this area?

1 COM(2019)640 final of 11.12.2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2019:640:FIN>

DAY 2

TOPICS



DAY 2

Topic I

Capacity building

Context

The Consumer Programme 2014-2020 supports the growth and competitiveness of the European Union. The general objective of the Programme is to ensure a high level of consumer protection, to empower consumers and to place the consumer at the heart of the internal market, within the framework of an overall EU strategy for smart, sustainable and inclusive growth. To achieve this, the Consumer Programme focuses, inter alia, on providing support to consumer organisations, including taking into account the specific needs of vulnerable consumers.

We acknowledge the importance of consumer organisations in both enforcement of existing consumer rights (cf. CPC bodies' collaboration) and in new policy reflections and policy-making. Yet, consumer organisations, be they operating on EU, national or regional level, can only work in the consumers' best interest if they are competent and have the relevant and sufficient capacity.

State of play

Therefore, the European Commission has, and will continue to do so post-2020, supported various capacity building and training projects, targeted both at consumer organisations and at SMEs¹. The Consumer Pro, a project that started at the end of 2019 to boost professionals in consumer protection, has succeeded the Consumer Champion (2014-2019). After the initial mapping and training needs analysis, the first Train-the-Trainer seminars will take place this spring, followed by courses in the Member States, with a view to train consumer organisations' staff in their national languages. These will be complemented by best practice seminars for cross-fertilisation and further capacity building.

Capacity building will only be sustainable and successful if the role of consumer organisations vis-à-vis (national) authorities is clear to all and both sides/actors can perform their tasks and responsibilities in a professional way. Furthermore, capacity building should (and is in the case of BEUC already) be one of the tasks of umbrella organisations.

Questions for discussion

- How can we make sure our capacity training is truly sustainable, i.e. trained staff will stay with the organisation (career opportunities, mobility...)?
- What are the most efficient and effective ways to exchange best practice in the context of capacity building?
- What is the role of umbrella organisations (EU or national) in capacity building?

¹ See SME training project *Consumer Law Ready* (www.consumerlawready.eu)

DAY 2

Topic II

Consumer education

Context

The Consumer Programme 2014-2020 supports the growth and competitiveness of the European Union. One of the objectives of the Programme is to ensure a high level of consumer protection by promoting consumer education as well as the right to information, which enables consumers to make informed choices thereby encouraging resource-efficient growth.

It is the European Commission's intention also post-2020 to improve consumers' education, information and awareness of their rights, to develop evidence including taking into account the specific needs of vulnerable consumers.

Consumer education is particularly important as it provides the resources, the information and the skills needed to empower consumers to deal with new challenges, be they stemming from technology, economics or societal changes and challenges. Europe needs inclusiveness and sustainability, embracing the changes brought about by e.g. the green transition, technological evolution and globalisation while making sure nobody is left behind.

State of play

The Commission developed an interactive community website, the Consumer Classroom (24 European languages) and ran the project from 2013-2019. It reached 28 088 teachers, produced 1 217 teaching resources, created 3 538 lessons and 1 312 European Partnerships (schools, consumer organisations). Enhancing consumer education as a life-long process with a particular focus on vulnerable consumers and a process that starts.

We are now rethinking our consumer education programmes and tools as such, which means that they will most probably have to cover a much wider scope of content and target audiences than previously. We are faced with different consumer challenges from various angles and perspectives encompassing subjects such as economics, statistics, ethics, psychology, natural and media sciences, social and environmental sciences as well as languages and arts and crafts. Consumer education has to start at an even earlier age as previously thought while it, of course, must continue into adolescence and adulthood.

Questions for discussion

- How do we build on the successful elements of the previous project, the Consumer Classroom and at the same time introduce best practice from other actors (national, EU, non-EU) in consumer education?
- Who are the most important target groups and how can we reach them?
- What is your view of a cross-curricular/ interdisciplinary approach?

DAY 2

Topic III

Enforcement fit for the next era

Context

In the fitness check of consumer law performed by the Commission in 2015-2017, inefficient enforcement was identified as one of the main hindering factor to achieve a high level of consumer protection in the Union and a level playing field across the Single Market. Over the last 15 years, digitalisation and internationalisation of markets have clearly created many challenges for national enforcement structures. The Commission has already taken a number of legislative and non-legislative measures to strengthen enforcement of consumer law and safety, but are these measures sufficient?

The further digitalisation of markets with the massive use of artificial intelligence systems may require rethinking enforcement models. At the same time this technology also brings new tools to empower consumers and stakeholders and to assist them check and obtain their rights. Another area of priority for the Union is the greening of the economy and the effective fight against practices such as premature obsolescence or greenwashing.

State of play

In relation to the enforcement of legislation for the protection of consumers' economic interests, the revision of the Consumer Protection Cooperation Regulation, the new Directive 2019/2161 on better enforcement and modernisation of consumer law and the future Directive on representative actions to protect collective consumer interests are game changers. However, they still need to demonstrate that they produce the expected results and are adapted to the next level of digitalisation and greening of markets. Furthermore, the Commission needs to consider enforcement tools when working on its forthcoming proposals in relation to artificial intelligence, data, digital services or the green deal.

In the area of product safety, the Regulation (EU) 2019/1020 on market surveillance and compliance of products strengthens market surveillance for harmonised products (with sector specific legislation) but non-harmonised products do not benefit from such a EU level improvement. Moreover, the development of ecommerce poses new challenges for market surveillance authorities. The possible revision of the General Product Safety Directive is currently being studied by the Commission.

Improving enforcement will not only come from legislation. It will also result from non-regulatory initiatives including capacity building of consumer organisations and public bodies, in particular those that may become qualified entities under the future Representative Actions Directive, business codes of conduct, awareness raising, use of technology to better detect frauds and assess which rights are being denied etc. International cooperation will also be key as market problems tend to be very similar in most countries of the world.

Questions for discussion

- Considering also the new consumer legislation recently adopted, which are the areas on which enforcement should focus in particular and what may be the main challenges? Is there scope for more cross border cooperation on such areas?
- What are the priorities to improve enforcement of general product safety requirements?
- What different roles, compared to today, should the various categories of stakeholders play to obtain a greater level of compliance from businesses and a level playing field across countries?

DAY 2

Topic IV

Knowledge building and sharing

Context

Consumers increasingly face complex decisions and conditions when making purchase decisions, particularly but not only when they buy online and globally. The consumer experience is diversifying further with the emergence of voice shopping (virtual assistants), experiential shopping (virtual reality). Consumers are also increasingly aware that their behaviour impacts the environment. To remain relevant and effective, consumer policy at EU and national levels needs to respond to these dynamics so that consumers remain empowered, treated fairly and protected, especially when new types of problems arise.

Feedback and monitoring mechanisms are essential to build knowledge and propose the most relevant solutions (regulatory or non-regulatory). The challenge is to adapt the existing tools in order, on one hand, to continue monitoring the evolution of robust indicators while on the other hand also building new indicators that ensure that the monitoring remains comprehensive, up to date, and fit for purpose.

State of play

The European Commission regularly monitors consumers' overall issues and awareness of their rights (Consumer conditions scoreboard), occurrence of consumers' problems per market (Markets scoreboards) and consumer complaints through various channels (European consumer centres, ODR platform, etc.). It also monitors reported safety problems on RAPEX, as well as application of regulation.

Questions for discussion

- What are the key issues to be monitored?
- What indicators are essential?
- What sources of information are most relevant?

DAY 2

Topic V

Collaborative implementation of European Consumer Policy Strategy

Context

Efficient implementation and upgrading of consumer policies require active cooperation of all concerned stakeholders to achieve balanced legislation and adequate enforcement structures and outcomes. In addition, because we are in a Single Market, EU-level cooperation and coordination are necessary to ensure the same level of consumer protection across the EU and a level playing field.

State of play

Each Member State has developed its own model to ensure fair and efficient consumer markets. The models vary according to many factors such as legal traditions, administrative approach to enforcement versus civil procedures, out of court litigation structures, role of civil society organisations but also budgetary choices. What is clear is that all the models in place rely on an interaction among the various national stakeholders and institutions and their inter-play and strength are essential for a high level of consumer protection.

At the EU level, the Consumer Protection Cooperation Regulation and the General Product Safety Directive provide compulsory cooperation models, and the activities are prioritised on a “need to act” basis, to address efficiently problems affecting several or all Member States in relation to illegal practices of certain businesses or dangerous products on the market. For general policy-making, the Commission runs many activities, including exchanges of best practices, expert networks, consultation of consumer organisations, and the development of high-tech supporting tools. The Commission is also facilitating cooperation of consumer law enforcers with other law domains networks (e.g. telecoms, competition, personal data protection). It works in close cooperation with other EU institutions and is active in international fora and in bilateral cooperation with important trade partners.

Questions for discussion

- Can you identify (a) successful model(s) of cooperation among various stakeholders at your national level? Are there common factors, which should be integrated in all models? Common priority areas for policy interventions?
- For example, what is the best way to involve consumer organisations at national level in the identification and validation of new legal and non-legal initiatives?
- In which areas should new investment at the national and EU levels be targeted to bring the most benefits for consumers e.g.: consumer education, dedicated citizens and businesses consultation mechanisms, monitoring tools, etc.?
- Do we have efficient EU communication tools in place, also in view of the need to reduce face-to-face meetings?
- Are the existing networks/expert groups addressing the concrete needs at EU level in a sufficient manner? What else could be done?

