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Accompanying the document

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on cooperation between national authorities and the Commission in the enforcement of consumer protection laws in the Union, amending Directive (EU) 2019/1937 and Regulations (EC) No 261/2004, (EC) No 1107/2006, (EC) No 1008/2008, (EU) No 1177/2010, (EU) No 181/2011, (EU) No 1024/2012, (EU) 2018/302 and (EU) 2021/782 and repealing Regulation (EU) 2017/2394

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Glossary

Term or acronym	Meaning or definition
AVMSD	Audiovisual Media Services Directive
ADR	Alternative Dispute Resolution
AI	Artificial Intelligence
B2C	Business to Consumer
C2C	Consumer to Consumer
CCD	Consumer Credit Directive
CFREU	Charter of Fundamental Rights of the European Union
CJEU	Court of Justice of the European Union
COM	European Commission
CPC	Consumer Protection Cooperation
Dark patterns	Practices that materially distort or impair, either on purpose or in effect, the ability of recipients of the service to make autonomous and informed choices or decisions
DFA	Digital Fairness Act
DMA	Digital Market Act
DSA	Digital Services Act
ECC Net	European Consumer Centres Network
EEA	European Economic Area
EU	European Union
EUR	Euro
FTE	Full-Time Equivalent
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
HICP	Harmonised Index of Consumer Prices
IA	Impact Assessment
IoT	Internet of Things
IT	Information Technology
JRC	Joint Research Centre
MS	Member States
NCA	National Competent Authority
PLN	Polish Zloty
SLO	Single Liaison Office
Sweep	Concerted investigations of consumer markets through simultaneous coordinated control actions to check compliance with, or to detect infringements of, Union laws that protect consumers' interests.
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union
UCPD	Unfair Commercial Practices Directive
USD	United States Dollar

1. INTRODUCTION: POLITICAL AND LEGAL CONTEXT

Digitalisation of consumer markets took an unprecedented leap in the past years, in particular since the COVID-19 pandemic, with constantly evolving business models and emerging commercial practices making it increasingly challenging to maintain fair digital markets for consumers and a level playing field for businesses. The EU has developed a comprehensive legal framework to attain its objective to ensure a high level of consumer protection across the Single Market pursuant to Article 169 of the Treaty on the Functioning of the European Union (TFEU). As a result, EU consumers enjoy a wide spectrum of rights affording protection to their economic interests and safety while businesses can operate cross-border without having to adapt their commercial practices to a plethora of different national rules.

However, for consumers and traders to benefit fully from the harmonization of consumer legislation, the latter needs to be strongly and consistently enforced across the EU. An effective enforcement of consumer law is geared to boost legal certainty, increase consumer confidence, fuel consumption and stimulate economic growth. The enforcement of consumer legislation rests on two complementary pillars: a) private enforcement, whereby consumers harmed by infringements seek to get redress before a court or through an out-of-court settlement, either individually or as a group; and b) public enforcement, which is carried out mainly by public authorities protecting the collective interest of consumers by removing illegal practices from the market and sanctioning the perpetrators.

The strengthening of public enforcement has been a constant priority of EU consumer policy. The adoption of Regulation (EU) 2017/2394 on cooperation between national authorities responsible for the enforcement of consumer protection laws[1] ("CPC Regulation"), which replaced the previous Regulation (EC) 2006/2004 establishing a cooperation framework for national consumer protection authorities, addressed a number of deficiencies in the previous framework[2]. The CPC regulation allowed an overall improvement in the effectiveness of public enforcement in a cross-border context[3], contributing to the detection and enforcement of cross-border infringements of Union consumer protection law[4].

However, consumer markets have continued to evolve rapidly since the baseline scenario established in the previous impact assessment from 2015, showing a number of shortcomings that limit the effectiveness of the existing enforcement framework[5], such as procedures governing coordinated actions proven to be lengthy and insufficiently responsive to rapidly evolving market practices, especially in the digital world. In its communication on comprehensive EU toolbox for safe and sustainable e-commerce of 2025, the Commission highlighted that 'while e-commerce

[1] Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004, OJ L 345, 27.12.2017, p. 1.
[2] E.g. the divergence of investigative and enforcement powers among NCAs, the absence of an effective mechanism to tackle widespread infringements affecting several or all Member States simultaneously, and the lack of alert procedures to allow the early detection of malpractices and tackle them through coordinated actions.
[3] Information gathering for assisting the Commission in complying with its obligations under Article 40 of Regulation (EU) 2017/2394 on Consumer Protection Cooperation, Tetra Tech and partners.
[4] Report from the Commission to the European Parliament and the Council on the application of Regulation (EU) 2017/2394 of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws, COM(2024) 311 final, 25.7.2024, https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52024DC0311.
[5] See footnote 3.

has revolutionised the way consumers and businesses interact […] bringing numerous benefits to the EU economy as a whole, […] the recent surge of goods bought online and imported into the EU directly to consumers has amplified the challenges associated with e-commerce'[6].

The necessity of strengthening the enforcement of Union consumer protection rules to ensure a well-functioning Single Market, including through a revision of Regulation (EU) 2017/2394, was highlighted by Enrico Letta in his report 'Much More Than a Market', published on 10 April 2024.[7] This concern is also reflected in the Commission's 2030 Consumer Agenda of 19 November 2025, which highlights that compliance rates remain extremely low in digital markets, with sweeps showing that, on average, one in two traders are in breach of consumer legislation[8]. In the 2030 Consumer Agenda the Commission moreover indicated that it will propose a Digital Fairness Act to further strengthen the protection of consumers online, and committed to 'strengthening enforcement of relevant EU enhancing coordination among all relevant authorities' through a revision of Regulation 2017/2394 to ensure the effective protection of consumers' rights while preserving fair competition within the internal market'.[9] The revision of the CPC Regulation was confirmed as one of the key legislative and policy initiatives for the completion of the Single Market in the 'One Europe, One Market' Joint Roadmap signed in April 2026 by the Commission, the European Parliament and the Council, with agreement by the co-legislators expected in the fourth quarter of 2027.[10]

Business associations[11] and consumer organisations[12] have overall also noted that the current EU consumer law enforcement framework does not ensure sufficiently fast, consistent and effective enforcement across Member States, and have called on the Commission to strengthen cooperation between national authorities, ensure consistent application of existing rules across Member States, and provide greater legal certainty for businesses operating in the Single Market.[13]

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[6] European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A comprehensive EU toolbox for safe and sustainable e-commerce, COM(2025) 37 final, Brussels, 5 February 2025.

[7] Letta, E. (2024). Much More Than a Market-Speed, Security, Solidarity: Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens.

[8] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – 2030 Consumer Agenda and action plan for consumers in the Single Market: 'A new impulse for consumer protection, competitiveness and sustainable growth', COM(2025) 848 final, Brussels, 19 November 2025, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025DC0848

[9] See footnote 6.

[10] European Parliament, Council of the European Union, & European Commission, One Europe, One Market Roadmap, 24 April 2026, One Europe, One Market roadmap - European Commission.

[11] See for example Ecommerce Europe's "Preliminary views on CPC Review" of 18 September 2026, available at https://ecommerce-europe.eu/wp-content/uploads/2026/10/Preliminary-views-on-CPC-Review-180926-FINAL.pdf, or EuroCommerce's "Recommendations for the revision of the CPC Regulation", available at https://www.eurocommerce.eu/2026/06/recommendations-for-the-revision-of-the-cpc-regulation/.

[12] See for example BEUC's paper "Modernising consumer protection enforcement in the EU" of 13 November 2025, available at BEUC-X-2025-106_checklist_Modernising_Consumer_Protection_Enforcement_in_the_EU.pdf, or Euroconsumers' paper "A Quantum Leap for European Consumer Enforcement. The Case for Urgent and Ambitious CPC Regulation Reform" of 4 June 2026, available at https://www.euroconsumers.org/wp-content/uploads/2026/06/Euroconsumers_CPC-Network_Position-Paper.pdf.

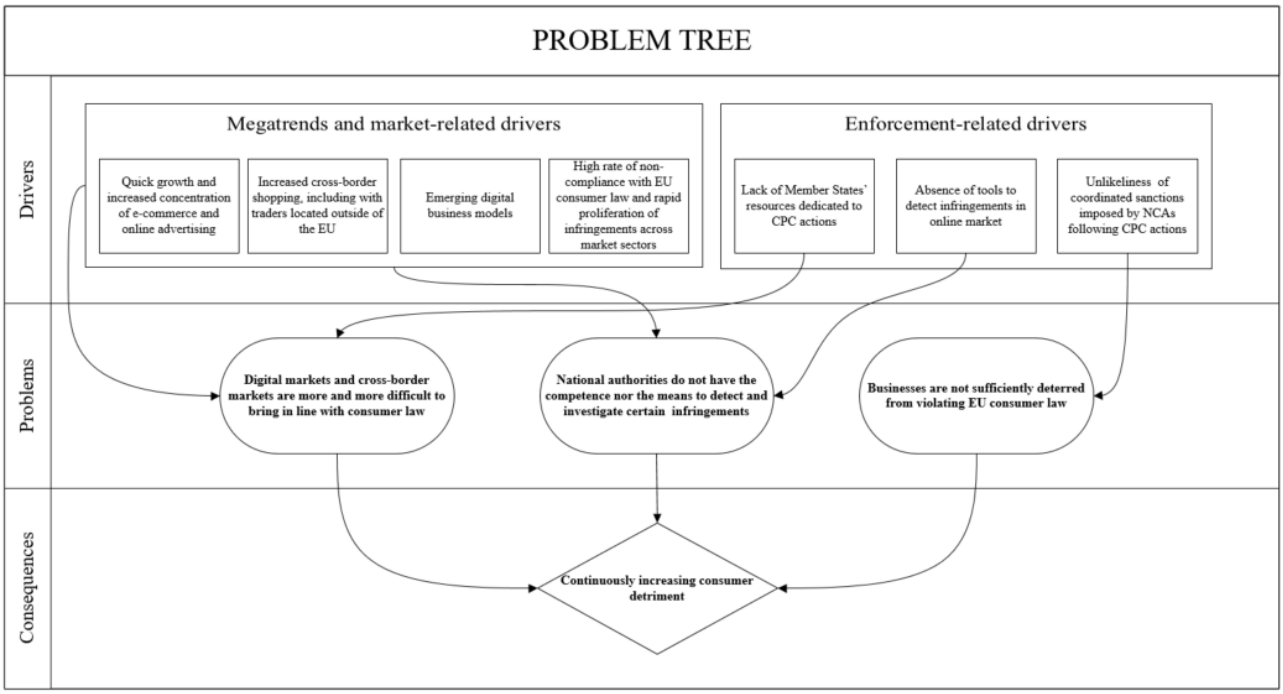
[13] In addition, the stakeholders expressed overall positive feedback on the CPC Regulation and entirely supported the revision during the Implementation Dialogue on the cross-border enforcement cooperation in the area of consumer law, held on 6 May 2026. The Implementation Dialogue was attended by 23 representatives of selected stakeholders, representing businesses, consumer associations, trade organisations, social partners and national enforcement authorities. European Commission, Implementation Dialogue with Commissioner McGrath on cross-border enforcement cooperation in consumer law – Summary Conclusions, 6 May 2026, Implementation dialogue on cross-border enforcement cooperation in the area of consumer law with Commissioner Michael McGrath - European Commission

The need for ensuring more secure, safer, open and fairer digital markets also resulted in the adoption of Regulation (EU) 2022/2065 (Digital Services Act)[14] and Regulation (EU) 2022/1925 (Digital Markets Act).[15] Although both instruments interact with consumer law[16], they do so through distinct and complementary enforcement frameworks.[17] This means that the CPC Regulation will continue to remain a key channel to enforce consumer law. Moreover, Directive 2010/13/EU on audiovisual media services[18] ("AVMSD"), which has as one of its objectives the protection of consumers – including minors – as viewers, also interacts with consumer law. While certain provisions of the AVMSD are included in the Annex of the CPC Regulation and enforced through the CPC system, other provisions of that Directive relate to specific aspects of audiovisual content and services falling under a distinct enforcement system. Lastly, the proposal for the EU KIDS Act (adopted on 17 September 2026)[19], seeking to enhance online safety of children throughout the Union, will be complemented by a strengthened enforcement of consumer law, particularly where children are exposed to unfair commercial practices.

In order to prevent potential gaps and imbalances in the enforcement of EU consumer law in digital markets, it is important to revamp the CPC Regulation to face the problems outlined in the next Chapter, in line with the objectives of this impact assessment. The changes proposed as policy options are expected to further reinforce the provisions introduced by the Better Enforcement and Modernisation Directive (EU) 2019/2161[20]. These changes seek to strengthen and facilitate a more consistent application of penalties by CPC authorities in case of intra-Union infringements, widespread infringements and widespread infringements with a Union dimension.[21] On the basis of the conclusions drawn by the application report, which the Commission adopted in line with the requirement of Article 40 of the CPC Regulation, this impact assessment serves to scrutinise certain potential amendments to the CPC Regulation aimed at increasing the effectiveness of the enforcement mechanism laid down therein.

[14] Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act).
[15] Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act).
[16] The DSA applies to intermediary services and establishes harmonised due diligence obligations for providers of such services, including in areas such as online advertising, trader traceability, recommender systems and online interfaces. The DSA also gives the Commission an important enforcement role in relation to very large online platforms and very large online search engines. The DMA, by contrast, applies to core platform services provided or offered by gatekeepers and confers a central enforcement role on the Commission vis-à-vis gatekeepers.
[17] European Commission, Report on application of Article 33 of Regulation (EU) 2022/2065 (DSA) and the interaction of that Regulation with other legal acts, 17 November 2025.
[18] Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive).
[19] Proposal for a Regulation of the European Parliament and of the Council of 17 September 2026, EU KIDS ACT – 'EU Keeping Internet Digital Spaces Accountable and Trustworthy, COM(2026) 681 final, EUR-Lex - 52026PC0681 - EN - EUR-Lex.
[20] Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council as regards the better enforcement and modernisation of Union consumer protection rules.
[21] To ensure that NCAs can impose effective, proportionate and dissuasive penalties in relation to widespread infringements and widespread infringements with a Union dimension that are subject to coordinated investigations and enforcement measures in accordance with the CPC Regulation, the Better Enforcement and Modernisation Directive confers upon NCAs the power to impose fines of up to 4% of the trader's turnover, or up to EUR 2 million when information on turnover is not available, for breaches of the Unfair Contract Terms Directive (UCTD), the Unfair Commercial Practices Directive (UCPD), and the Consumer Rights Directive (CRD).

2. PROBLEM DEFINITION



Every day, European consumers are affected by infringements committed by traders operating across borders. These infringements cause detriment to consumers, typically in the form of monetary loss, but, as is often the case, go unaddressed by public authorities. One major factor contributing to this lack of enforcement is the structural imbalance of means available to traders and public authorities in the digital realm. While the former can easily design, test and implement unfair practices on a large scale, National Competent Authorities ("NCAs") often lack the resources, expertise and tools required to detect and remove them from the market. As a result, these harmful practices can rapidly spread across entire economic sectors, generating a race-to-the-bottom among traders, indicating a market failure.

The CPC enforcement architecture, despite being designed to address these widespread infringements, seems to be flawed by two major weaknesses: on the one hand, its procedures are excessively cumbersome and often fail to meet the need for swift action required to tackle violation of EU consumer law, in particular in digital markets; on the other hand, it is insufficiently deterrent as traders are becoming increasingly aware that a CPC action is unlikely to result in coordinated sanctions being imposed on them. As megatrends such as the digitalisation of markets continue to shape consumer behaviour and increase online shopping, addressing these issues is crucial in ensuring that EU consumers are adequately protected in the Single Market.

2.1. What are the problem drivers?

MEGATRENDS AND MARKET-RELATED DRIVERS

Quick growth and increased concentration of e-commerce and online advertising

The expansion of the e-commerce sector has been ongoing for several years. However, the COVID-19 pandemic and related lockdowns have accelerated its growth. The information presented in the accompanying box demonstrates that this trend is stable and it is unlikely that there will be a return to the pre-pandemic rates. The growth of e-commerce is driven by a number of global megatrends. According to the Joint Research Centre (JRC), by 2030, the consumer class is expected to reach 4.8 billion people worldwide, i.e., 1.3 billion more people with increased purchasing power than today.[22] The enlargement of the consumer base, combined with a widespread access to the internet by 6.04 billion people in 2025 (73.6% of the world population)[23] and widespread ownership of mobile phones by 82% of individuals aged 10 and above in 2025[24], is set to further spur the pervasiveness of online shopping.

Fuelled by growing consumption and increased hyperconnectivity, global e-commerce, which amounted to USD 4.25 trillion in 2014[25], is expected to reach USD 7.4 trillion in 2026[26] representing an increase of 74.1%. Over the same period, global retail trade is predicted to amount to around 32.8 trillion USD by 2026[27], representing a 45.8% increase from 2024.[28] As a result, the market share of e-commerce in retail trade is expected to be 22.6% worldwide by 2026, up from 18.9% in 2014, and is expected to further grow to reach 25% by 2030.[29]

[22] European Commission: Knowledge for policy, 'Growing consumption', Last updated: 10 November 2025, accessed: 1 September 2026, https://knowledge4policy.ec.europa.eu/growing-consumerism_en.

[23] This number refers to the proportion of individuals who used the internet from any location in the last three months – whether the access was made via a fixed or mobile network in 2025: International Telecommunication Union (ITU): DataHub, 'Individuals using the Internet', 2025, accessed 15 July 2026, https://datahub.itu.int/data/?e=701&c=&i=11624.

[24] International Telecommunication Union (ITU), 'Facts and Figures 2025: Mobile phone ownership', 2025, accessed 15 July 2026, https://www.itu.int/itu-d/reports/statistics/2025/10/15/ff25-mobile-phone-ownership/

[25] eMarketer, 'Retail e-commerce sales worldwide from 2014 to 2026 (in USD bn)', Statista, 29 July 2022, accessed 10 January 2023, https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/.

[26] Forbes Advisor, '35 Top E-Commerce Statistics', Forbes.com, 1 July 2026, accessed 15 July 2026, https://www.forbes.com/advisor/business/ecommerce-statistics/

[27] Global retail trade amounted to approximately USD 22.5 trillion in 2014 and USD 26.4 trillion in 2021. Moharana, T. R., Pattanaik, S., 'Retailing in emerging markets: Trends, prospects and challenges', *Asian Journal of Management,* Vol. 8, Issue 3, 2017, pp. 479–482. https://doi.org/10.5958/2321-5763.2017.00076.2

[28] Estimate based on: eMarketer, 'Total retail sales worldwide from 2021 to 2026 (in trillion USD)', Statista, February 2025, accessed 15 July 2026, https://www.statista.com/statistics/443522/global-retail-sales/.

[29] Ma, Y., 'Worldwide online and offline retail sales share 2017-2030', Statista, 2 September 2025, accessed 1 September 2026, https://www.statista.com/statistics/534123/e-commerce-share-of-retail-sales-worldwide/?srsltid=AfmBOooG5x04AEhzMHnvVDxVeavNYpFnaHipZbOMKreGAKWSJIbUGlXr.

Box: Key data on the evolution of digital markets in the EU

From +19% in Denmark up to +44% in Spain, consumers shopped online more often due to the pandemic in 2020.[30] Eurostat figures show that the share of enterprise turnover on e-commerce in the EU went up in the period 2016-2021, but then stabilised in the period 2022-2025 (and even went down for large enterprises).[31] Generally, enterprises' turnover generated from e-sales increased by 3.06 percentage points (pp) between 2014 and 2024, namely from 16.43% to 19.49%.[32] After a short period of stagnation, European e-commerce experienced renewed growth in 2024, with total turnover increasing by 7% to €842 billion, supported by real growth of 4.6% when adjusted for inflation.[33] The share of enterprises' turnover on e-commerce increased from 16% in 2016 to 20% in 2021 and then remained stable at 20% in 2025 in the EU; however for large enterprises it increased from 22% in 2016 to 24.2% in 2025, peaking at 27% in 2021.[34] Similarly, the contribution of e-commerce sales to the European Union's GDP (i.e. e-GDP), rose from 2.5% in 2017 to 4% in 2021,[35] remaining at 4% in 2025.[36] In the EU, the turnover of e-commerce marketplaces almost doubled between 2020 and 2025[37], reaching EUR 247.5 billion in the financial year between 2024 and 2025.[38]

The average percentage of internet users in the EU who purchased goods or services at least once in the last 12 months, increased from 62% in 2015[39] to 78% in 2025.[40] This indicates that online shopping is rapidly becoming more mainstream across the EU.

[30] PostNord, 'Share of respondents in selected European countries who shopped online more often due to the coronavirus pandemic in 2020 and 2021', Statista, 12 November 2021, accessed 10 January 2023, https://www.statista.com/statistics/1189076/covid-19-e-commerce-growth-europe-country/.

[31] European Commission: Eurostat, 'Share of enterprises' turnover on e-commerce', Online data code: TIN00110, 27 February 2026, accessed 15 July 2026, https://doi.org/10.2908/TIN00110.

[32] Ecommerce Europe, EuroCommerce, and Weltevreden, J. W. J., 'European E-Commerce Report 2025', 2025, https://ecommerce-europe.eu/wp-content/uploads/2025/10/CMI2025_LIGHT_CORRIGENDUM.pdf.

[33] Ecommerce Europe, EuroCommerce, and Weltevreden, J. W. J., 'European E-Commerce Report 2025', 2025, https://ecommerce-europe.eu/wp-content/uploads/2025/10/CMI2025_LIGHT_CORRIGENDUM.pdf.

[34] European Commission: Eurostat, 'Value of e-commerce sales by size class of enterprise', Online data code: isoc_ec_evals, 27 February 2026, accessed 15 July 2026, https://doi.org/10.2908/ISOC_EC_EVALS.

[35] Ecommerce Europe, EuroCommerce, Lone, S., Harboul, N., and Weltevreden, J. W. J., 'European E-Commerce Report 2021', 2021, https://www.eurocommerce.eu/app/uploads/2022/08/CMI_LIGHT_v3.pdf

[36] Ecommerce Europe, EuroCommerce, Lone, S., Harboul, N., and Weltevreden, J. W. J., 'European E-Commerce Report 2021', 2021, https://www.eurocommerce.eu/app/uploads/2022/08/CMI_LIGHT_v3.pdf

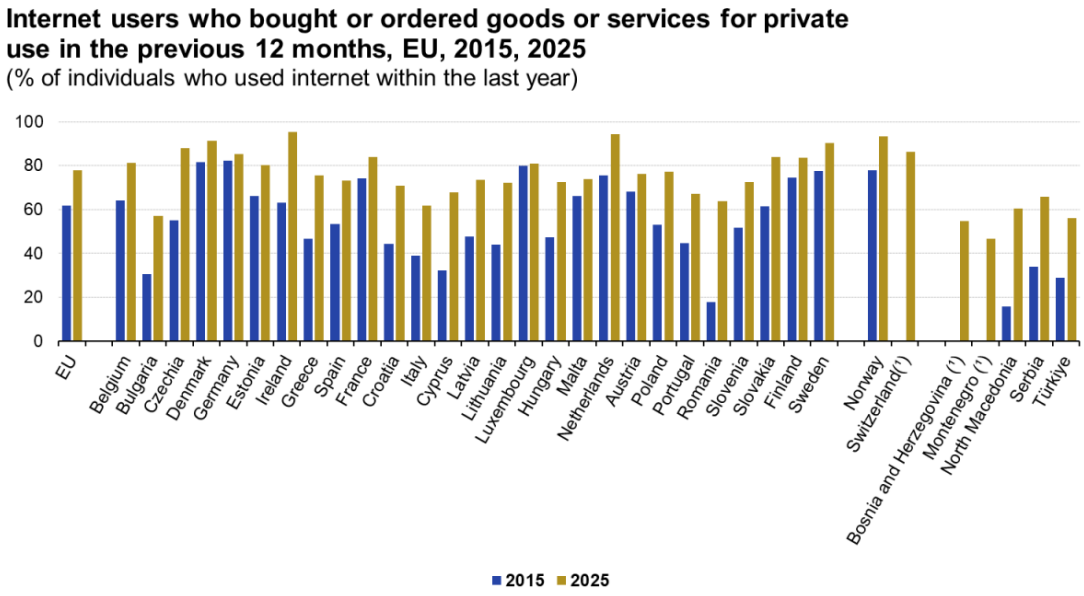
[37] EUR 114.billion in 2020. CBCommerce, 'Top-100 cross-border marketplaces Europe, 2nd edition', Cross-border Commerce Europe, 22 September 2021, accessed 15 July 2026, https://www.cbcommerce.eu/press-releases/second-edition-of-the-top-100-cross-border-marketplaces-europe-an-annual-analysis-of-the-best-global-cross-border-platforms/; Ecommerce News 'Europe: online marketplaces sales €120 billion', 1 December 2021, accessed 15 July 2026, https://ecommercenews.eu/europe-online-marketplaces-sales-e120-billion/.

[38] Ecommerce News, 'Marketplaces generate over 247 billion euros in turnover', 20 April 2026, accessed 15 July 2026, https://ecommercenews.eu/marketplaces-account-for-61-of-european-ecommerce/.

[39] European Commission: Eurostat, 'Internet purchases by individuals (2020 onwards)', Online data code: isoc_ec_ib20, 17 April 2026, accessed 15 July 2026, https://doi.org/10.2908/ISOC_EC_IB20

[40] European Commission: Eurostat, 'Internet purchases by individuals (2020 onwards)', Online data code: isoc_ec_ib20, 17 April 2026, accessed 15 July 2026, https://doi.org/10.2908/ISOC_EC_IB20

Figure 1 - Internet users who bought or ordered goods or services for private use in the previous 12 months, EU, 2015, 2025



Source: Eurostat

As illustrated by Figure 1 above, over the period 2015-2025, national disparities in e-shopping have been levelled out, largely due to the rapid acceleration of e-commerce growth fuelled by the pandemic.[41] The shift towards online shopping has further reinforced the existing market concentration trends of online retail and marketplace businesses and dominance from third country providers. In August 2025, the most visited online trader worldwide – USA's Amazon – recorded 4.6 billion visits, while the second most visited trader – China's Temu – had 1.6 billion visits. In comparison, the 10th ranked trader, Argentina's MercadoLibre, had only 260 million visits.[42] At European level, the most visited online trader is Amazon, followed by Temu, eBay and AliExpress (see table below).[43]

The market concentration is largely due to the features of digital services such as network effects, strong economies of scale and availability of a vast amount of data, as shown in the context of the preparation of the DMA.[44] Such trend allows large online traders and marketplace to play the role of gatekeepers in digital markets. The concentration of the market in terms of website visits is clearly visible also in the EU. In the CPC context, however, the relevance of this observation lies

[41] European Commission: Eurostat, 'Internet purchases by individuals (2020 onwards)', Online data code: isoc_ec_ib20, 17 April 2026, accessed 15 July 2026, https://doi.org/10.2908/ISOC_EC_IB20; European Commission: Eurostat, 'Internet purchases by individuals (2002-2019)' Online data code: isoc_ec_ibuy, 16 June 2024, accessed 15 July 2026, https://doi.org/10.2908/ISOC_EC_IBUY.

[42] Statista Research Department, 'Most visited online marketplaces worldwide as of August 2025, by monthly traffic (in million visits)', Statista, 20 April 2026, accessed 15 July 2026, https://www.statista.com/statistics/1155246/leading-online-marketplaces-usa-average-monthly-visits/?srsltid=AfmBOooTE5ldJFPljxcjRVY2YimBdanbqsDKuaX0QssBh-cIThryW-k0

[43] The ranking is calculated by weighting four main parameters: cross-border online sales across 25 EU countries + UK, Switzerland, and Norway, SEO indicators of cross-border performance, country coverage as measured by the cross-border score, and the volume and share of cross-border visits.

[44] European Commission, 'Impact Assessment of the Digital Markets Act', Publications Office of the European Union, Luxembourg, 16 December 2020, Impact assessment of the Digital Markets Act | Shaping Europe's digital future

not in addressing market structure as such, but in understanding the enforcement environment in which consumer law operates.

Table 1: Top 10 Cross-border Marketplaces in Europe in 2025

Rank	Marketplace	Country	Type	Business model
1	Amazon	United States	Hybrid	B2C
2	Temu	China	Pure marketplace	B2C
3	eBay	United States	Pure marketplace	C2C
4	AliExpress	China	Pure marketplace	B2C
5	Etsy	United States	Pure marketplace	C2C
6	Vinted	Lithuania	Pure marketplace	C2C
7	OLX Group	Netherlands	Pure marketplace	C2C
8	Zalando	Germany	Hybrid	B2C
9	Decathlon	France	Hybrid	B2C
10	Shein	China	Pure marketplace	B2C

Source: CBCommerce, 'Sixth Edition of the "TOP 100 Cross-Border Marketplaces Europe" Report', 2025[45]

However, the digital transition does not only concern the way consumers make purchases. Marketing for goods and services sold both online and through brick-and-mortar shops is also increasingly shifting towards digital channels. In 2024, the expenditure in digital advertising worldwide accounted for 60.8% of the total ad revenue, with estimates indicating a continued growth trend, expected to reach 71.1% by 2028.[46] This entails an increase from USD 599 billion in 2021 to USD 790 billion in 2024[47], with an estimated annual growth of digital's share of total advertising at 2.8 percentage points.[48] Similarly to e-commerce, the advertisement market is also highly concentrated: in 2025, Amazon, Google and Meta alone accounted for about 58.8% of global spending in advertising, up from 47% recorded in 2020.[49] TikTok has also seen a rapid rise in their global advertising share, from 0.7% in 2021 to 2.7% in 2024[50] while traditional media advertising continues to experience a constant decline in share.[51]

[45] Cross-Border Commerce Europe, 'Sixth Edition of the "TOP 100 Cross-Border Marketplaces Europe" Report: European Cross-Border E-Commerce Reaches New Heights', 17 October 2025, https://www.cbcommerce.eu/blog/2025/10/16/sixth-edition-of-the-top-100-cross-border-marketplaces-europe-report-european-cross-border-e-commerce-reaches-new-heights/.

[46] Statista Research Department, 'Share of digital in advertising revenue worldwide from 2023 to 2028', Statista, 9 February 2026, accessed 15 July 2026,https://www.statista.com/statistics/375008/share-digital-ad-spend-worldwide/?srsltid=AfmBOoqkpPU9vIvJoiYXp11v3e2Tfoe7eRT7fdwzrhGFwm1Ay_edm4JA.

[47] DataReportal, 'Digital 2025: global advertising trends', DataReportal – Global Digital Insights website, 5 February 2026, accessed 15 July 2026, https://datareportal.com/reports/digital-2025-sub-section-global-advertising-trends.

[48] Statista Research Department, 'Share of digital in advertising revenue worldwide from 2023 to 2028', Statista, 9 February 2026, accessed 15 July 2026,https://www.statista.com/statistics/375008/share-digital-ad-spend-worldwide/?srsltid=AfmBOoqkpPU9vIvJoiYXp11v3e2Tfoe7eRT7fdwzrhGFwm1Ay_edm4JA.

[49] Digalaki, E., Hanzlik, V., and Noyes, E. 'The Triopoly's Share of Total Ad Spend Is Rising, but Its Hold on Digital Is Slipping', eMarketer, 29 July 2025, accessed 15 July 2026, https://www.emarketer.com/content/triopolys-share-of-total-ad-spend-rising-its-hold-on-digital-slipping.

[50] Statista Research Department, 'TikTok share in digital ad spend worldwide 2020-2024', Statista, 16 November 2022, accessed 15 July 2026, https://www.statista.com/statistics/1345058/tiktok-share-digital-ad-revenue-worldwide/?srsltid=AfmBOooK3yboXzZM7O9T-79dMLQX765B70YIL_ouXiOE0kvydvkTo9zC

[51] For further information see here: Haggin, P., 'Google and Meta's Advertising Dominance Fades as TikTok, Streamers Emerge: Amazon further solidified its spot as third-largest digital-ad platform in theUS last year', The Wall Street Journal, 4 January 2023, accessed 15 July 2026,

Increased cross-border shopping, including with traders located outside of the EU

Cross-border e-commerce figures of the EU show growth in the period 2020-2023.[52] The percentage of EU citizens that purchases online (whether with traders inside or outside the EU) increased from 21.2% in 2020 to 23.4% in 2023.[53]

While online purchases from other EU countries increased from 16.5% in 2020 to 19.1% in 2023 (with a dip of 17.2% in 2022[54]), the percentage of purchases from non-EU countries remained relatively stable around 11.6% in 2020 and 2023.[55] The percentage of purchases from unknown countries rose from 4.1% to 9.4%.[56] These figures should however be interpreted with caution, due to the difficulties in identifying the actual country of establishment of the trader, in particular when purchasing via online marketplaces. As a result, the percentage of purchases from non-EU countries could be higher, especially as purchases reported as "unknown" are likely to concern traders established outside the EU.

Compared to the general population, the percentage of cross border shopping is higher among the more regular shoppers (those that did an online purchase in the last 3 months). Among those, 40.2% of EU citizens bought from EU or non-EU traders online in 2023 and 40% in 2024 (compared to 39.9% in 2020) indicating a relatively stable trend.[57] However, while the percentage of purchases among these more regular shoppers has increased for cross border e-commerce from other EU countries (from 31.1% in 2020 to 33% in 2024)[58], the percentage has decreased for purchases from non-EU countries (from 22% in 2020 to 20.1% in 2023 and 16% in 2024).[59] On

https://www.wsj.com/articles/google-and-metas-advertising-dominance-fades-as-tiktok-netflix-emerge-11672711107?mod=mktw&mod=article_inline&adobe_mc=MCMID%3D25175364284996172750164006098244849398%7CMCORGID%3DCB68E4BA55144CAA0A4C98A5%2540AdobeOrg%7CTS%3D1675347238

[52] As noted above, this is attributed to return to physical stores after the pandemic, inflationary pressures, and readjustment to the pandemic-induced growth.

[53] European Commission: Eurostat, 'Internet purchases - origin of sellers (2020-2023) , sellers from other EU countries (EU or non-EU) (Unit of measure: percentage of individuals)' Online data code: isoc_ec_ibos, 17 April 2026, accessed 16 July 2026, https://ec.europa.eu/eurostat/databrowser/view/isoc_ec_ibos__custom_21719553/default/table

[54] European Commission: Eurostat, 'Internet purchases - origin of sellers (2020-2023) , sellers from other EU countries (EU or non-EU) (Unit of measure: percentage of individuals)' Online data code: isoc_ec_ibos, 17 April 2026, accessed 16 July 2026, https://ec.europa.eu/eurostat/databrowser/view/isoc_ec_ibos__custom_21719553/default/table

[55] European Commission: Eurostat, 'Internet purchases - origin of sellers (2020-2023), sellers of the rest of the world (non-EU countries) (Unit of measure: percentage of individuals)', Online data code: isoc_ec_ibos, 17 April 2026, accessed 16 July 2026, https://ec.europa.eu/eurostat/databrowser/view/isoc_ec_ibos__custom_21719480/default/table

[56] European Commission: Eurostat, 'Internet purchases - origin of sellers (2020-2023), sellers of the rest of the world (non-EU countries) (Unit of measure: percentage of individuals)', Online data code: isoc_ec_ibos, 17 April 2026, accessed 16 July 2026, https://ec.europa.eu/eurostat/databrowser/view/isoc_ec_ibos__custom_21719480/default/table

[57] European Commission: Eurostat, 'Internet purchases - origin of sellers (2020-2023), from sellers from other countries (EU or non-EU) (Unit of measure: Percentage of individuals who purchased online in the last 3 months)', Online data code: isoc_ec_ibos, 17 April 2026, accessed 16 July 2026, https://ec.europa.eu/eurostat/databrowser/view/isoc_ec_ibos__custom_21719583/default/table;
Data on 2024, as reported in: Ecommerce Europe, EuroCommerce, and Weltevreden, J. W. J., 'European E-Commerce Report 2025', 2025, https://ecommerce-europe.eu/wp-content/uploads/2025/10/CMI2025_LIGHT_CORRIGENDUM.pdf.

[58] European Commission: Eurostat, 'Internet purchases - origin of sellers (2020-2023), from sellers from other countries (Unit of measure: Percentage of individuals who purchased online in the last 3 months)', Online data code: isoc_ec_ibos, 17 April 2026, accessed 16 July 2026, https://ec.europa.eu/eurostat/databrowser/view/isoc_ec_ibos__custom_21694582/bookmark/table?lang=en&bookmarkId=0775eda6-3db2-47ed-8707-4a6e16c8eb0c&c=1780472799000;
Data on 2024, as reported in: Ecommerce Europe, EuroCommerce, and Weltevreden, J. W. J., 'European E-Commerce Report 2025', 2025, https://ecommerce-europe.eu/wp-content/uploads/2025/10/CMI2025_LIGHT_CORRIGENDUM.pdf.

[59] European Commission: Eurostat, 'Internet purchases - origin of sellers (2020-2023), from sellers from other countries (Unit of measure: Percentage of individuals who purchased online in the last 3 months)', Online data code: isoc_ec_ibos, 17 April 2026, accessed 16 July 2026, https://ec.europa.eu/eurostat/databrowser/view/isoc_ec_ibos__custom_21694582/bookmark/table?lang=en&bookmarkId=0775eda6-3db2-47ed-8707-4a6e16c8eb0c&c=1780472799000;

the other hand, from 2020 to 2023, the percentage of purchases from sellers from 'unknown' countries more than doubled from 4.7% to 10.23%, which likely also include purchases from non-EU sellers.[60] The Consumer Conditions Scoreboard 2025 reports a higher increase in purchases from sellers based both in other EU Member States and outside the EU between 2018 and 2024, rising from 28% to 35% and from 18% and 27% respectively.[61]

Emerging digital business models

In the past decade, digital business models have undergone significant changes, primarily due to the proliferation of free-of-monetary-payment online services that monetise personal data rather than charging consumers' a nominal price. The rise of business models relying on the collection, processing and analysis of personal data, coupled with rapid advancements in AI, Internet-of-Things (IoT) and immersive technologies, offer both remarkable benefits and considerable risks to consumers. On one hand, these developments enable unique, personalised offers and shopping experiences by leveraging customers' preferences, emotions, and values. On the other hand, they may exploit consumers' limited digital literacy, leading to manipulation and misuse of their personal data. Young consumers are particularly susceptible to online manipulative practices, given the significant amount of time they spend online and the vast amount of commercial content they encounter. The growing popularity of online games like Fortnite and gaming platforms such as Roblox, which boast millions of young users worldwide, raises concerns about various "gamification" practices. These include targeted advertising toward minors and a lack of transparency surrounding in-game purchases, such as "loot boxes".[62]

Case study - Shoppertainment, the next business model

In 2021, Shopify and TikTok joined forces to create TikTok Shopping, a ready-to-use web shop for TikTok content providers and especially influencers. TikTok users can buy products without having to leave the platform and are able to make quick purchases following recommendations made in video posts. This business model is called 'livestream shopping'.[63] It achieved a high level of success, as the total Gross Market Value for TikTok Shop is expected to reach USD 112.2

Data on 2024, as reported in: Ecommerce Europe, EuroCommerce, and Weltevreden, J. W. J., 'European E-Commerce Report 2025', 2025, https://ecommerce-europe.eu/wp-content/uploads/2025/10/CMI2025_LIGHT_CORRIGENDUM.pdf.

[60] European Commission: Eurostat, 'Internet purchases - origin of sellers (2020-2023), from sellers from unknown countries (Unit of measure: Percentage of individuals who purchased online in the last 3 months)' Online data code: isoc_ec_ibos, 17 April 2026, accessed 16 July 2026, https://ec.europa.eu/eurostat/databrowser/view/isoc_ec_ibos__custom_21948175/default/table.

[61] European Commission, Directorate-General for Justice and Consumers, 'Consumer Conditions Scoreboard: 2025 Edition', DS-01-25-047-EN-N, March 2025, https://commission.europa.eu/document/download/2816337b-4fd1-4db2-a71c-d14a206a5a93_en?filename=consumer_conditions_scoreboard_2025_final.pdf.

[62] For further information on the risks associated with loot boxes, please see the report: Norwegian Consumer Council (NCC), 'INSERT COIN: How the gaming industry exploits consumers using loot boxes', 31 May 2025, https://storage02.forbrukerradet.no/media/2022/05/2022-05-31-insert-coin-publish.pdf. In addition, the CPC Network started 11 coordinated actions in relation to videogames companies in order to ensure compliance of their practices related notably to the use and purchase of in-game virtual currencies with EU consumer law. These actions follow the publication of the CPC Network Key Principles on In-Game Virtual currencies, provide practical guidance on the application of relevant EU consumer protection rules to practices involving in-game virtual currencies. In 2025, the CPC Network had already started a coordinated action in relation to the game Star Stable Online, which is preliminary addressed to minors, for direct exhortation to children, misleading practices and aggressive practices. The CPC Network's coordinated actions form part of the strategy set out in the Joint Statement on Stronger Consumer Protection in Video Games across the EU Market. Social media, online games and search engines - European Commission

[63] Simpson, E., 'TikTok jumps on online shopping bandwagon', BBC, 8 December 2021, accessed 16 July 2026, https://www.bbc.com/news/business-59563238.

billion by 2026 and USD 168.3 billion in 2027, from USD 0.9 billion in 2021.[64] Shortly after, Twitter and Meta (Facebook and Instagram) followed suit. In 2022, Twitter launched 'Twitter Shops', which works similarly to TikTok Shopping,[65] while Meta allows now for Facebook and Instagram user accounts to be linked to Shopify accounts and act as shopping channels.[66]

Social commerce is becoming increasingly popular, as in 2026, global revenues generated through social media platforms were forecast to reach nearly USD 586 billion, an increase of roughly 16.5% compared to the previous year.[67] China leads in this area, with livestream shopping accounting for 9-10% of e-commerce sales in 2020.[68] AliExpress has already introduced livestream shopping into the EU market through the initiative 'AliExpress Connect', which was launched to further push livestreaming and match influencers with brands.[69] Livestreaming is considered in Asia a part of a larger innovative business model called 'shoppertainment' – a concept blending "e-commerce, entertainment and everyday lifestyle, engaging consumers in a highly immersive and interactive experience, such as livestreaming events, pictures, videos, and interactive games, to ultimately drive transactions".[70]

Livestream shopping has become increasingly popular in Europe and North America, following the initial boost in China. Globally, social commerce accounts for around 15% of all e-commerce in 2026, and this share is expected to reach 19% by 2030.[71] In any event, livestream shopping, like other B2C business models, must abide by laws related to consumer protection as well as to intellectual property law, data protection, privacy, advertising and media law. In this respect, questions arise on whether public authorities are equipped and well-prepared to monitor and enforce EU laws in such markets.

High-rate of non-compliance with EU consumer law and rapid proliferation of infringements across market sectors

While the proportion of consumers facing problems has remained roughly a third over the last few years (37% in 2021, 33% in 2023 and again 37% in 2025[72]), this likely underestimates the real extent of consumer harm, as it captures only cases that were reported. For instance, 33% of consumers responding to the Survey of Consumers' Attitudes Towards Cross-border Trade and

[64] Shewale, R., 'TikTok Shop Statistics (2025-2026): Global GMV & Insights', Resourcera, 30 March 2026, accessed 16 July 2026, https://resourcera.com/data/social/tiktok-shop-statistics/.
[65] Simpson, E., 'TikTok jumps on online shopping bandwagon', BBC, 8 December 2021, accessed 16 July 2026, TikTok jumps on online shopping bandwagon.
[66] Shopify, 'Grow your business with Facebook & Instagram – market and sell where your customers are', Shopify, accessed 16 July 2026, https://www.shopify.com/pl/facebook-instagram.
[67] Statista, 'Global social commerce share of online retail 2018-2030', 25 March 2026, accessed 1 September 2026, https://www.statista.com/statistics/1251145/social-commerce-share-worldwide/
[68] Retail Asia, 2020, 'How shoppertainment powers the growth of AliExpress', 15 December 2020, updated 27 May 2025, accessed 1 September 2026, How shoppertainment powers the growth of AliExpress | E-Tailing — RetailNews Asia; Arora A., Glaser D., Kluge Ph., Kim A., Kohli S and Sak N, 2021, 'It's showtime! How live commerce is transforming the shopping experience', McKinsey, 21 July 2021, 1 September 2026, Live commerce is transforming online shopping | McKinsey.
[69] AliExpress, 'Connect', AliExpress Social [Discontinued since March 2023].
[70] NetImperative, 'Shoppertainment is the next frontier of e-commerce in Europe' 26 February 2021, accessed 1 September 2026, https://www.netimperative.com/2021/02/26/shoppertainment-is-the-next-frontier-of-ecommerce-in-europe/.
Frank, L., ' Livestream Shopping Statistics (2026): Growth, Adoption, and Regional Trends', Getstream.io, 5 January 2026, accessed 16 July 2026,
[72] European Commission: Eurostat, 'E-commerce statistics for individuals', Eurostat, February 2026, 16 July 2026, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=E-commerce_statistics_for_individuals#Purchasing_online_and_problems_encountered.

Consumer-related Issues 2025 reported that they did not take any action when encountering a problem over the previous 12 months when buying goods or services for which they felt there was legitimate reason to complain.[73]

The growth of e-commerce and digital advertising also inevitably exposes consumers to an increasing number of unfair commercial practices online. The 2025 Consumer Conditions Scoreboard found that at least two out of three consumers have encountered unfair commercial practices such as misleading discounting or consumer reviews that did not appear genuine, when searching for or buying products online (see figure below) at least sometimes in 2024.[74] These figures likely underestimates that consumers may not always recognise unfair or fraudulent online practices as such when searching for or buying products online.[75]

Figure 2: Experience of fraudulent practices and misleading online practices when searching for/buying products (EU27, % adults who bought online in last 12 months)



Source: Consumer Conditions Survey 2024, as presented in Consumer Conditions Scoreboard 2025

The Commission's 2022 behavioural study on dark patterns[76] revealed that 97% of the 75 most popular websites and apps used by EU consumers employed at least one dark pattern, i.e., a practice in digital interfaces that potentially deceives, manipulates or otherwise materially distorts

[73] The primary reasons were due to consumers believing it would take too long, because consumers felt it was unlikely they would get a satisfactory solution to the problem and the sums involved being too small. This is particularly relevant in the context (and growth) of low-cost business models such as Temu or SHEIN. See European Commission: Directorate-General for Justice and Consumers, 'Survey of consumers' attitudes towards cross-border trade and consumer-related issues 2025', Publications Office of the European Union, March 2025, Survey of consumers' attitudes towards cross-border trade and consumer-related issues 2025 - Publications Office of the EU

[74] See European Commission: Directorate-General for Justice and Consumers, 'Consumer Conditions Scoreboard: 2025 Edition', DS-01-25-047-EN-N, March 2025, https://commission.europa.eu/document/download/2816337b-4fd1-4db2-a71c-d14a206a5a93_en?filename=consumer_conditions_scoreboard_2025_final.pdf.

[75] European Commission, 'Survey of Consumers' Attitudes Towards Cross-border Trade and Consumer-related Issues 2025', Executive Summary, March 2025 8c0a9411-e700-451e-a122-d5524df19b9a_en. The study found that misleading price-reduction displays can confuse consumers, and that most participants believed the discounts shown to them were genuine; even when shown the product information page, many could not identify the misleading practice.

[76] European Commission: Directorate-General for Justice and Consumers, 'Behavioural study on unfair commercial practices in the digital environment: Dark patterns and manipulative personalisation: Final report', Publications Office of the European Union, 2022, https://data.europa.eu/doi/10.2838/859030

or impairs the ability of recipients of their service to make free and informed decisions.[77] A sweep[78] carried out by the CPC Network in 2022 under the coordination of the Commission on a sample of 399 websites found that 37% of websites potentially violated the Unfair Commercial Practices Directive[79] (UCPD) as a result of the use of dark patterns such as fake countdown timers.[80] In the public consultation for the Fitness Check of EU consumer law on digital fairness conducted in 2024[81], BEUC's 2023 survey found that 61% of consumers have felt under pressure when buying online and 41% ended up buying things they did not intend to due to confusing design.[82]

Similar dark patterns are found with consistent levels of presence across Member States and both in EU and non-EU web shops. Their ubiquitous nature suggests that once a dark pattern proves to be particularly successful in materially distorting the economic behaviour of consumers to the benefit of traders, it is rapidly taken up and replicated by other traders operating in digital markets. As a consequence, dark patterns rapidly proliferate, contributing to the consumer's financial detriment, time loss and psychological harm, as well as raising concerns for the collective welfare due to detrimental effects on competition and trust in the market.[83]

ENFORCEMENT-RELATED DRIVERS

In addition to the market-related drivers and megatrends described above, this report identifies three problem drivers related to the architecture of the current CPC framework and NCAs' capacity to tackle infringements of consumer law.

Lack of Member States' resources dedicated to CPC actions

In a survey conducted in the framework of the study on the implementation of the CPC Regulation,[84] 9 CPC authorities out of 102 submitted that they never participated in a CPC coordinated actions due to lack of resources, while other 64 authorities replied that they do not have sufficient staff and resources to issue alerts to the whole CPC Network for potential cross-

[77] Among the most prevalent types of dark patterns found in the research were (1) hidden information/false hierarchy, (2) preselection, (3) nagging (e.g. pop-ups to invite other people or to deposit more money into a website), (4) difficult cancellations, and (5) forced registration.

[78] "Sweeps" are coordinated screenings of e-commerce websites carried out by enforcement authorities simultaneously and in a coordinated manner under the CPC Regulation with the purpose of identifying and addressing infringements of EU consumer law within a given business sector. European Commission, 'Sweeps', accessed 16 July 2026, https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/sweeps_en.

[79] Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council, Regulation (EC) No 2006/2004 of the European Parliament and of the Council, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32005L0029.

[80] European Commission, 'Consumer protection: manipulative online practices found on 148 out of 399 online shops screened', Press Corner, 30 January 2023, accessed 16 July 2026, https://ec.europa.eu/commission/presscorner/detail/en/ip_23_418.

[81] European Commission, *Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*, 2024, SWD(2024) 231 final, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en, p.147.

[82] The European Consumer Organisation (BEUC), 'Connected, but Unfairly Treated: Consumer survey results on the fairness of the online environment', September 2023, https://www.beuc.eu/sites/default/files/publications/BEUC-X-2023-113_Fairness_of_the_digital_environment_survey_results.pdf

[83] European Commission: Directorate-General for Justice and Consumers, 'Behavioural study on unfair commercial practices in the digital environment: Dark patterns and manipulative personalisation: Final report', Publications Office of the European Union, 2022, https://data.europa.eu/doi/10.2838/859030, p. 91.

[84] European Commission: Directorate-General for Justice and Consumers, VVA, Tetra Tech, IPSOS, 'Information gathering for assisting the Commission in complying with its obligations under Article 40 ("reporting") of Regulation (EU) 2017/2394 on Consumer Protection Cooperation: Final Report', Publications Office of the European Union, 2024, accessed 16 July 2026, https://op.europa.eu/en/publication-detail/-/publication/f3eb3b4c-e819-11ee-9ea8-01aa75ed71a1/language-en. The survey was replied by 102 authorities.

border infringements of consumer law perpetrated by a trader. In a qualitative gathering of insights in the context of the same study, some Member States pointed to their own lack of resources as an impediment to the proper implementation of the CPC Regulation or for dealing with specific issues such as rogue traders and consumer scams. This was also reported as one of the main reasons for not participating in CPC sweeps. When asked about the most problematic aspect of participating in a coordinated action, several NCAs indicated that the latter normally requires the mobilisation of additional human and financial resources (i.e., on top of the resources allocated to the Single Liaison Offices[85]), which they lack. Others, however, highlighted that the potential to speed up and conduct more efficient investigations against multinational companies through CPC actions remains unfulfilled.

Absence of tools to detect infringements in online market

The study on the implementation of the CPC Regulation[86] clearly indicated that the needs of CPC authorities for investigative tools have evolved. Authorities are now seeking to be in a position to identify new types of unfair practices more rapidly and on a larger scale. In this regard, a number of CPC authorities specifically highlighted the shortage of resources to acquire relevant IT skills as a major problem driver. The use of certain investigative and enforcement tools, and participation in EU-wide sweeps and coordinated actions have been uneven across the Member State authorities for multifaceted reasons, including differences in the available capacities and resources. Authorities pointed towards challenges related to the complexity of the consumer complaints, the underlying technologies used by traders in their commercial practices and the added complexity resulting from concurrent breaches of other digital and data laws regarding the same type of practices.[87]

Unlikeness of coordinated sanctions imposed by NCAs following CPC actions

Under the CPC Regulation, the Member States (and EEA countries) concerned by a CPC action for a Union-wide infringement must ensure that enforcement measures against a trader who violated consumer law are taken simultaneously and in a coordinated manner. This duty to coordinate sanctions aims first and foremost at preventing NCAs from taking scattered approaches when it comes to the imposition of penalties as this would dilute the effectiveness of CPC actions and undermine the consistent enforcement of EU consumer law. Furthermore, as explained in the preamble of the CPC Regulation[88], the coordination of sanctions should uphold the *ne bis in idem* principle. However, although the coordination of enforcement measures is enshrined in the CPC Regulation, structural divergences in Member States' judicial and administrative procedures and

[85] Under Article 3 (17) of the CPC Regulation, Single Liaison Offices (SLOs) are the public authorities designated by Member States as "responsible for coordinating the application of this Regulation" at national level. Therefore, SLOs play a key role in the CPC enforcement architecture as they entrusted with coordinating the investigation and enforcement activities of the NCAs within their territory. However, SLOs do not always partake in the investigations and often lack substantive knowledge to carry out specific legal assessment.

[86] European Commission: Directorate-General for Justice and Consumers, VVA, Tetra Tech, IPSOS, 'Information gathering for assisting the Commission in complying with its obligations under Article 40 ("reporting") of Regulation (EU) 2017/2394 on Consumer Protection Cooperation: Final Report', Publications Office of the European Union, 2024, accessed 16 July 2026, https://op.europa.eu/en/publication-detail/-/publication/f3eb3b4c-e819-11ee-9ea8-01aa75ed71a1/language-en.

[87] European Commission, *Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*, 2024, SWD(2024) 231 final, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en, p. 50.

[88] See recital 29 of the CPC Regulation.

their distinct enforcement cultures make the imposition of coordinated fines a very challenging endeavour in practice.

There are a number of reasons accounting for this: (a) while authorities may agree on the need for sanctions following a coordinated investigation, they might lack the necessary resources to transpose a common position agreed upon within the CPC Network into an enforceable decision under their national administrative law;[89] (b) NCAs may hesitate to impose fines due to potential litigation costs if the trader appeals the decision in their national courts;[90] (c) finally, NCAs may disagree, for instance, on whether the commitments proposed by the trader are insufficient to cease or remedy the infringements and may therefore take divergent views with regards to the need for sanctions. Hence, none of the 24 coordinated actions closed by June 2026 by the CPC Network since the entry into application of the CPC Regulation in January 2020 has resulted in coordinated sanctions being imposed on the traders concerned under Article 21 of the CPC Regulation. Instead, NCAs have opted to encourage traders to offer more comprehensive commitments, using language that implies potential sanctions, such as in press releases.

2.2. What are the problems?

Problem 1: Digital markets and cross-border markets are more and more difficult to bring in line with consumer law

The steady growth of e-commerce, the rising popularity of marketplaces among consumers, the predominance of online advertisement and the widespread presence of infringements of consumer law in about half of the web shops screened by CPC authorities, all lead to an increased exposure of consumers across the Union to unfair practices from online traders. This impacts consumers also in offline purchases through unfair digital advertising. The impact of unfair commercial practices is also reflected in the rise of complaints received by various complaint handling bodies concerning the purchase of a good or service made online. According to data from the European Consumer Centres (ECCs), complaints concerning e-commerce accounted for 82% of all complaints in 2021, up from 74% recorded in 2019.[91] In the period 2020-2025, 75% of the 115,690 queries where the method of purchase was known concerned e-commerce transactions. Moreover, since 2020, the share of e-commerce related questions that are escalated by the ECCs to formal complaints has been steadily increasing, from 17.7% in 2020, to 22.8% in 2024,[92] and 23.5% in

[89] In this respect, it is important to bear in mind that the CPC Regulation sets out rules for administrative cooperation but does not harmonise Member States' procedural law. After Member States agree on the need to impose sanctions, they need to fulfil their own procedural requirements in order to be able to impose national fines. As the rules governing administrative and judicial proceedings may significantly vary from one Member State to the other, the imposition of coordinated sanction would require a great amount of efforts to keep all CPC authorities aligned during and after the conclusion of coordinated investigations.

[90] In purely domestic enforcement cases, NCAs always assess litigation risks before initiating administrative or judicial proceedings against an infringing trader. However, in cross-border cases, NCAs participate in enforcement actions, expecting that the negotiation phase will never result in imposing fines or that others will act. Game Theory suggests that if all players adopt this strategy, no one will be eager to impose fines.

[91] European Commission, C*ommission Staff Working Document, Biennial overview of actions carried out by national authorities under Regulation (EU) 2017/2394 on consumer protection cooperation and key market trends that might affect consumers' interests in the future*, 2022, SWD(2022) 108 final, https://commission.europa.eu/document/download/c52bbf71-56d1-4433-a73c-c432f6c35610_en?filename=swd_2022_108_f1_staff_working_paper_en_v3_p1_1903309.pdf .

[92] European Commission, Directorate-General for Justice and Consumers, 'Consumer Conditions Scoreboard: 2025 Edition', DS-01-25-047-EN-N, March 2025, https://commission.europa.eu/document/download/2816337b-4fd1-4db2-a71c-d14a206a5a93_en?filename=consumer_conditions_scoreboard_2025_final.pdf.

2025.[93] This market shift was further confirmed by stakeholders consulted as part of the 2026 support study.

In the framework of the 2021 sweep on online consumer reviews, consumer protection authorities concluded that of 223 major websites, at least 55% of them were potentially in breach of the UCPD,[94] while NCAs also had doubts for a remaining 18%. In the context of the 2021 mini-sweep on consumer credit, 42 out of 118 websites (36%) were flagged for potential inconsistencies with EU consumer law. In the sweep of 2020 on misleading sustainability claims, 344 claims by EU traders aiming at consumers mainly on web stores and websites were assessed. In almost half of the cases, authorities had at least a reason to believe that the claim may be false or deceptive, and the sweep also revealed practices blacklisted under the UCPD (7 claims), e.g., suggesting that the good or service had been approved, endorsed or authorized by a public or private body when in fact this was not the case. In the context of the 2020 sweeps on consumer scams related to the COVID-19 pandemic, out of 268 websites (61 internet platforms and 207 web-stores), 206 were flagged for further investigation for potential breaches of EU consumer law, while the screenings of online platforms (126 and a follow-up with 73 more) showed dubious offers or advertisements. The results of the different sweeps carried out between 2020-2025 show that between 30% and as high as 77% of websites involved in different categories of e-commerce present practices which are potentially in breach of consumer rights.[95] These findings were echoed in the stakeholder consultations conducted as part of the 2026 support study, which suggest that the main challenge is no longer the emergence of entirely new types of infringement, but rather the rapid scaling and reshaping of familiar unfair practices in digital markets.[96]

Table 2: Online markets swept after the implementation of the CPC Regulation

Online markets swept after the implementation of the CPC Regulation 2017/2394 (January 2020)	Year	Number of websites investigated	Non-compliance rate
Price marketing practices	2025	314	At least 30% (+ 30% cases where more information was needed to make an assessment)
Second-hand goods	2025	356	52%
Influencers	2023	576	62%
Dark Patterns	2022	399	37%
Black Friday sales	2022	176	43%
Car rental intermediaries	2022	78	55%

[93] Source: European Commission, based on information communicated by ECC-Net..
[94] Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive').
[95] European Commission, 'Sweeps', European Commission website, accessed 16 July 2026, https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/sweeps_en.
[96] European Commission, Directorate-General for Justice and Consumers, Tetra Tech, '*Study to support the update of the Impact Assessment on the review of the CPC Regulation to strengthen enforcement of consumer protection*', 2026.

Online consumer reviews	2021	223	55% (and doubts for another 18%)
Mini sweep on consumer credit	2021	118	36%
Sweep on misleading sustainability claims	2020	344	Nearly 50%
Sweeps on consumer scams related to the COVID-19 pandemic	2020	High level screenings 73 126 In-depth sweep 268	 31.5% 30.2% 76.9%

Source: European Commission, Sweeps, European Commission website.[97]

Online markets swept before the CPC Regulation 2017/2394	Number of websites investigated	Non-compliance rate
Airline tickets (2007)	447	51%
Apps for mobile phones (2008)	554	54%
Electronic goods (2009)	369	55%
Entertainment tickets (2010)	414	59%
Consumer credit (2011)	565	69%
Digital content downloads (2012)	330	52%
Travel services (2013)	552	69%
Guarantees in the electronic goods sector (2014)	437	54%

Against the backdrop of a steady growth of e-commerce, the overall number of non-compliant websites is set to increase in the near future. The 2016 Impact Assessment accompanying the CPC Regulation proposal[98] showed a non-compliance rate between 51% and 69% across the eight sweeps carried out between 2007-2014, while, as not above, for the 10 sweeps carried out after the entry into application of the CPC Regulation in January 2020 shows non-compliance rates between 30% to 77%. The average non-compliance rate across the sweeps carried out between 2007-2016 was 58.7%, which slightly decreased to 49.4% for the sweeps carried out under the current Regulation (2020-2025). Non-compliance rates detected during these sweeps thus indicate that non-compliance rate remains high, with almost half of online businesses potentially in violation of EU consumer law based on current CPC sweep findings across various questions and sectors. Stakeholders consulted as part of the 2026 support study confirmed that compliance remains uneven and that no clear overall improvement has been observed over the past three years.[99]

These problems have been rapidly accelerating since the entry into application of the CPC Regulation, particularly due to the closure of "brick-and-mortar" stores caused by COVID-19 related lockdowns, which spurred the growth of e-commerce, and the rapid development of new marketing models. The benefits of the CPC Regulation are thus offset by the massive changes described under the section drivers, indicating that strengthening of this framework might be necessary.

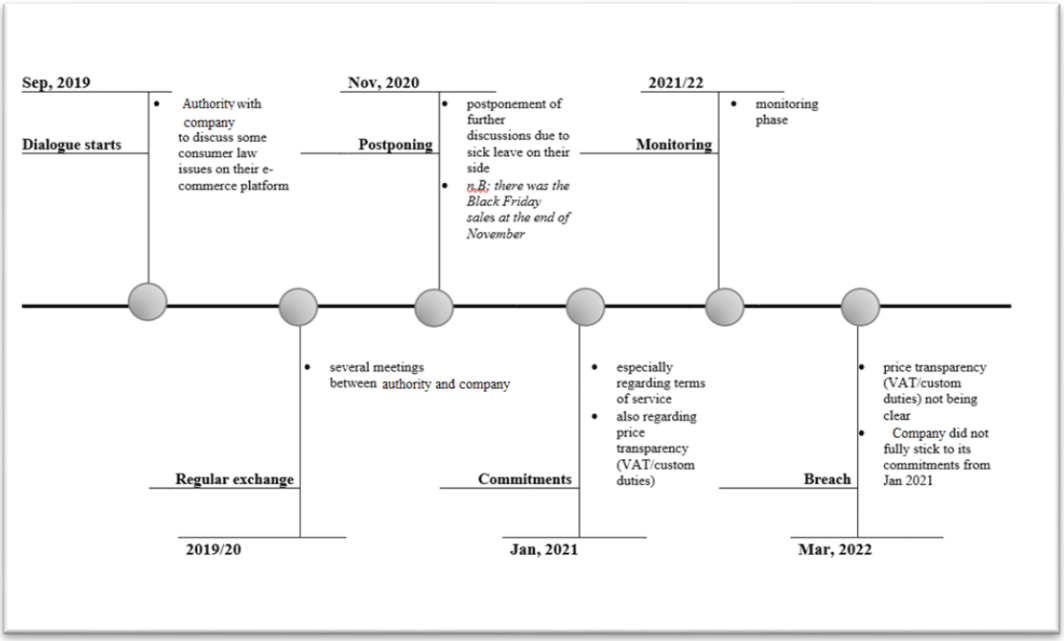
[97] European Commission, 'Sweeps', European Commission website, accessed 16 July 2026, https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/sweeps_en

[98] European Commission, *Commission Staff Working Document – Impact Assessment accompanying the document Proposal for a Regulation of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws*, 2016, SWD(2016) 165 final, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52016SC0164.

[99] European Commission, Directorate-General for Justice and Consumers, Tetra Tech, '*Study to support the update of the Impact Assessment on the review of the CPC Regulation to strengthen enforcement of consumer protection*', 2026.

Against this backdrop, the current procedures governing coordinated enforcement actions under the CPC Regulation seem to be too cumbersome and thus unfit for the current challenges. One of the main issues is the slowness of the process: from the moment an action is launched to the moment the CPC Network verifies the implementation of the commitments proposed by a trader, several months may elapse, during which consumers keep suffering from the consequences of the infringement. This concern was echoed by national authorities and business organisations in the 2026 support study, which described cross-border enforcement as slow, fragmented and not well adapted to fast-moving online practices, with delays driven in particular by coordination difficulties between authorities, the absence of clear case ownership and binding deadlines, language barriers, evidentiary burdens, and the difficulties of dealing with traders established outside the EU.

The following chart shows the timeline of an action from the beginning of the dialogues between the CPC Network and the trader concerned until the identification of a new breach in the monitoring of commitments stage.



Another issue is that under the current CPC Regulation, coordinated actions can only target one trader at a time, instead of multiple traders committing similar infringements within the same sector. Recent CPC cases regarding COVID-19-related consumer scams or airlines' cancellation practices in the context of the COVID-19 pandemic (see case study below) revealed that harmful business practices can spread rapidly across business sectors of the Single Market. This occurs when the level playing field is disrupted by certain businesses, pressuring others to adopt the same unfair practices, particularly in highly concentrated sectors or fast-evolving markets. Ultimately, this proliferation can lead to a race-to-the-bottom, i.e., a downward spiral of decreasing consumer protection standards that may have far-reaching consequences for consumers and the society as a whole. National authorities, consumer organisations and businesses consulted in the 2026 support

study confirmed that similar unlawful practices are often repeated across traders and sectors, and the current framework is seen as too cumbersome to address them together and too slow to prevent harmful practices from spreading.

Case study – Airlines' cancellation practices in the context of the COVID-19 pandemic

The COVID-19 pandemic took a heavy toll on the air travel sector in the EU. As a result of the restrictions on international travel introduced by governments worldwide, the overwhelming majority of European airlines' fleets were forcibly grounded almost overnight. In April 2020, there were 88% fewer flights in the EU than the equivalent month a year earlier. Monthly passenger numbers in the Union fell from 70 million in January and February 2020 to only 1 million in April, 99% fewer than in April 2019. Furthermore, it is estimated that around 50 million tickets were cancelled between March and May 2020.[100] Given this exceptional situation many passengers found themselves ill-informed by airlines about their rights and many were not properly offered the choice to opt for a refund or re-booking in case of flight cancellations. These infringements led CPC authorities to request 16 major airlines operating in the EU to offer reimbursement in cash before the end of 2021 of all unused vouchers that were imposed on consumers. In this case, over a very short period of time, systemic violations of air passenger rights in the air travel sector became apparent: many consumers were no longer correctly informed about their cancellation-related rights and were prevented from opting for a refund or re-booking in the event of a flight cancellation.

Thus, to maintain a level playing field for businesses in a specific economic sector, the CPC Network needs to ensure that commitments made by one trader following a coordinated action are notified to and implemented by other traders (see case study below). Further enforcement actions at the national level may be required if notified traders fail to adjust their commercial practices. However, this process is long and delays the re-establishment of the level playing field.

Case study – Accommodation enforcement actions

Between 2019 and 2021, the CPC Network held dialogues with the three market leaders in online accommodation booking platforms. The dialogues aimed at improving how accommodation offers are presented to consumers, aligning companies' practices with EU consumer law. The main practices that were considered as problematic concerned discounts and scarcity messages, information regarding the impact of sponsoring on ranking of search results, the indication of the total full price and the information on whether the host is a professional or a private person. During these dialogues, businesses were particularly attentive to the conduct of their main competitors.

It was considered important that, following the closing of the action, all the operators of the accommodation industry, including online travel agencies, meta-search engines, hotel chains and short-term rental sites, would abide by similar fair transparency rules, in order to re-establish a

[100] European Court of Auditors, 'Special Report: Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts', 15/2021, 2021, https://www.eca.europa.eu/Lists/ECADocuments/SR21_15/SR_passenger-rights_covid_EN.pdf, p. 13.

level playing field in the whole sector. The commitments elaborated during the dialogues with the companies concerned by the action were then sent to travel associations to make sure that their members adhere to the same commitments. These dialogues are helpful to make sure the level playing field is re-established after widespread infringements of consumer law take place, but they are lengthy and the same practices by other traders in the industry can remain unaddressed for several years following the closing of the first enforcement actions.

Problem 2: National authorities do not have the competences nor the means to detect and investigate certain infringements

i. *Technology-driven unfair commercial practices*

A crucial issue emerging from research and CPC experience is that unfair commercial practices are rarely encountered in isolation; instead, they often stem from complex techniques involving algorithmic systems, including recommender systems, dark patterns and hidden advertising. This applies to intermediary service providers regulated by the DSA, but also to other traders, such as e-commerce websites.[101] The mystery shopping exercise conducted in the framework of the 2022 study on dark patterns mentioned above[102] confirmed that each reviewed website/app employed multiple dark patterns simultaneously.[103] According to foresight studies by UK regulators, hyper-personalisation and adaptive behaviour within agentic commerce may heighten the risk of dark patterns and of discriminatory outcomes due to price[104]. This combination is more effective at influencing consumers' choices and complicates enforcement, which typically focuses on practice-by-practice investigations. This was also reflected in the 2026 support study consultations, where consumer organisations and national authorities identified dark patterns, algorithmic practices, subscription traps, influencer-driven advertising and hidden advertising as among the most challenging practices to detect and investigate in digital markets.[105]

[101] While the DSA does provide increased oversight of algorithmic systems used by very large online platforms and search engines, including specific risk management obligations related to content moderation and disclosure of information, these obligations only apply to intermediary services.

[102] European Commission: Directorate-General for Justice and Consumers, 'Behavioural study on unfair commercial practices in the digital environment: Dark patterns and manipulative personalisation: Final report', Publications Office of the European Union, 2022, https://data.europa.eu/doi/10.2838/859030.

[103] A 2024 study by a national consumer organisation focusing on the most popular online platforms in France found dark patterns on all of the 20 analysed online marketplaces and accommodation booking platforms; on average, the investigated traders deployed 6.15 dark patterns on their apps and 5.65 dark patterns on their websites. See UFC-Que Choisir, 'Dark patterns sur les sites d'e-commerce - L'UFC-Que Choisir appelle les autorités à sanctionner les interfaces trompeuses' 20 June 2024, accessed 1 September 2026, https://www.quechoisir.org/action-ufc-que-choisir-dark-patterns-sur-les-sites-d-e-commerce-l-ufc-que-choisir-appelle-les-autorites-a-sanctionner-les-interfaces-trompeuses-n125978/.

[104] DRCF, 'The future of Agentic AI', 2026, https://www.drcf.org.uk/siteassets/drcf/pdf-files/drcf-the-future-of-agentic-ai-foresight-paper.pdf?v=416157; Competition and Markets Authority, 'Agentic AI and consumers', 2026 https://www.gov.uk/government/publications/agentic-ai-and-consumers/agentic-ai-and-consumers#executive-summary

[105] European Commission, Directorate-General for Justice and Consumers, Tetra Tech, '*Study to support the update of the Impact Assessment on the review of the CPC Regulation to strengthen enforcement of consumer protection*', 2026.

According to the 2022 study on the implementation of the CPC Regulation[106] these technology driven unfair commercial practices require (1) more specialised expertise and know how within national authorities, and (2) faster and more specialised tools for detection and investigation.[107]

The 2026 NCA and SLO survey and interviews similarly showed that authorities see a need for greater digital expertise, with several respondents pointing to the need for more pro-active (rather than reactive) specialised IT tools and faster monitoring capabilities to keep pace with fast-moving online practices. [108] The 2024 Fitness Check of EU consumer law on digital fairness additionally found that there is legal uncertainty as regards the application of the horizontal EU consumer law Directives in the digital area, in particular to new technologies and data-driven practices, which has a chilling effect on enforcement. Changes to the substantive legal framework are considered in the DFA Impact Assessment.

ii. Third-country traders

Furthermore, the increase in the share of traders targeting EU consumers in digital markets without being established in the EU is generating an issue which warrants attention as it has a direct impact on the capacity of NCAs and also individual consumers to obtain that such companies respect consumer rights. For example, a significant proportion (around 7%) of cross-border consumer complaints (based on ECC Net data for 2022-2025 for a sample of sectors) relate to traders which are based outside of the EU, while in around 8% of cases either the location of the trader was not known, or the query did not relate to a specific trader. The issues raised by the increasingly high numbers of purchases made by EU consumers on third country online platforms became even more prominent during the last European legislature and have now risen to the top of the political agenda, with President von der Leyen addressing the issue.[109]

Out of a total of 31 CPC enforcement actions that have been carried out or are currently being conducted, 19 concerned non-EU companies, that, even if they are established or have assets in the EU, enable predominantly third-country sellers/traders to conduct direct commercial activities to consumers in the EU. While it is for private international law to determine whether the substantive EU law provisions protecting consumers' collective interests (listed in the CPC Regulation's Annex) are applicable in a given case, some NCAs, questioned whether, in the

[106] European Commission: Directorate-General for Justice and Consumers, VVA, Tetra Tech, IPSOS, 'Information gathering for assisting the Commission in complying with its obligations under Article 40 ("reporting") of Regulation (EU) 2017/2394 on Consumer Protection Cooperation: Final Report', Publications Office of the European Union, 2024, accessed 16 July 2026, https://op.europa.eu/en/publication-detail/-/publication/f3eb3b4c-e819-11ee-9ea8-01aa75ed71a1/language-en.

[107] Regarding the expertise and know how, it emerged that educational efforts such as the e-enforcement academy were hailed as a booster for cooperation in the enforcement in the digital environment, but some authorities considered however that more effort is required, as the use of specialised data technologies and analytic systems seems to be becoming key for consumer enforcement. With regard to the tools for detection and investigation: Indeed, several authorities noted that providing technical IT tools within the CPC framework would be very useful. The current tools of the CPC Network do not always allow the CPC authorities to react and act fast to emerging market threats, which is becoming more needed with the emergence of certain fast paced types of infringements. In this context a fast-track mechanism to deal with infringements that are either uncontroversial or require a rapid response was suggested. See European Commission: Directorate-General for Justice and Consumers, VVA, Tetra Tech, IPSOS, 'Information gathering for assisting the Commission in complying with its obligations under Article 40 ("reporting") of Regulation (EU) 2017/2394 on Consumer Protection Cooperation: Final Report', Publications Office of the European Union, 2024, accessed 16 July 2026, https://op.europa.eu/en/publication-detail/-/publication/f3eb3b4c-e819-11ee-9ea8-01aa75ed71a1/language-en.

[108] European Commission, Directorate-General for Justice and Consumers, Tetra Tech, '*Study to support the update of the Impact Assessment on the review of the CPC Regulation to strengthen enforcement of consumer protection*', 2026.

[109] Ashton, D., 'Problems presented by third-country e-commerce', European Parliamentary Research Service, PE 767.224, January 2025, https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/767224/EPRS_BRI(2025)767224_EN.pdf.

absence of an explicit legal basis, they could rely on the CPC Regulation, particularly regarding the use of the harmonised minimum powers and cooperation procedures, for conducting investigations and exercising enforcement powers against third-country traders targeting Union consumers. Despite the laws included in the Annex apply to unfair practices harming Union consumers, certain authorities contend that their procedural law still need to be based on an EU-level procedure to address such traders and thus the need for an explicit reference in the CPC Regulation.

Stakeholders consulted in the 2026 support study's consultations noted that the main challenge they currently face is the practical difficulty of enforcing against traders established outside the EU, particularly in cross-border e-commerce and platform-based business models[110]. NCAs and SLOs surveyed noted that cases involving non-EU traders are most frequently associated with China, the United States, the United Kingdom and, to a lesser extent, Switzerland, Russia and the UAE. They highlighted the limited visibility of non-EU traders, the difficulty of identifying the responsible actor, and the challenges consumers face in obtaining effective redress, including jurisdictional constraints, difficulties in gathering evidence and serving decisions, and the lack of an effective legal presence of these traders in the Union.

iii. Gaps in the enforcement of legislative acts relevant for consumers

The CPC Regulation is accompanied by an annex featuring a list of legislative acts with a consumer element which can be enforced through coordinated actions. The SEPA Regulation (EU) No 260/2012[111] is not listed in the Annex and falls therefore outside of the scope of the CPC Regulation. Article 9 of the SEPA Regulation states that a payer or payee cannot specify the Member State in which the account to be debited or credited is located in the Union if the payment account satisfies some criteria of reachability. Potential infringements of Article 9 of the SEPA Regulation are regularly reported to the Commission via complaints. Instances of so-called 'IBAN discriminations' are cross-border issues by definition and may concern either consumers or businesses that are prevented from using their IBAN when the latter is not from the country of the recipient of the payment.[112] The ECC Network has had regular exchanges with the "Accept my IBAN" website[113] , which received 4,688 consumer complaints related to alleged illegal IBAN discrimination between 2021 and early 2025, primarily from France, Germany, Spain, and Italy.[114] When the IBAN discrimination originates from a bank refusing to accept a payment from a 'foreigner' IBAN for various reasons, consumers affected by the consequences of such refusal may find a possible way of redress with ADR mechanisms specifically put in place by Member

[110] European Commission, Directorate-General for Justice and Consumers, Tetra Tech, '*Study to support the update of the Impact Assessment on the review of the CPC Regulation to strengthen enforcement of consumer protection*', 2026.
[111] Regulation (EU) no 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009.
[112] As a way of example, a citizen residing in Member State A and owing a holiday house in Member State B has to pay utility bills for that house and wishes to use an IBAN from his country of residence; if the utility provider does not accept such payment unless it comes via an IBAN from Member State B, the citizen finds himself obliged to open another account to have a domestic IBAN if he wants to fulfil his contractual obligations to pay the bills; this practice affects EU citizens in their rights to property in the EU and is in blatant contrast with the very purpose of the SEPA Regulation.
[113] This reporting website is provided and supported by a number of companies in the European financial technology sector to collect evidence of IBAN discrimination. The anonymised complaints are passed on to the relevant NCAs and the European Commission. Further information is available here: Accept my IBAN, 'Report it, so we can stop it!', accessed 16 July 2026, https://www.acceptmyiban.org/.
[114] European Consumer Centres Network, 'ECC-Net Calls for Stronger Enforcement to End IBAN Discrimination in the EU', 16 July 2025, accessed 16 July 2026, https://www.eccnet.eu/news/ecc-net-calls-stronger-enforcement-end-iban-discrimination-eu.

States in the area of financial services and connected in the FIN-NET Network since 2001. However, such a remedy has its own limits,[115] therefore its enforcement against the parties involved might lack effectiveness. In those cases where the IBAN discrimination rather stems from the refusal of the trader as payment recipient, the potential violation of Article 5 of Regulation (EU) 302/2018 (Geo-blocking Regulation, "GBR") may be at stake, thereby making the enforcement tools and powers set out in the CPC Regulation available. However, where the payment recipient is different from a trader (like public authorities such as tax authorities, public pension schemes, enforcement authorities, etc.), it would appear that no potential remedies can be activated to protect consumers. Despite the potential cross-border nature of the infringements of Article 9, the SEPA Regulation is not supported by a cooperation framework for its cross-border enforcement. Finally, even when IBAN discrimination entails a discrimination case covered by the GBR (hence the CPC enforcement framework may be applicable), the domestic authority of the trader may have more limited incentive to act in view of the fact that the infringement most likely massively affects consumers in other jurisdictions, and possibly in a widespread manner (not located in one single Member State).

Problem 3: Businesses are not sufficiently deterred from violating EU consumer law

A cost-efficient and deterrent enforcement system for tackling Union-wide infringements of consumer law requires companies operating across the EU to fully acknowledge the concrete risks and costs associated with their failure to comply with the relevant legal requirements and cooperate with NCAs to cease the infringements. The deterrence of the CPC framework is thus contingent on traders' perception of the likelihood of incurring financial penalties if they breach consumer law as well as the severity thereof.[116] Regarding the latter, the Better Enforcement and Modernisation Directive[117], which entered into application in May 2022, sought to increase the deterrence of the CPC framework by harmonizing the national rules on penalties for violations of consumer law. To facilitate a more consistent application of sanctions and ensure that all Member States can impose effective, proportionate and dissuasive penalties in relation to widespread infringement or EU-wide infringements, the Directive establishes that Member States should set in their national law the maximum fine for such infringements at a level that is at least 4% of the trader's annual turnover in the Member State concerned.

Despite the increased severity of coordinated sanctions that NCAs can impose under the CPC Regulation, the challenges affecting the coordination of NCAs, as outlined in the relevant problem driver, may counteract the enhanced deterrence pursued by the Better Enforcement and Modernisation Directive for EU-wide infringements in practice. The CPC Regulation, which is primarily a cooperation framework giving prominence to negotiated outcomes with traders over 'hard enforcement', is therefore not perceived by traders as a system that is likely to frequently

[115] In particular because (i) it relies on the willingness of both parties to find an amicable solution, (ii) does not adequately address the language barrier that the consumer might face when standing in out-of-court proceedings in another Member State/in a language he does not master, (iii) the coverage of the FIN-NET Network is still lacking a few Member States that have not yet voluntarily accepted being part thereof, (iv) the decision from the out-of-court mechanisms has no binding nature in some legal systems.

[116] See for example Parker, C., and Nielsen, V. L., 'Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation', *The Antitrust Bulletin*, Volume 26, Issue 2, 1 June 2011, Sage Journals, https://doi.org/10.1177/0003603X1105600207.

[117] Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council as regards the better enforcement and modernisation of Union consumer protection rules.

lead to sanctions. While this orientation towards obtaining commitments from traders has delivered tangible benefits for consumers across the EU[118], in the long run, the lack of a credible 'threat' may ultimately undermine the credibility of the CPC enforcement architecture altogether and discourage businesses from swiftly offering consumer-friendly commitments.

Consultations carried out in the course of the 2026 support study further confirmed this concern.[119] National authorities, consumer organisations and businesses broadly agreed that the current framework relies too heavily on voluntary commitments and negotiated outcomes, while coordinated sanctions remain rare in practice, which clearly weakens deterrence, particularly in cases involving large companies or repeated infringements.

Case study – Dieselgate and the price for consumers and justice systems of insufficient deterrence

No case exemplifies better the negative consequences faced by consumers because of the lack of deterrence of the CPC system than the Dieselgate scandal. Although Volkswagen sold approximately 8.5 million cars fitted with an unlawful defeat device across the EU, only three NCAs in Italy (EUR 5 million in 2016)[120], the Netherlands (EUR 450,000 in 2017)[121] and Poland (over PLN 120 million in 2020)[122] imposed fines for an infringement of consumer legislation. Appeals against these decisions were decided after prolonged processes involving several stages of appeals. In 2026, Poland reached a settlement with Volkswagen amounting to PLN 73 million (approx. EUR 17 million) fine.[123] The EUR 5 million fine was upheld in Italy. In the Netherlands, Volkswagen won an appeal against the Dutch Authority for Consumers and Markets, after the Dutch Trade and Industry Appeals Tribunal ruled that the fine was in violation of the *ne bis in idem principle*, which prohibits multiple sanctioning for the same offence.

In the US, where only about 500,000 cars were affected, the company settled in 2016 with federal and state authorities to pay up to USD 14.7 billion.[124] This sum includes USD 10 billion to compensate consumers. In the EU, however, given the heterogeneity of public enforcement systems, Volkswagen decided to challenge all fines imposed by NCAs and deny all compensation claims made by individuals or groups. After an initial unsuccessful attempt by the CPC Network to secure compensatory measures for consumers in 2017 and 2018, the CPC Network concluded

[118] See achievements of the CPC Network here: European Commission, 'Consumer Protection Cooperation Network: Sharper teeth for EU consumer protection', European Commission, accessed 16 July 2026, https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/consumer-protection-cooperation-network_en#achievements-of-the-cpc-network

[119] European Commission, Directorate-General for Justice and Consumers, Tetra Tech, '*Study to support the update of the Impact Assessment on the review of the CPC Regulation to strengthen enforcement of consumer protection*', 2026.

[120] Autorita Garante della Concorrenza e del Mercato, 'PS10211 - Antitrust sanziona il gruppo Volkswagen per 5 milioni di euro per manipolazione del sistema di controllo delle emissioni inquinanti', 8 August 2016, accessed 16 July 2026, https://agcm.it/media/comunicati-stampa/2016/8/alias-8372.

[121] Autoriteit Consument & Markt, 'Decision of the Authority for Consumers & Markets to impose a fine on Volkswagen AG: Public Version' ACM/UIT/23048, 18 October 2017, accessed 16 July 2026, https://www.acm.nl/sites/default/files/documents/2017-11/acm-fines-volkswagenag-for-unfair-commercial-practices.pdf.

[122] UOKiK, 'Dieselgate - rekordowa kara od UOKiK', Volkswagen Group Poland, 15 January 2020, 16 July 2026, https://archiwum.uokik.gov.pl/aktualnosci.php?news_id=16126.

[123] UoKiK, 'Dieselgate Settlement and Final Decision of the President of UoKiK', Press Release, 27 August 2025, accessed 16 July 2026, https://uokik.gov.pl/en/dieselgate-settlement-and-final-decision-of-the-president-of-uokik.

[124] United States Federal Trade Commission, 'Volkswagen to Spend up to $14.7 Billion to Settle Allegations of Cheating Emissions Tests and Deceiving Customers on 2.0 Liter Diesel Vehicles', FTC, 28 June 2016, accessed 16 July 2026, https://www.ftc.gov/news-events/news/press-releases/2016/06/volkswagen-spend-147-billion-settle-allegations-cheating-emissions-tests-deceiving-customers-20.

in 2021, further to a CJEU judgement confirming the illegal nature of the software used to reduce NOx emissions during tests, that the marketing of diesel cars equipped with this illegal exhaust gas manipulation system violated EU consumer law. The CPC Network approached the company once more, urging it to offer compensation to all EU consumers affected by the commercial practice, regardless of their country of residence, to prevent years of litigation.[125] In defiance of such request, the car manufacturer refused to commit to voluntary payments to European consumers outside of Germany and signalled its intention to challenge any adverse decisions adopted by NCAs, as it has done so far as seen in cases launched before the CJEU[126].

This case also demonstrates the financial burden on public funds when dealing with traders who have the resources to initiate legal proceedings against public or private claims in courts across the Union. VW Group agreed to cease litigation only for consumers who purchased their cars and continue to reside in Germany, aiming to reduce public expenses.

2.3. How will the problem evolve?

As a result of the cumulative effects of the aforementioned problems, the CPC Network will face increasing challenges in addressing a fast-growing number of widespread infringements of consumer law.

As e-commerce continues to expand, with global e-commerce retail sales expected to reach close to USD 9 trillion by 2030,[127] of which USD 811.80 billion in the EU alone[128], more cases will require effective cross-border enforcement, particularly to tackle unfair practices in digital markets. The DSA provides indirect benefits to consumers by establishing traceability and transparency requirements on providers of online marketplaces vis-a-vis traders offering goods and services using their online intermediary services. However, the DSA does not cover all consumer issues by online marketplaces and other intermediaries: for example, the DSA does not apply to dark patterns falling under the scope of the UCPD (i.e., B2C commercial practices). Further, the CPC Network also address a growing number of infringements of consumer law committed by traders other than intermediary service providers.[129]

The increase in the CPC Network's caseload is likely to cause further delays in enforcement actions and requires the commitment of more resources by NCAs to carry the necessary investigations and, where justified, impose sanctions. In the recent past, i.e. since the entry into application of the revised CPC Regulation, the typical duration of a CPC case has been 18 months

[125] For a comprehensive overview of the actions undertaken by the CPC Network on the Dieselgate, please see here: European Commission, 'Dieselgate', accessed 16 July 2026, https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/coordinated-actions/dieselgate_en.

[126] See Judgment of the Court (First Chamber) of 14 September 2023 (request for a preliminary ruling from the Consiglio di Stato — Italy) — *Volkswagen Group Italia SpA, Volkswagen Aktiengesellschaft v Autorità Garante della Concorrenza e del Mercato*, Case C-27/22, C/2023/486, ELI: http://data.europa.eu/eli/C/2023/486/oj.

[127] Statista Research Department, 'Retail e-commerce sales worldwide from 2022 to 2030 (in billion U.S. dollars)', Statista, 8 April 2026, accessed 16 July 2026, https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/.

[128] Evalueserve, E-commerce Evolution in Europe: Market Trends and Consumer Behavior (2023-2027).

[129] Under Article 2(1) of the DSA, the Regulation only applies to "intermediary services offered to recipients of the service that have their place of establishment or are located in the Union, irrespective of where the providers of those intermediary services have their place of establishment". Consequently, the vast majority of traders subject to EU consumer law fall outside the DSA's scope of application. For cross-border infringements committed by these traders, the CPC Regulation represents the main enforcement channel.

(although shorter actions are possible, as demonstrated by the CPC action on airlines' cancellation practices which only lasted seven months, as are longer actions such as the ones against Temu and Apple, which are still ongoing after 20 months, or Dieselgate which took almost four years.[130] Such lengthy delays can exacerbate the effects of infringements by allowing for their spread in the entire sector of the company under investigation. This, in turn, can result in both a collective lowering of consumer protection standards in a certain sector (race-to-the-bottom) and/or in an unlevelled playing field where virtuous traders are placed in a position of competitive disadvantage.

In situations where serious cross-border violations of consumer rights occur, the lack of coordinated sanctions will embolden traders to contest the assessment and the requests for voluntary commitments advanced jointly by NCAs more assertively, leading to an overall decrease in the effectiveness of the CPC framework in delivering tangible results for consumers. Over time, an increasing number of traders may be persuaded that their misconduct will go unpunished, severely undermining the deterrence of the CPC architecture. This concern was echoed in the 2026 support study, where national authorities, businesses, and consumer organisations stressed that the absence of a credible sanctioning backstop weakens deterrence, especially where traders can delay, contest or repeat similar conduct across several markets.

With digital markets and cross-border trade on the rise, the rate of non-compliance is therefore expected to grow. The consequence of these problems is that an increasing share of consumer detriment stemming from cross-border trade within the Union and with third-country traders will remain unaddressed. In turn, laws approximating national legislation to ensure an efficient Single Market are undermined, and businesses suffer from uneven enforcement of harmonised EU consumer protection law across the Union.

3. WHY SHOULD THE EU ACT?

3.1. Legal basis

Insofar as the EU intervention is likely to take the form of a legislative proposal, the legal basis depends on the primary objective and scope of such proposal. Legislative intervention in the field of administrative cooperation between national authorities competent for the enforcement of consumer law has as its main objective the improvement of the functioning of the Single Market through the approximation of the provisions laid down by law, regulation or administrative action. Accordingly, this intervention seeks to: a) boost consumer trust and confidence in the internal market by improving consumer protection in cross-border contexts; b) establish a level playing field for traders operating in the EU by promoting consistent enforcement of consumer laws across the Union. Together, these objectives bolster market integration and strengthen the proper

[130] European Commission, 'Coordinated Actions', 'Dieselgate', European Commission website, accessed 22 July 2026, https://commission.europa.eu/topics/consumers/consumer-rights-and-complaints/enforcement-consumer-protection/coordinated-actions/dieselgate_en.; European Commission, 'Coordinated Actions', 'Market places and digital services', European Commission website, accessed 22 July 2026, https://commission.europa.eu/topics/consumers/consumer-rights-and-complaints/enforcement-consumer-protection/coordinated-actions/market-places-and-digital-services_en.

functioning of the Single Market. Therefore, the legal basis for this initiative is to be found in Article 114 TFEU.

By proposing amendments to the current legal framework on consumer protection cooperation, this initiative also contributes to attain a high level of consumer protection in the EU in line with Article 169 TFEU. Since the EU does not have exclusive competence in the area of consumer protection, which is a domain of shared competence pursuant to Article 4(2)(f) TFEU, due regard must be given to the principle of subsidiarity enshrined in Article 5(3) TEU.

3.2. Subsidiarity: Necessity of EU action

According to the subsidiarity principle laid down in Article 5(3) TEU, action at EU-level should be taken only when the aims envisaged cannot be achieved sufficiently by Member States alone and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the EU.

The advent of digital technologies and the rapid growth of e-commerce have provided consumers with a broader range of goods and services. However, these developments also enable cross-border infringements of consumer law to spread quickly, threatening the collective interests of EU consumers. For instance, when an airline employs a practice known as drip pricing (i.e. presenting a low initial ticket price, then adding extra fees as customers progress through the booking process) in all its geographical markets, consumers residing in different Member States experience the same harm. Similarly, consumers across the EU are equally affected when a web-shop selling clothes across the Union makes misleading environmental claims on all its national websites, or when a web-shop selling electronic devices artificially inflates prices a few days before Black Friday to display a larger discount rate on its various national sites.

These cases, which were tackled in recent years through the CPC Regulation, highlight the need for swift, coordinated and effective response from NCAs. If NCAs were left to address separately infringements that are taking place in other Member States simultaneously, parallel enforcement actions carried out at national level against the same trader for the same violation of consumer law would take place. Without a cooperative framework, NCAs would address infringements separately and in a scattered manner, leading to parallel enforcement actions against the same trader for identical violations, ultimately undermining the Single Market's proper functioning due to varying levels of enforcement across the EU in scope and timing. An effective EU-level cooperation framework is essential to prevent enforcement gaps and Single Market distortions. Therefore, an intervention aiming to strengthen this framework by introducing more efficient procedures and enhancing its deterrent effect aligns with the subsidiarity principle governing EU action.

3.3. Subsidiarity: Added value of EU action

Action at EU-level aimed at strengthening the cooperation framework for cross-border enforcement of consumer law will lead to a more efficient use of NCAs' resources for investigations. These resources can then be allocated to conducting more investigations or

improving the capacity of NCAs regarding digital investigations. This will result in a higher number of actions being carried out each year by NCAs, an increased ability to tackle infringements involving advanced digital technologies, and a stronger deterrent effect. At the same time, action to strengthen the one-stop-shop solution provided by the CPC Regulation for traders operating across borders will significantly benefit businesses by ensuring equal treatment. Therefore, the added value of EU action lies in a greater reduction of consumer detriment and an enhanced level playing field for businesses compared to the baseline scenario where no action is taken.

4. OBJECTIVES: WHAT IS TO BE ACHIEVED?

On the basis of the problems defined in the previous section and their widespread consequences on the capacity of NCAs to ensure strong, consistent and efficient enforcement of consumer law, the following policy objectives are identified.

4.1. General objectives

The general objective of this intervention is to more effectively address cross-border infringements of consumer law committed by large traders, which adversely impact the collective interests of EU consumers. This is to be achieved through improvements to the current enforcement architecture established by the CPC Regulation. By increasing the effectiveness and efficiency of cross-border enforcement, this intervention contributes to the achievement of the Digital Single Market and aims to strengthen the proper functioning of the Internal Market in general. This objective is in line with the conclusions of the European Council meeting of 23 March 2023, where the European Council called "for ambitious action to complete the Single Market, in particular for digital and services, and address the vulnerabilities exposed by recent crises, ensuring a level playing field both internally and globally".[131]

4.2. Specific Objectives

Provide cost-efficient and rapid coordinated investigations procedures to tackle EU-and sector wide infringements of consumer law

The race-to-the-bottom in consumer protection standards in specific sectors, driven by the rapid proliferation of similar infringements in digital markets, and the scale of infringements committed by large companies, which are increasingly EU-wide, are not adequately addressed by the cross-border enforcement mechanism established by the CPC Regulation. The first Specific Objective of this policy intervention is to introduce additional enforcement tools and procedures tailored to address current and future EU-wide challenges in the area of consumer protection, thereby enhancing the effectiveness and resilience of the CPC framework.

[131] Conclusions of the European Council meeting, 23 March 2023.

Strengthen the capacity and competence of the CPC Network

The technological sophistication of commercial practices, which are increasingly relying on features such as recommendation algorithms, dark patterns, hidden and data-driven advertising, has led to a significant imbalance between the capacities of certain traders and NCAs. As a result, NCAs often lack the means to detect infringements and enforce consumer laws against these traders. Therefore, the second Specific Objective of this intervention is to strengthen the CPC Network's ability to effectively detect and address infringements of consumer law in digital markets. Furthermore, this initiative aims to address certain enforcement gaps that may potentially harm the collective interest of EU consumers.

Strengthen sanction mechanism for EU-wide infringements of consumer law

Divergent administrative procedures for imposing sanctions in each Member State and the option for traders concerned by a CPC action to appeal in each jurisdiction make parallel coordinated sanctions an outcome not likely to occur frequently. As a result, authorities prefer negotiating voluntary commitments with infringing companies. However, traders take into account the likelihood of coordinated sanctions when determining their commitments and implementation timeframes, and may choose not to offer relevant commitments if they deem unlikely that they will face consequences for failing to do so. To tackle this credibility issue, the third Specific Objective of this intervention aims to enhance the deterrent effect of the CPC framework by increasing the likelihood of sanctions for traders committing EU-wide infringements.

5. WHAT ARE THE AVAILABLE POLICY OPTIONS?

5.1. What is the baseline from which options are assessed?

In the baseline scenario, the Commission would not propose modifications to the existing legal framework and the CPC Regulation would continue to apply as it is. The Commission will continue to oversee NCAs' abidance by the rules laid down by the CPC Regulation as well as facilitate or coordinate their joint enforcement actions against traders infringing consumer law in several Member States simultaneously. In fulfilling their mandate pursuant to the CPC Regulation, the Commission and NCAs will have to factor in several legislative developments that have already reshaped or are expected to reshape the EU acquis in the area of consumer protection in the coming years.

First among them is the **Digital Services Act (DSA)**, adopted by the European Parliament and the Council in October 2022, which introduces a comprehensive new set of obligations for providers of intermediary services, including online platforms and a specific architecture for their enforcement. Some of those DSA obligations interplay with EU consumer law either because they complement obligations that those providers have under EU consumer law[132] or because they

[132] E.g. Article 26 of the DSA requires providers of online platforms to present advertisements on their online interfaces in way that allows recipients of the service to be able to identify, in a clear, concise and unambiguous manner, the commercial nature of the content as well as the identity of the natural or legal person behind the advertisements. This provision is complementary with Article 7 of the UCPD, which provides that a commercial practice shall be regarding misleading if it omits material information that the average consumer needs to take an informed decision and thereby

indirectly help preventing[133] or reacting[134] to consumer law infringements by online traders using those services (e.g. online retailers selling on an online marketplace). The preventive and systemic logic of the DSA therefore differs from and complements the ex-post enforcement logic of consumer law. The enforcement, under the DSA's specific enforcement mechanism, of the DSA obligations interplaying with EU consumer law may potentially prevent or respond to a number of infringements that harm the collective interests of consumers, thus contributing to the reduction of consumer detriment. However, it is important to note that consumer law remains applicable and its effective enforcement remains important both where the DSA interplays with EU consumer law and where the DSA is not applicable and only EU consumer law applies.[135]

For example, both consumer law and the DSA apply in relation to advertising on online platforms: while Article 26 DSA prohibits advertising on platforms based on profiling as defined in Article 4(4) GDPR[136] using special categories of personal data referred to in Article 9(1) GDPR, the UCPD can provide a legal basis for tackling unfair targeted advertising based on sensitive factors that are not covered by Article 9(1) GDPR (e.g., financial hardship, gambling addiction, negative mood etc.). However, the DSA establishes specific rules and obligations only in relation to the provision of online intermediary services. Where, for example, an online platform markets goods or services to consumers on its own account, it is not covered by the DSA and only consumer law applies. Nevertheless, even where an online trader provides online intermediary services allowing consumers to conclude distance contracts with third-party traders, the DSA might not apply because of its exemption for micro or small enterprise (see Article 29 under Chapter III, section 4, of the DSA). In the aforementioned cases, effective enforcement of EU consumer law remains essential for protecting consumers' economic rights. Furthermore, while DSA obligations are enforced by national DSA enforcers and the Commission in accordance with Chapter IV of the DSA within a stringent cross-border cooperation architecture, EU consumer law is enforced under the specific public and private enforcement frameworks for consumer law that currently do not provide for direct enforcement powers for the Commission.[137]

In September 2022, the **Digital Markets Act (DMA)** was adopted as part of the EU's digital policy package, in response to concerns about market power and fairness in the digital economy.[138] The DMA establishes criteria for identifying 'gatekeepers', namely large digital platforms providing so-called core platform services such as online search engines, app stores and messaging services. It sets out prohibitions and obligations for those gatekeepers to promote fairer and more contestable markets, thereby contributing to greater consumer choice. The DMA is not part of the consumer acquis. Where the same digital conduct may give rise both to DMA issues and to consumer-protection concerns. The two frameworks are complementary rather than duplicative,

causes or is likely to cause the average consumer to take a transactional decision that he would have not taken otherwise. The second paragraph of Article 7 clarifies that a misleading omissions encompasses cases where a trader hides or provides in an unclear, unintelligible, ambiguous or untimely manner such material information or fails to identify the commercial intent of the commercial practice.

[133] E.g. Article 30 of the DSA which lays down obligations regarding the traceability of (third-party- traders), i.e. "Know-your-business-customer principle".

[134] E.g. Article 9 of the DSA on orders to act against illegal content or Article 10 on orders to provide information.

[135] Cp. Article 2(4)(f) DSA that stipulates that the DSA is without prejudice to Union law on consumer protection.

[136] Using special categories of personal data as defined in Art. 9(1) GDPR [not "sensitive data"].

[137] A comprehensive analysis of the interplay between the DSA and the CPC Regulation can be found in **Annex 8**.

[138] Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act).

as they pursue different objectives. Moreover, while they are enforced through different mechanisms, with the Commission acting as sole enforcer of the DMA, the DMA High-Level Group (which includes the CPC Network) is intended to support a coherent and complementary approach in enforcement.

The **Audiovisual Media Services Directive** (AVMSD) ensures a Single Market for the media sector, protects viewers, including minors. The review of AVMSD aims at addressing the recent market and technological developments and the entry of new players in the media market, notably influencers. This includes the shifting towards online consumption of content online by viewers, particularly young people. A key regulatory objective is simplification, including removing overlaps with other relevant EU legislation such as that in the field of consumer protection and the DSA.

Also, **the EU KIDS Act** proposal, adopted by the Commission on 17 September 2026, seeks to protect minors from risky digital services and AI systems, uphold the digital single market and maintain a coherent regulatory framework and enforcement structure for the protection of minors online.[139]

Another important legislative development in the area of consumer protection is the review of the **Consumer Credit Directive (CCD)**, which was adopted in October 2023**.** The revised Directive[140] aims to strengthen protection afforded to consumers taking out consumer credits (e.g., by improving the pre-contractual information disclosure, strengthening rules on creditworthiness assessments and capping the costs of credit). Moreover, the Directive aims to introduce new substantive obligations for creditors and bring within its scope new commonly used digital credit products such as Buy-Now-Pay-Later schemes.[141] Given the increasing rate of digitalisation of retail financial services, the CPC Network is expected to play an important role in ensuring that the new requirements, as well as the rights and obligations are strongly enforced. The Commission will facilitate or coordinate joint enforcement actions tackling widespread infringements of the revamped CCD.

Three more recent legislative developments are also relevant for the baseline due to their potential future impact on the CPC: the Directive on empowering consumers for the green transition, adopted on 28 February 2024, amends the UCPD and the Consumer Rights Directive which are covered under the CPC Regulation, to strengthen consumer protection and information for the green transition.[142] The Directive on common rules promoting the repair of goods, adopted on 13 June 2024, directly amends the CPC Regulation by adding the new repair rules to the list of acts covered by CPC.[143] Finally, the Directive on financial services contracts concluded at a distance,

F[139] Proposal for a Regulation of the European Parliament and of the Council of 17 September 2026, EU KIDS ACT – 'EU Keeping Internet Digital Spaces Accountable and Trustworthy, COM(2026) 681 final, EUR-Lex - 52026PC0681 - EN - EUR-Lex

[140] Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC.

[141] Buy-Now-Pay-Later schemes are short-term financing options that allow consumers to defer payment for purchases. Customers receive goods immediately and pay in instalments or at a later date. BNPL schemes have become popular in e-commerce but may pose risks related to debt and creditworthiness.

[142] Directive (EU) 2024/825 of the European Parliament and of the Council of 28 February 2024 amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and through better information.

[143] Directive (EU) 2024/1799 of the European Parliament and of the Council of 13 June 2024 on common rules promoting the repair of goods and amending Regulation (EU) 2017/2394 and Directives (EU) 2019/771 and (EU) 2020/1828.

adopted on 22 November 2023, modernises the rules on distance marketing of consumer financial services, linking penalties for relevant infringements to Article 21 of the CPC Regulation.[144]

Overall, these recent legislative developments are expected to expand the role of the CPC framework, by expanding the range of consumer rules that require coordinated cross-border enforcement and consistent application across Member States.

The effectiveness of the CPC enforcement architecture also benefits from the reinforced sanctioning powers conferred upon NCAs by the **Enforcement and Modernisation Directive**[145], adopted in November 2019. The Directive amended four key consumer Directives and strengthened the enforcement toolkit, including by requiring Member States to provide for effective penalties of at least 4% of turnover for widespread infringements and widespread infringements with a Union dimension falling under the CPC framework. However, while the establishment of minimum maximum amounts for fines potentially increase the deterrence of CPC actions, the problems described above (in Chapter 2) in imposing sanctions remain unaffected.

Beyond these instruments which have already been implemented, several others have only been recently adopted or are forthcoming. This includes the proposal for a **Digital Fairness Act (DFA)**, expected in Q4 of 2026, which will focus on addressing the identified gaps and areas of legal uncertainty concerning consumer protection online, in full complementarity with existing consumer legislation.[146] This is relevant for the CPC Regulation as the growing use of online and platform-based commerce has changed how consumer choices are influenced. The Commission's 2024 Fitness Check of EU consumer law found that existing consumer rules remain relevant but only partially achieve their objectives.[147] It identified recurring online problems such as dark patterns, addictive design, unfair personalisation, misleading influencer marketing, unfair marketing practices related to price and difficulties with digital contracts, alongside insufficient enforcement and legal uncertainty. The DFA plans to focus on these issues, adding or further clarifying substantive rules, which would be enforced through the CPC framework. The DFA would therefore reinforce the CPC's actions and impact, as stronger and clearer substantive rules would support more effective CPC enforcement.

The baseline enforcement framework provides procedural rules useable in national jurisdictions by public bodies protecting the collective interest of consumers and is complementary to activities carried out by consumers themselves to protect their rights and obtain redress. Individual consumers have mostly out-of-court dispute resolution at their disposal if a trader refuses to directly settle a complaint as they rarely bring actions against a trader to court. At the same time, it is unlikely that a collective private redress action would concern their specific issue. Hence, actions by individuals and public enforcement are mutually supportive: the more credible and

[144] Directive (EU) 2023/2673 of the European Parliament and of the Council of 22 November 2023 amending Directive 2011/83/EU as regards financial services contracts concluded at a distance and repealing Directive 2002/65/EC.
[145] Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council as regards the better enforcement and modernisation of Union consumer protection rules (Text with EEA relevance), EUR-Lex - 32019L2161 - EN - EUR-Lex (europa.eu).
[146] European Commission, 'Digital Fairness Act – About this initiative, Call for evidence', accessed 25 August 2026, https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14622-Digital-Fairness-Act_en
[147] European Commission, *Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*, 2024, SWD(2024) 231 final, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en.

deterrent are the two systems, the higher compliance rates of businesses are expected. Public enforcement targets systematic bad practices of businesses and is subject to prioritisation by authorities to address the most significant harms. Private out-of-court enforcement is available to any consumer but depends on the efficiency and trust in the available solutions. The recent EU enforcement package[148], which includes a revision to the Alternative Dispute Resolution Directive[149] and an EU system for collective redress through the adoption of the Representative Actions Directive,[150] aims to create a modern and powerful enforcement landscape in the EU, where no illegal practice can be undeterred. Article 17 of the ADR Directive foresees cooperation between the ADR entities and national authorities entrusted with enforcement, which was amended under the revision to include the mutual exchange of information on practices in specific business sectors about which consumers have repeatedly lodged complaints, such as unfair commercial practices or terms. However, the Impact Assessment accompanying the proposal, noted that alternative dispute resolution remains underused in cross-border contexts, limiting its effectiveness.[151] Hence, these tools need to be able to cope with the new challenges posed by the increased importance of digital markets in the consumer journey. Ultimately, the CPC Regulation, ADR Directive, and Representative Actions Directive should work in synergy and be less and less used as they become more and more deterrent.

Taken together, these developments mean that the baseline is a scenario in which the CPC framework continues to operate under its current legal and institutional design in an increasingly complex environment. The CPC will remain an essential mechanism for addressing widespread infringements affecting the collective interests of consumers, particularly in cross-border and digital markets, but it will have to do so alongside a growing body of EU rules and complementary enforcement systems. The baseline therefore assumes that the CPC will continue to contribute to consumer protection through its current tools and cooperation mechanisms but in a dynamic environment considering the problem and their drivers as well as their expected evolution as well as the evolution of the landscape (see chapter 2). The time horizon for this baseline scenario, which will be used for the assessment of impacts of the different options, is a 10 years' horizon. This horizon would allow enough time for impacts to be actually realised after a transition period.

5.1.1 Costs and benefits in the baseline scenario

5.1.1.1.The administrative process, number of cases and duration

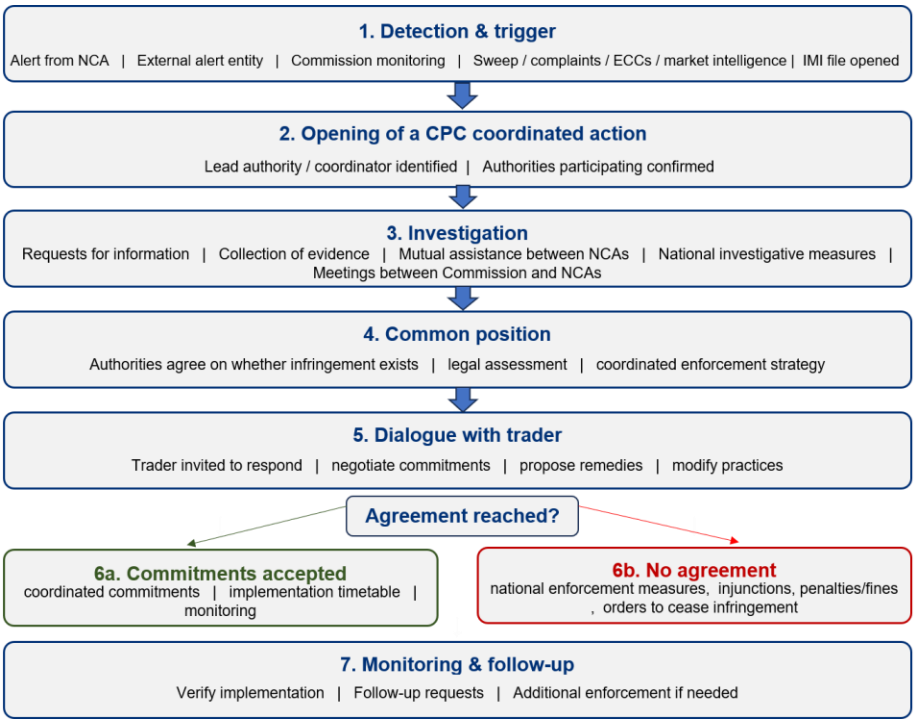
The CPC system is a decentralised cooperation framework to enforce certain EU consumer protection rules, in which NCAs, assisted by SLOs, are responsible for investigating infringements, adopting and implementing enforcement measures, monitoring compliance and

[148] Directive (EU) 2025/2647 of the European Parliament and of the Council of 16 December 2025 amending Directive 2013/11/EU on alternative dispute resolution for consumer disputes and amending Directives (EU) 2015/2302, (EU) 2019/2161 and (EU) 2020/1828 following the discontinuation of the European Online Dispute Resolution Platform.
[149] Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR).
[150] Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC
[151] European Commission, *Commission Staff Working Document: Impact Assessment Report Accompanying the Document Proposal for a Directive of the European Parliament and of the Council Amending Directive 2013/11/EU on Alternative Dispute Resolution for Consumer Disputes, as Well as Directives (EU) 2015/2302, (EU) 2019/2161 and (EU) 2020/1828*, 2023, SWD(2023) 335 final, https://commission.europa.eu/system/files/2023-10/SWD_2023_335_1_EN_impact_assessment_part2_v3.pdf.

handling any ensuing national litigation, while the European Commission performs coordinating and supporting functions[152]. This allocation generates **enforcement costs for both the Commission and the NCAs**, and namely coordination and support costs for the Commission and investigation, enforcement, and (potentially) litigation costs for NCAs.

Figure 3 below provides an overview of the workflow for a coordinated action under the CPC framework, based on the CPC Regulation. The figure highlights the sequential stages of the procedure, from the initial detection of a suspected infringement to investigation, coordination among national authorities, dialogue with the trader, and the possible enforcement outcomes. These stages provide the basis for reconstructing the baseline duration of a standard CPC coordinated action and for estimating the associated costs.[153]

Figure 3. Administrative activities for a coordinated action



Source: Authors' elaboration based on CPC Regulation

[152] Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004, Articles 1 and 5–10.
[153] European Commission, 'Better Regulation Toolbox – July 2023 edition', 2023.- Tool #58: EU Standard Cost Model "Phase I: preparatory analysis".

Coordinated enforcement remains the CPC Network's principal tool for addressing major cross-border infringements.[154] The 2020-2021 Biennial Report[155] records 89 alerts, of which 45 concerned practices with a potential EU dimension and 23 led to EU-level coordinated follow-up over the two-year period. This equates to approximately 11.5 coordinated follow-ups per year. This supports estimating that, in the **baseline scenario, about 10 coordinated actions take place annually**.

To estimate a standard duration of the process, the analysis combined information on the duration of past CPC coordinated actions with evidence from stakeholder interviews. Among the cases reported, the duration ranges from approximately two months to more than eight years, with most cases clustering between 18 and 32 months. The median observed duration was approximately 24 months; the mean – around 29 months – was influenced by a small number of outliers[156].

The interview evidence consistently indicated that cross-border consumer protection cases are often lengthy, with relatively straightforward coordinated actions generally taking around one year, while more complex investigations typically require between 15 and 27 months. Several stakeholders referred to cases lasting over two years, including the 2021 airline refunds coordinated action (approximately 24 months), the Amazon Prime case (around 14 months), and the Temu and SHEIN investigations, which started respectively in November 2024 and February 2025 and are still ongoing.

Taken together, the observed case duration and the evidence from the interviews suggest that, in the baseline scenario, **CPC coordinated actions take on average 18 months**. However, the duration of complex cross-border cases may vary considerably, depending on the specific circumstances of the investigation and traders' willingness to offer suitable commitments.

5.1.1.2.Enforcement costs for public authorities[157]

Currently, around **9 full-time equivalent (FTE) staff within the Commission** are dedicated to enforcement actions under the existing CPC Regulation, at an estimated annual cost of EUR 1.5 million[158]. In addition to personnel resources, the Commission operates the eLab facility, which provides technical support for the digital forensic aspects of CPC investigations, at an annual operating cost of approximately EUR 900,000. Furthermore, the Commission has earmarked EUR 300,000 in 2026 for capacity-building activities. Total baseline enforcement costs for the European

[154] European Commission, *Commission Staff Working Document, 2022-2023 biennial overview of actions carried out by national authorities under Regulation (EU) 2017/2394 on consumer protection cooperation and key market trends that might affect consumers' interests in the future*, 2024, SWD(2024) 186 final, https://commission.europa.eu/document/download/692a2cf1-1078-4dca-9901-3a9b9e62ec33_en?filename=Biennial%20Rep%20ort%20B3.pdf

[155] European Commission, *Commission Staff Working Document: 2020–2021 Biennial Overview of Actions Carried Out by National Authorities under Regulation (EU) 2017/2394 on Consumer Protection Cooperation and Key Market Trends That Might Affect Consumers' Interests in the Future*, SWD(2022) 108 final, 8 April 2022, https://commission.europa.eu/document/download/c52bbf71-56d1-4433-a73c-c432f6c35610_en?filename=swd_2022_108_f1_staff_working_paper_en_v3_p1_1903309.pdf

[156] European Commission, 'Coordinated actions', accessed 16 July 2026 - https://commission.europa.eu/topics/consumers/consumer-rights-and-complaints/enforcement-consumer-protection/coordinated-actions_en

[157] Businesses which are not complying consumer law may incur into regulatory costs, including adjustment costs to change their business practices, as well as enforcement costs concerning the investigation, litigation and possible sanctions. Such costs, which result from non-compliance with consumer requirements, are not accounted in this impact assessment.

[158] These cost estimates (i.e., not gross or net pay) correspond to six officials and one temporary agent at a cost of EUR 194,000 per year, as well as one seconded national expert and one contractual agent at a cost of EUR 108,000 and EUR 104,000 per year, respectively.

Commission were thus estimated in EUR 2.7 million per year, of which EUR 1.5 million in personnel costs. Under the baseline, personnel costs are expected to evolve over the 10-year period in line with inflation. Assuming an annual inflation rate of 2%, in line with the ECB target, the current annual personnel cost would increase to approximately EUR 1.88 million by year 10, resulting in cumulative personnel costs of approximately EUR 15.6 million over the 10-year period.

The estimation of the cost of personnel for NCAs is based on: (i) data on FTEs dealing with CPC investigation and enforcement activities, from the Article 40 support study[159]; and (ii) average yearly salaries with overheads (EUR 100,000 per FTE[160]). Across the 30 EU/EEA countries participating in the CPC Network, about 60 FTEs are deployed.[161] This corresponds to **annual personnel costs for CPC of approximately EUR 4.5 million**. Personnel costs are expected to evolve over the 10-year period in line with inflation. Assuming an annual inflation rate of 2%, the current annual personnel cost would increase to approximately EUR 7.19 million by year 10, resulting in cumulative personnel costs of approximately EUR 59.9 million over the 10-year period. Table 3 below provides further details per type of activity.[162]

Table 3. FTEs and annual personnel costs allocated across the CPC Network

Activities	FTE	Total costs
Mutual assistance	18.6	EUR 1,860,000
Sweeps	19.5	EUR 1,950,000
Alerts	1.5	EUR 150,000
Internal coordination	15	EUR 1,500,000
Direct work on actions	5.6	EUR 560,000
Total	60.2	EUR 4,520,000

Note. Rounded to the '000.
Source: Authors elaboration based on FTEs provided in the 'Information gathering for assisting the Commission in complying with its obligations under Article 40 ("reporting") of Regulation (EU) 2017/2394 on Consumer Protection Cooperation: Final Report'

Based on the study on the application of the CPC Regulation, enforcement activities *strictu senso* can be separated for the costs of other activities, such as investigation.[163] **Enforcement activities account for approximately 35.6 FTEs and EUR 3.5 million per year** (about 60% of the total

[159] 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. cf p. 189 Table 44 and p. 191. The consultation activities did not provide any quantitative estimates, as only two authorities regularly collect data on FTEs actively involved in the CPC network, which are nonetheless in line with the estimates presented in the table. Qualitative evidence from consultation with NCAs also confirmed that the main costs drivers of CPC actions are staff time and follow-up enforcement at national level.
[160] European Commission, *Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*, 2024, SWD(2024) 231 final, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en.
[161] Using a weighted average of the following categories: 75% 'technicians and associate professionals' salary and 25% 'clerical support workers. Mean annual earnings by sex, age and occupation - NACE Rev. 2, B-S excluding O (2022.
[162] No estimates are available on IT costs.
[163] European Commission, 'Report from the Commission to the European Parliament and the Council on the application of Regulation (EU) 2017/2394 of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws', COM/2024/311 final, 2024, EUR-Lex - 52024DC0311 - EN - EUR-Lex

CPC estimates), as detailed in Table 3 below.[164] Considering 10 CPC actions per year, the cost per case is estimated at about approximately EUR 356,000, corresponding to about 4 FTEs.[165]

Table 4. FTEs and annual personnel costs allocated to enforcement activities across the CPC Network

Enforcement activities	**FTE**	**Total cost**[166]
Mutual assistance: enforcement requests	15	EUR 1,500,000
Sweeps: enforcement	7.5	EUR 750,000
Direct work on actions	5.6	EUR 560,000
Internal coordination	7.5	EUR 750,000
Total	35.6	EUR 3,560,000
Average cost for enforcement activities per case	3.6	EUR 356,000

No CPC-specific quantitative series is available on the frequency or cost of appeals and litigation, as no penalties had yet been imposed in CPC coordinated actions. It is estimated that a German consumer-association case would involve litigation-costs ranging between approximately EUR 35,000–72,000 per sanctioned case.[167]

5.1.1.3.Consumer detriment

The 2024 Fitness Check of EU consumer law on digital fairness estimated that annual post-redress financial detriment in digital markets is at approximately EUR 7.9 billion.[168] This estimate was most recently updated in impact assessment for the DFA. Specifically, the study estimates that problematic digital practices cause EU consumers around **EUR 10.3 billion in financial harm each year**.[169] This last estimate covers more problematic practices[170] compared to the previous estimates and focuses on the overall financial harm before considering whether consumers subsequently obtained redress. Since most of the **major recent coordinated actions** were concentrated in sectors with significant cross-border and digital exposure, including for instance

[164] European Commission: Directorate-General for Justice and Consumers, VVA, Tetra Tech, IPSOS, 'Information gathering for assisting the Commission in complying with its obligations under Article 40 ("reporting") of Regulation (EU) 2017/2394 on Consumer Protection Cooperation: Final Report', Publications Office of the European Union, 2024, accessed 16 July 2026, https://op.europa.eu/en/publication-detail/-/publication/f3eb3b4c-e819-11ee-9ea8-01aa75ed71a1/language-en

[165] Actual costs vary materially with complexity, duration and the number of authorities involved., cf page 189 Table 44 and page 191.

[166] Note. Rounded to the '000. Source: Authors elaboration based on FTEs provided in the 'Information gathering for assisting the Commission in complying with its obligations under Article 40 ("reporting") of Regulation (EU) 2017/2394 on Consumer Protection Cooperation: Final Report' FTEs for internal coordination are assumed to be 50% devoted to enforcement and 50% to investigation.

[167] Based on the DGCCRF (a French CPC authority) annual report, https://www.economie.gouv.fr/files/2022-07/ra-dgccrf-21-digital.pdf?v=1669741133, 5% of actions are concluded with a sanction on the trader. We can then assume, in the context of the CPC Network, one action with sanctions every two years. If justice related costs are like the ones incurred by a German consumer association for a large action, this would amount to about EUR 18,000 for legal fees, EUR 17,000 for the court and a possible second instance of EUR 10,000 for legal fees and EUR 10,000 for the court. If the authority would win the case, they would get the costs reimbursed, but if they would lose they would have to pay about EUR 17,000 to cover the trader's statutory fees. Hence, a total cost between EUR 0 and EUR 72,000 per sanction, i.e. EUR 0 - EUR 36,000 per year and about EUR 0 – EUR 316,000 in the 10 years' time horizon.

[168] European Commission, *Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*, 2024, SWD(2024) 231 final, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en.

[169] European Commission, *Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*, 2024, SWD(2024) 231 final, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en.

[170] The amount of EUR 10.3 billion is composed as follows: Dark patterns: EUR 2.71 billion; Unfair personalisation: EUR 2.25 billion; Unfair pricing practices: EUR 2.17 billion; Attention-maximising features: EUR 2.08 billion; Spending-maximising features: EUR 1.08 billion.

digital marketplaces, social media and online gaming, this represents the most recent and policy-relevant estimate available.

According to the DFA Impact Assessment, consumer detriment is expected to increase during the next decade, as transaction become increasingly digital and problematic practices become more prevalent. **The resulting total financial detriment is expected to range between EUR 14.8 billion and EUR 16.7 billion per year by 2035**.[171]

The full EUR 10.3 billion cannot be treated as the detriment addressed by the CPC Regulation, because it includes a number of infringements which could not be handled by means of coordinated actions. As the available evidence does not establish the precise proportion of this total detriment attributable to infringements suitable for CPC action[172], the analysis applies a "CPC-addressable share". The assumption is that the CPC can address around 7% of total consumer detriment each year.[173]. Given the uncertainty surrounding this parameter, and its relevance for the analysis, a sensitivity analysis is also provided, at a 5-9% range.

Based on these estimates and assumptions, the current CPC Regulation reduces consumer detriment by EUR 480– 890 million per year (central value: EUR 690 million), considering the central value the consumer detriment that can be addressed by the CPC is assumed to amount to around EUR 7 billion over 10 years.

Table5. Consumer detriment addressable by the CPC Regulation (baseline, per year at EU level)

Scenario	%	EUR million per year[174]
Low	5%	480
Central	7%	690
High	9%	890

5.1.1.4.Costs and benefits in the baseline scenario

Table 6 presents the estimated annual costs and benefits under the baseline scenario, against which the policy options are assessed. Under the current CPC framework, public authorities incur annual enforcement costs of around EUR 8.7 million, comprising approximately EUR 2.7 million for the

[171] European Commission, *Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*, 2024, SWD(2024) 231 final, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en., https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en. The lower bound of this range, i.e. EUR 14.8 billion per year, is the projection of the estimate of financial detriment in the Fitness Check, accounting for 2% annual inflation rate. The upper bound of the range, i.e. EUR 16.7 billion per year, projects the estimated detriment calculated for the Impact Assessment, adjusting for inflation, current average annual detriment per consumer and per market failure, estimates the share of population online and estimates on the shares of population participating in eCommerce transactions. In the upper bound scenario, the annual average consumer detriment in 2035 is expected to be around €37 per consumer per year. These numbers only account for financial detriment.

[172] The information from the available cases does not provide sufficiently consistent data to calculate an average consumer detriment loss per CPC case. See: European Commission, *Commission Staff Working Document, 2022-2023 biennial overview of actions carried out by national authorities under Regulation (EU) 2017/2394 on consumer protection cooperation and key market trends that might affect consumers' interests in the future*, 2024, SWD(2024) 186 final, https://commission.europa.eu/document/download/692a2cf1-1078-4dca-9901-3a9b9e62ec33_en?filename=Biennial%20Rep%20ort%20B3.pdf.

[173] The 7% CPC-addressable share is a modelling assumption used for the purposes of the analysis. It is derived from the assumption that CPC action can address approximately two thirds (67%) of the relevant consumer detriment over a ten-year period (67% / 10 ≈ 7% per year).

[174] EUR values are approximate and rounded to the nearest EUR 10 million. Source: calculations using the DFA Impact assessment; percentages are sensitivity assumptions.

European Commission[175] and EUR 6 million for NCAs.[176] Under the baseline, the CPC regulation is expected to reduce consumer detriment by approximately EUR 480-890 million annually.[177] After accounting for enforcement costs, the baseline delivers estimated net annual benefits of approximately EUR 470 - 880 million, reflecting the overall benefits generated by the existing enforcement framework.

Table 6. Costs and benefits in the baseline scenario

Stakeholder	**Impact**	**Estimate (per year)**
Public authorities	Enforcement costs	EUR 9 million
European Commission		*EUR 3 million*
NCAs		*EUR 5 million*
Consumer	Reduction of consumer detriment	EUR 480 – 890 million
Net benefits		**EUR 471 – 881 million**

5.2. Description of the policy options

While considering policy options alternative to the baseline (the current CPC Regulation), the approach of identifying individual sets of measures targeting specific issues to be bundled together at the end of the analysis was deemed appropriate. For each of the Specific Objectives linked to the problem tree, several policy measures with the potential to reach the individual objective are proposed here and assessed in the next Chapter. At the end of the assessment of the measures, four policy options including the different measures will be presented for the comparison.

OBJECTIVE 1 - PROVIDE COST-EFFICIENT AND RAPID COORDINATED INVESTIGATIONS PROCEDURES TO TACKLE EU AND SECTOR-WIDE INFRINGEMENTS OF CONSUMER LAW

Measure 1.1: Commission competent to coordinate cluster inquiries run by NCAs

Measure 1.1 proposes to introduce a new procedure whereby competent authorities concerned by widespread infringements that have common features, including the same unlawful practice, the same interest being infringed and that are occurring concurrently or in close temporal proximity, should have the power to cluster these infringements and the traders concerned in one coordinated action. Competent authorities should set out the outcome of their investigations in one common position that is, where necessary taking into consideration the specific features of each trader's conduct, agreed among them. The Commission would coordinate actions that concern several

[175] European Commission internal resource estimation.
[176] Authors elaboration based on FTEs provided in the 'Information gathering for assisting the Commission in complying with its obligations under Article 40 ("reporting") of Regulation (EU) 2017/2394 on Consumer Protection Cooperation: Final Report', and estimates of the European Commission, *Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*, 2024, SWD(2024) 231 final, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en.
[177] Estimates based on the assumption that the the CPC can address two thirds of the relevant consumer detriment in 10 years, i.e., around 7% per year and based on the consumer detriment estimated in European Commission, *Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*, 2024, SWD(2024) 231 final, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en.

traders simultaneously and communicate the common position simultaneously to all traders concerned.

Measure 1.2: Commission competent to carry out, under certain conditions, investigations for EU-wide infringements

This measure proposes to vest in the Commission the power to launch and carry out investigations where it has the reasonable suspicion that a trader has committed a Union-wide infringement of consumer law. The ability of the Commission to conduct an investigation would be contingent upon the fulfilment of two conditions, one geographical and the other concerning a material aspect. Firstly, the infringement must satisfy the geographical threshold for 'widespread infringements with a Union dimension' as defined in the current CPC Regulation. This stipulates that the infringement has done, does or is likely to do harm to the collective interests of consumers in at least two-thirds of the Member States, accounting, together, for at least two-thirds of the population of the Union.[178] Secondly, the infringement must be one of those specified in the revised CPC Regulation. Annex 8 of this report offers a comprehensive list of violations that the Commission could directly investigate under this measure. Taken together, these two conditions would draw a clear demarcation line between EU-level and national-level enforcement. To further strengthen this line, the CPC Regulation would also provide for measures ensuring optimal coordination between the Commission's and NCAs' enforcement activities.

For its investigations, the Commission would be granted appropriate investigative powers and, where necessary, NCAs would be required to assist the Commission in its investigations by using their powers under the CPC Regulation and their respective national laws. If the trader fails to comply with the Commission's request for information or does not cooperate with the Commission or NCAs, the Commission would have the power to impose sanctions (i.e., fines and periodic penalty payments). In the context of such investigations, the trader responsible for the infringement would have the opportunity to propose appropriate commitments to cease the infringement and, where relevant, to offer appropriate means of redress to consumers who have been harmed by the infringement. The measure would also be accompanied by rules providing for procedural safeguards for traders. It would also include safeguards to ensure coherence with the DSA governance and enforcement model, drawing on existing experience with investigatory and enforcement powers and aligning with the Commission's commitment decisions under Article 71 DSA. Building on the experience of past CPC cases, the Commission would follow a streamlined procedure, which may or may not include binding deadlines for the conclusion of the proceedings. SMEs are out of the scope of this measure.

The measure would be confined to certain infringements, which, due to their nature and scope, affect the Single Market in a way that coordinated enforcement action by Member States' competent authorities cannot be expected to address in an effective and consistent manner. This implies that the Commission would focus on high-impact infringements which are likely to concern larger traders. Due to their relatively small size and limited economic scale, SMEs, even if they breach the laws protecting consumers, would generally not have such impact on the Single

[178] See Article 3(4) of the CPC Regulation.

Market and national authorities would therefore be better placed to address infringements committed by SMEs. SMEs should therefore fall outside the scope of this measure.

Measure 1.3: NCAs concerned delegate to one NCA the power to carry out investigations "on their behalf"

Under measure 1.3, a single CPC authority would be granted the power to conduct the investigations described in Annex 8 on behalf of the Network. Instead of carrying out coordinated investigations on the same widespread infringement, CPC authorities would formally designate one authority and authorize it to conduct investigations on their behalf. The investigation by the NCAs would be conducted within the framework of an ex-ante mandate clearly setting out the objectives and the means (i.e. investigative powers) to attain them. Where, following its investigation, the designated NCA concludes that an infringement has occurred or is occurring, it may invite the trader responsible for the infringement to propose appropriate commitments to cease the infringement and, where relevant, offer appropriate means of redress to affected consumers in all concerned Member States. The Commission would provide support to the NCAs concerned and the designated NCA in their enforcement work. Building on the experience of past CPC cases, NCAs would follow a streamlined procedure, that may or may not include binding deadlines. SMEs, although formally not excluded by the scope of the investigations to remain in line with substantive consumer law, are *de facto* never impacted negatively.

Measure 1.4: Investigations for widespread infringements to be carried out by a newly established EU consumer protection body

Measure 1.4 proposes to establish an independent EU consumer protection body with its own governance structure, legal capacity, and sufficient financing and staffing to investigate and enforce widespread infringements. The ability of the body to conduct an investigation would be contingent upon the fulfilment of two conditions, one geographical and the other concerning a material aspect. Firstly, the infringement must satisfy the geographical threshold for 'widespread infringements' as defined in the current CPC Regulation. This stipulates that the infringement committed by the same trader has done, does or is likely to do harm to the collective interests of consumers in at least three Member States.[179] Secondly, the infringement must be one of those specified in the revised CPC Regulation. Annex 8 of this report offers an overview of violations that the Commission could directly investigate under this measure. Taken together, these two conditions would draw a clear demarcation line between EU-level and national-level enforcement. To further strengthen this line, The CPC Regulation would also provide for measures ensuring optimal coordination between the EU consumer protection body and NCAs' enforcement activities.

This measure would grant the body the minimum investigation and enforcement powers necessary to conduct investigations into suspected widespread infringements. Where needed, NCAs would be required to assist the body in its investigations by using their powers under the CPC Regulation and their respective national laws. If the trader fails to comply with the body's requests for

[179] See Article 3(3) of the CPC Regulation.

information or does not cooperate with the body or NCAs, the body would have the power to impose sanctions (i.e., fines and periodic penalty payments). In the context of such investigations, the trader responsible for the infringement would have the opportunity to propose appropriate commitments to cease the infringement and, where relevant, to offer appropriate means of redress to consumers who have been harmed by the infringement. The measure would also be accompanied by rules providing for procedural safeguards for traders. SMEs, although formally not excluded from the scope of the investigations to comply with substantive consumer law, are *de facto* never impacted negatively.

<u>OBJECTIVE 2</u> - STRENGTHEN THE CAPACITY AND COMPETENCE OF THE CPC NETWORK

Measure 2.1: Explicitly include third-country traders within the scope of the CPC Regulation

Measure 2.1 aims to clarify the geographical scope of the CPC Regulation to explicitly state that the cross-border enforcement cooperation system also applies to infringements committed in the Single Market by traders with no established or assets in the Union. While it is for private international law to determine whether the substantive EU law provisions protecting consumers' collective interests (listed in the CPC Regulation's Annex) are applicable in specific cases, some NCAs are hesitant to act against non-EU traders in the absence of a clear legal basis. This clarification would thus provide a mandate for NCAs to initiate and participate in coordinated actions against these traders.

Measure 2.2: Extension of the material scope of the CPC Regulation to include additional legislative acts to be enforced through the CPC system

Measure 2.2 proposes to expand the enforcement competences of the cross-border cooperation mechanism laid down by the CPC Regulation by broadening its material scope of application. In order to ensure that rules protecting consumers that are set forth by the SEPA Regulation, such as the prohibition of unjustified refusal to accept payments from foreign bank accounts ('IBAN discrimination'), are consistently and effectively enforced, the relevant provisions of Regulation (EU) 260/2012 would be included in the Annex of the CPC Regulation.

Measure 2.3: Strengthen e-enforcement capabilities of CPC authorities

This proposed measure grants NCAs the minimum power to scrape websites using web-scraping tools and to request individual traders to take necessary steps to allow NCAs to use these tools on their website.[180] Additionally, it clarifies the means to block or obscure access to illegal online content. The measure also clarifies the legal basis for the Commission to acquire and deploy innovative e-enforcement tools, such as the EU eLab, to strengthen NCAs' capacities to combat

[180] A similar measure has been laid down by Article 20 of the Commission Proposal for a Regulation on General Product Safety, which requires online marketplaces to allow scraping for product safety purposes by market surveillance authorities when they have put in place technical obstacles to the extraction of data from their online interfaces.

illegal practices online.[181] Finally, under this measure the Commission would have the power to coordinate and support NCAs' activities when using e-enforcement tools for their investigations, and can, in agreement with NCAs, also use these tools itself to support NCAs in their enforcement work.

Measure 2.4: Strengthen obligation on MSs to allocate minimum resources for cross-border enforcement activities of CPC authorities.

Measure 2.4 proposes to strengthen the competence of the Commission in verifying the enforcement performance of Member States through an audit system aimed at assessing the effectiveness of NCAs' enforcement activities and their allocation of resources (e.g. for staffing), taking into account the size of Member States' population and their national markets.[182]

OBJECTIVE 3 - STRENGTHEN SANCTION MECHANISM FOR EU-WIDE INFRINGEMENTS OF CONSUMER LAW

Measure 3.1: New procedure to coordinate the imposition of sanctions at the national level

Measure 3.1 proposes to introduce a new procedure for facilitating the imposition of coordinated sanctions (i.e., fines and periodic penalty payments) by NCAs in cases where the trader fails to offer adequate commitments to cease the EU-wide infringement and/or appropriate means of redress to affected consumers following a coordinated action by the CPC Network. In such cases, the CPC authorities involved in the infringement decide which NCA or NCAs should impose the sanctions and determine the amount of the fines or periodic penalty payments through consensus. The designated NCA or NCAs would enforce the sanctions based on the national rules transposing the EU legislative act that was infringed.

Measure 3.2: Commission power to impose, under certain conditions, sanctions for Union-wide infringements

Measure 3.2 proposes to vest in the Commission the power to impose sanctions (i.e., fines and periodic penalty payments), where following an investigation, it emerges that an EU-wide infringement has occurred or is ongoing and the trader has failed to offer adequate commitments to cease and/or remedy such infringement. Under this measure, the power to impose sanctions would only be used by the Commission for a number of EU-wide infringements (i.e. concerning two-thirds of the Member States) listed in the CPC Regulation. **Annex 8** of this report provides an overview of the violations for which the Commission would have the authority to impose sanctions

[181] The EU eLab is digital toolbox developed by the Commission to support NCAs with their online investigations. It contains several e-enforcement tools, including AI-based tools that can be used to detect infringements taking place in digital markets. The Commission, in line with Action 13 of its New Consumer Agenda 2020-2025 has already secured funding to develop the EU eLab. By proposing to establish a legal basis in the CPC Regulation to the EU eLab, the Commission aims to further develop the tool and make it an integral part of the CPC Network's enforcement activities.

[182] Audit checks are commonly used in the EU area of feed and food. See for example Regulation (EU) 2017/625 of the European Parliament and the Council of 15 March 2017 on the official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products, EUR-Lex - 32017R0625 - EN - EUR-Lex (europa.eu).

on traders. The measure would also be accompanied by rules providing for procedural safeguards for traders, as well as a mechanism to bring appeals before the CJEU.

The measure would be confined to certain infringements, which due to their nature and scope, affect the Single Market in a way that enforcement action by Member States' competent authorities cannot be expected to address and sanction in an effective and consistent manner. This implies that the Commission would focus on high-impact infringements which are likely to concern larger traders. While SMEs would not, in most cases, meet the threshold for Commission intervention, national authorities would generally be best placed to address and sanction infringements by SMEs. SMEs would therefore fall outside the scope of this measure.

Measure 3.3: Give legal personality to the CPC Network, with a view to imposing fines at "Network-level"

Measure 3.3 proposes to enhance the status of the CPC Network by granting it legal personality. The CPC Network with legal personality would be given the power to adopt formal decisions of non-compliance as a body, where, following an investigation, it emerges that an EU-wide infringement has occurred or is ongoing and the trader has failed to offer adequate commitments to cease and/or remedy such infringement. Under this measure, the power to impose sanction would only be used by the CPC Network for a number of EU-wide infringements (i.e. concerning two-thirds of the Member States) listed in the CPC Regulation. **Annex 8** of this report provides an overview of the violations for which the CPC Network would have the authority to impose sanctions on traders.

5.3. Options discarded at an early stage

In order to address the problems identified by this report, a number of options were considered and discarded earlier in the process. These measures were mainly discarded on the grounds of their lack of effectiveness in attaining the above-mentioned Specific Objectives.

Non-legislative intervention: Under this option, the Commission would refrain from proposing any amendments to the CPC Regulation; instead, it would act to streamline the application of the current provision through procedural guidelines governing the different stages of coordinated investigations, from the launch of an alert to the coordination of sanctions. For instance, the Commission could set in guidelines intermediate steps for each stage in the investigation and establish deadlines for the contributions of NCAs participating in a coordinated action. Moreover, the guidelines could lay down procedural arrangements for the imposition of coordinated fines. However, given the non-binding nature of such documents, it is unlikely that this course of action would result in a stronger cooperation framework as NCAs' active participation in CPC actions would still be affected by resource constrains.

Financing public enforcement through sanctions: Under this measure, the Commission would introduce provisions establishing that a portion of the monetary fines imposed by NCAs on traders should be allocated towards funding their budgets or specific programmes agreed at the EU-level. While this measure would address the fundamental issue of the NCAs' lack of resources (described

in the problem drivers section above), it raises serious concerns as regards its impact on traders' fundamental rights. In particular, by providing NCAs with a strong economic incentive to impose fines, this measure bears the risk of engendering negative consequences on the principle of legality and proportionality of penalties, which is enshrined in Article 49 CFREU.

Rules on mutual recognition and enforcement of administrative decisions: These measures propose to introduce in the CPC Regulation specific provisions obliging the Member State where the trader is established to recognise and enforce the administrative decisions taken in the Member States where the trader committed the infringement. Such provisions would significantly increase the deterrence of the CPC Regulation as it would effectively prevent "enforcement-shopping" by traders. However, due to the substantial differences between Member States' domestic enforcement systems, this measure would be very difficult to implement and would raise serious doubts as regards the observance of the principles of subsidiarity and proportionality. This measure was already discarded when assessing the impact of the previous revision of the CPC Regulation. Since then, no alignment of national enforcement systems has taken place.

6. WHAT ARE THE IMPACTS OF THE POLICY OPTIONS?

A detailed assessment of the economic, social, environmental impacts as well as the impacts on fundamental rights, including all the analysis and the quantifications, divided by stakeholder, is presented in **Annex 4**. A detailed stakeholders' view is presented in **Annex 2**.

Preliminary remark: The CPC Regulation is a procedural regulation and, as such, it does not set forth any substantive provisions of consumer law nor does it impose new obligations on compliant traders. On the contrary, by promoting a level playing field and offering a one-stop-shop solution for traders, it provides advantages to all businesses operating across borders in compliance with EU consumer laws by strengthening legal certainty and curbing compliance and litigation costs. Conversely, businesses whose commercial practices are inconsistent with consumer law may potentially incur costs associated with having to change of their practices, litigation and fines.

Given that the CPC Regulation primarily addresses widespread infringements of consumer law that are typically committed by multinational companies operating across multiple Member States, the measures assessed below are expected to have a negligible indirect impact on SMEs. Therefore, the impact on SMEs is not discussed in the section below, but a detailed SME test is provided in **Annex 6** and considerations on the impacts on SME competitiveness are included in **Annex 5**.

After assessing the impacts of each policy measure, they will be grouped into four policy options. This report adopts a scoring system to evaluate their effectiveness, efficiency and coherence. The scores are awarded on a scale of 0 to 5 and are presented in Chapter 7 for comparison purposes.

The methodology for scoring is as follows:

- The **effectiveness score** assesses each measure's performance towards achieving its objectives, taking into account other relevant impacts (social impacts and environmental impacts).

- The **coherence score** takes into consideration each measure's contribution to consistent enforcement of consumer law across the EU, while considering similarities and differences with other EU-level enforcement frameworks, as well as the impacts on the fundamental rights.

- The **efficiency score** is based on how the various measures perform in terms of net benefits, for measures for which the impacts could be mostly quantified (in particular, under Objective 1), together with the qualitative consideration of non-quantified economic impacts.

<u>OBJECTIVE 1</u> - PROVIDE COST EFFICIENT AND RAPID COORDINATED INVESTIGATIONS PROCEDURES TO TACKLE EU AND SECTOR-WIDE INFRINGEMENTS OF CONSUMER LAW

Measure 1.1: Commission competent to carry out cluster inquiries with the assistance of NCAs

Economic impacts: This policy measure would give authorities, coordinated by the Commission, the power to investigate sector-wide infringements committed by multiple traders simultaneously to prevent a "race to the bottom" in consumer protection standards. This is expected to lead to a reduction in the annual consumer detriment caused by widespread infringements, as the CPC Network would save time in launching enforcement actions (e.g., airlines action) and following up with further actions to ensure a level playing field (e.g., booking accommodation action). Based on the coordinated action of the CPC Network against major airlines operating in the EU, which consisted of 16 parallel actions and led to a reduction in consumer detriment of at least EUR 50 million, it is estimated that the overall economic impact for consumers under this proposed policy measure could be a **benefit of up to EUR 560 million over 10 years.** This estimation takes into account the fact that addressing multiple traders through a single procedure enables a quicker cessation of infringements (which, using the airlines' case as a reference, would lead to an annual decrease of EUR 21 million of consumer detriment) and assumes that the CPC Network.[183] As for enforcement costs, Article 2(9) of the CPC Regulation already preserves the right of competent authorities to conduct investigation and enforcement actions against more than one trader for similar infringements. The added value of the proposed cluster-inquiry measure is therefore primarily a dedicated, streamlined procedural route. Under this new measure, some [184] workload would fall upon the European Commission. As for NCAs, more clustering and Commission coordination would reduce their workload. The impacts would depend on whether the resources freed were devoted to other cases and CPC activities – hence, no enforcement cost savings, but higher deterrence effect, or whether the reduction in workload implied a savings in CPC resources, hence generating enforcement cost savings for the NCAs. By making investigations more effective, this measure would also foster a level playing field for businesses, benefiting compliant traders complying with consumer law. The restoration of the playing field, together with the increase in the cost of non-compliance and consumer trust and, is also expected to improve the competitiveness of EU traders.

[183] Which is a good assumption at least for the first 10 years after the possible entry into application of this measure, because in the current experience of the CPC Network only the example of the airlines action would have been large enough to open a sector inquiry, given the resources available).
[184] This is included in the FTEs estimated for handling centralised actions (see measure 1.2 below) and hence not accounted here to avoid double counting of regulatory costs.

Social impacts: By aiming at the timely and joint removal of the same harmful manipulative practices (e.g. dark patterns) and other infringements in online environments conducted by multiple traders, this measure can reduce consumer detriment including psychological distress suffered by consumers while promoting a fairer and more competitive online marketplace, which stimulates employment. The affected businesses would have to engage in dialogues with public authorities and undertake commitments voluntarily, which could lead to an improvement in their governance.

Environmental impacts: The proposed measure is expected to have positive environmental impacts, as cluster inquiries into 'greenwashing' would facilitate the prompt removal of misleading green claims. This would enable consumers to make informed purchasing decisions and redirect their spending towards actual sustainable products.

Impacts on the fundamental rights: This proposed policy measure would enhance consumer protection by bringing a higher number of traders, more quickly, into compliance. Furthermore, its contribution towards establishing a playing field would have a positive impact on the freedom to conduct business. Such impacts are therefore in line with the objectives of Articles 38 and 16 CFREU.

Effectiveness: By allowing competent authorities, coordinated by the Commission, to cluster infringements committed by multiple traders within the same sector into one coordinated action, the measure should improve consistency and enable a faster response to fast-spreading practices, particularly in digital markets. The measure is thus expected to significantly improve the effectiveness of the existing cross-border enforcement procedures, leading to a reduction in consumer detriment including psychological distress. It will also foster a level playing field, both between non-compliant and compliant traders, as well as within traders in the same industry, which would face a similar outcome under the same procedure. It can also promote environmental sustainability if used to tackle widespread misleading green claims. However, the need for authorities to agree on a common position covering several traders could make the process more complex (thereby making the process longer if no timelines are set for this step) and may risk leading to a lowest common denominator outcome. **Score: 4/5**

Efficiency: This measure is efficient as it enables the CPC Network to bundle investigations of multiple companies within the same sector, resulting in significant resource savings compared to conducting separate and distinct investigations. It requires additional workload for the Commission but would free resources at national level for NCAs. Taking into consideration the example of the airline coordinated action, the net benefit for the quantifiable impacts could amount to EUR 560 million of decreased consumer detriment. This reduction is significant, albeit lower compared to other measures considered under Objective 1. **Score: 4/5**[185]

Coherence: This measure aims to ensure that all traders operating in the same sector of the Single Market abide by the same set of consumer protection standards, regardless of their Member State of establishment. By helping prevent unequal treatment of traders due to national divergences in

[185] See Annex 4 for the calculation.

the enforcement of consumer law, cluster inquiries would strengthen the internal coherence of EU consumer law. Similar measures exist in other areas of competence of the EU.[186] **Score: 5/5**

Stakeholders' view: The consultations carried out in the course of the 2026 support study acknowledged the need to act faster and against all relevant actors engaging in similar illegal practices in order to render enforcement effective in fast-evolving consumer markets, and the added value of clustering sector-wise infringements and the traders concerned in one coordinated action[187]. In particular, stakeholders pointed to difficulties in dealing with digital and cross-border cases, where harmful practices can spread quickly, traders can be difficult to localise, and separate investigations risk producing inconsistent outcomes. In that regard, national authorities interviewed considered that clustering could help avoid duplication and improve consistency where the same unlawful practice is committed by several traders at around the same time, although some stressed the need for clear criteria and workable procedures.

Measure 1.2: Commission competent to carry out, under certain conditions, investigations for EU-wide infringements

Economic impacts: This measure proposes to grant the EU Commission new powers to investigate EU-wide infringements, with the expected outcome of reducing consumer detriment as a result of more and more efficient investigations. Based on the CPC Network's experience, it can be estimated that the Commission would investigate up to six cases per year. To measure impacts, it is assumed that all these cases would replace infringement that would have been prosecuted by means of coordinated actions under the baseline scenario. If the Commission handles six of the existing cases and the NCAs use the resulting additional capacity to take on further cases within the CPC Network, the overall number of cases handled is expected to increase. This is expected to increase the reduction on consumer detriment by 30%, because of the increased deterrence, compared to the current level of CPC activities,[188] corresponding to **EUR 210 million per year of additional reduction compared to the baseline (EUR 1.8 billion over 10 years).** Other concurrent benefits would emerge from the procedural streamlining, and in particular the elimination of the need for coordination meetings with authorities and a simpler decision-making process. Under strict deadlines **consumer detriment could potentially decrease by as much as EUR 1.2 billion over a 10-year period** (with a sensitivity range of EUR 0.9-1.5 billion).[189] If strict deadlines were not introduced, it is expected that the simpler process would still reduce the duration of cases. Under the assumption that two months were cut from the procedures **consumer detriment could potentially decrease by as much as EUR 0.4 billion over a 10-year period** (with a sensitivity range of EUR 0.3-0.5 billion) Considering both the increase in enforcement activities and the streamlining, **total reduction of consumer detriment over 10 years can be**

[186] See for example the legal basis for sector inquiries in Article 17 of Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty, available here: EUR-Lex - 32003R0001 - EN - EUR-Lex (europa.eu). Similarly, the 2013 revision of the State Aid Procedural Regulation introduced sector inquiries where aid measures may distort competition in several Member States, or where existing aid measures in a sector across several Member States may no longer be compatible with the framework, Available here: Regulation - 734/2013 - EN - EUR-Lex

[187] During the informal ministerial on consumer affairs organised by the Czech Council Presidency in September 2022, EU Consumer Affairs Ministers recognised the need for further streamlining CPC procedures in order to allow the Commission and the CPC Network to act much faster to effectively address fast-spreading illegal practices online.

[188] The number of cases is expected to grow from 10 per year in the current situation to 13 after the reform.

[189] Assuming a 9-month deadline for centralised cases handled by the EU Commission.

estimated at EUR 2.7-3.3 billion (if binding deadlines are introduced) or EUR 2.1-2.3 billion (if the streamlining is not coupled with strict deadlines). When it comes to enforcement costs and cost savings for public authorities, this measure would increase the resources deployed by the European Commission and save resources for the NCAs. For the European Commission carrying out six EU wide infringements would entail 18 additional full-time employees (FTEs) to manage the extra workload.[190] These expenses would result in the Commission incurring **costs of circa EUR 3 million yearly and EUR 27.5 million over 10 years.** Due to the reduced workload, **NCAs could save up to EUR 15 million in 10 years** (corresponding to a reduction of approximately 19 FTE needed across the whole Network[191]), although they would still have to bear some costs for assisting the Commission with its investigations where needed. As for competitiveness effects, centralised enforcement by the Commission would increase the likelihood of catching non-compliant traders early; the improved deterrence would contribute to restoring the level-playing field by reducing any unfair cost advantage, thus improving the competitiveness of compliant EU traders. Also, centralised enforcement could better reach harder-to-catch traders, and, by being quicker, facilitate the faster deployment of innovative products and processes.

Social impacts: By aiming at the timely and joint removal of the same harmful manipulative practices (e.g. dark patterns) and other infringements in online environments conducted by multiple traders, this measure can reduce consumer detriment including psychological distress suffered by consumers while promoting a fairer and more competitive online marketplace, which stimulates employment. The affected businesses would have to engage in dialogues with the European Commission and undertake commitments voluntarily, which could lead to an improvement in their governance.

Environmental impacts: None.

Impacts on the fundamental rights: This policy measure would increase the level of consumer protection, as a result of additional and quicker (because centralised) investigations. Commission's power to investigate would be accompanied by procedural safeguards guaranteeing the right to fair trial and defence (Articles 38, 47 and 48 CFREU).

Effectiveness: By replacing coordinated investigations with one single investigation by the Commission, this measure would be expected to deliver similar benefits to those under Measure 1.1, but in an enhanced and more direct way due to the stronger centralised role for the Commission. In particular, it would increase the effectiveness of enforcement actions concerning large traders by streamlining the investigation phase, leading to a reduction of consumer detriment and psychological distress. It would also foster a level playing field, both between non-compliant

[190] It is estimated that 18 FTEs would be needed to handle CPC cases (21 FTEs, of which 3 FTEs for handling litigation). This compares with the 9 FTEs currently deployed. **Annex 8** illustrates that Commission's investigation would be limited to certain infringements only (justifying the six cases per year).

[191] Based on FTEs available on 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 (p,189,191), the FTEs allocated by authorities in the whole CPC Network are as following 18.6 for mutual assistance: 19,5 for sweeps, 1,5 for alerts, 15 for internal coordination and 5,6 for direct work on actions. Under this policy measure 10.1 FTEs (alerts) are removed. An average FTE of a civil servant in Europe costs EUR 100,000; cf DFA Impact Assessment. Discount factor: 3%.

and compliant traders, as well as within traders in the same industry, which would face a similar outcome under the same procedure. **Score: 5/5**

Efficiency: Centralised actions are capable to significantly reducing consumer detriment, both because of additional cases being handled and a streamlined process. The shift from a coordinating to an investigative role for the Commission in relation to EU-wide infringements would improve the efficiency of enforcement actions, resulting in some expenses for the Commission and certain cost savings for NCAs. Net benefits are estimated to range from EUR 2 to EUR 3.3 billion over ten years. **Score: 5/5**

Coherence: This measure proposes to assign the Commission a new investigative role in the CPC enforcement architecture for certain EU-wide infringements, somewhat similar to its role in the field of competition,[192] trade,[193] and digital services.[194] This would bring the CPC system in line with other enforcement frameworks, where the Commission and NCAs carry out complementary enforcement activities with parallel competences. Furthermore, the narrow scope of EU-level enforcement (see Annex 8) and provisions to coordinate investigation activities of the Commission with those of the Member States would ensure a coherent enforcement. However, this measure could pose challenges to the coherence of Member States' legal systems, as they would need to adapt their procedures to be able to carry out enforcement on the basis of the commission's findings and, in doing so, could face constitutional constraints. **Score 4/5**

Stakeholders' view: In the context of both open and targeted consultations, consumer representatives, CPC SLOs, and NCAs highlighted that a stronger role of the Commission in initiating and leading investigations, with the help of NCAs, would help prevent the fragmentation of enforcement across Member States by diverging interpretations of both CPC procedures as well as the substantive laws.[195] Consultations carried out in the course of the 2026 support study confirmed support for a stronger Commission role in clearly defined, high-impact EU-wide cases.

Measure 1.3: NCAs concerned delegate to one NCA the power to carry out investigations on their behalf

Economic impacts: Consumer detriment could be reduced through faster investigations of Union-wide infringements. This would be achieved by eliminating time-consuming coordination meetings between the Commission and NCAs to reach a common position on the infringement at

[192] The Commission's power to conduct investigations for the purposes of enforcing Article 101 and 102 of the TFEU are laid down by Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition, EUR-Lex - 32003R0001 - EN - EUR-Lex (europa.eu). Unlike in consumer law, however, the Commission's competence in competition law is not limited by any additional EU-level threshold, since the EU dimension is already built into the substantive provisions themselves through the effect-on-trade requirement. I.e., its enforcement by the Commission is not limited to EU-wide conduct.

[193] On 12 January 2023, the Foreign Subsidies Regulation (FSR) entered into force. This Regulation, inter alia, enables the Commission to start investigations on its own initiative into foreign subsidies received by companies operating in the EU, impose penalties in case of lack of cooperation by the undertaking concerned, request repressive measures and request commitments. For further information, see Regulation (EU) 2022/2560 of the European Parliament and of the Council of 14 December 2022 on foreign subsidies distorting the internal market, EUR-Lex - 32022R2560 - EN - EUR-Lex (europa.eu).

[194] The DSA vests in the Commission the power to investigate alleged breaches of the Regulation by Very Large Online Platforms (VLOPs) and Very Large Search Engines (VLSEs). See section 4 of the Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services, EUR-Lex - 32022R2065 - EN - EUR-Lex (europa.eu).

[195] During the informal ministerial on consumer affairs organised by the Czech Council Presidency in September 2022, several delegations expressed support to vest investigation powers in certain, clearly defined, cases directly in the Commission.

CPC level. Under binding deadlines consumer detriment could potentially decrease by as much as EUR 0.9 billion over a 10-year period, (with a sensitivity range of EUR 0.7-1.0 billion). If binding deadlines were not introduced, it is expected that the simpler process would still reduce the duration of cases. Under the assumption that two months were cut from the procedures, consumer detriment could potentially decrease by as much as EUR 0.6 billion over a 10-year period, (with a sensitivity range of EUR 0.4-0.7 billion). As for NCAs, delegating investigations to a single lead authority would reduce the need for lengthy coordination meetings and parallel investigative activities. At the same time the lead authority would bear a larger share of the operational workload. Overall, the Network would benefit from lower administrative costs and more efficient use of enforcement resources. By making the process quicker, this option would benefit innovation by facilitating the faster the deployment of innovative products and processes.

Social impacts: By aiming at the timely removal of manipulative practices and other infringements in online environments, this measure can reduce psychological distress suffered by consumers while promoting a fairer and more competitive online marketplace, which stimulates employment. However, investigations conducted by one single NCA might fail to take into account national specificities in the practices under investigations. NCAs, relieved from the burden of coordinated actions, could reallocate some resources to enforcement actions more in line with their national priorities.

Environmental impacts: None.

Impacts on the fundamental rights: This policy measure would increase the level of consumer protection (in line with Article 38 CFREU) as a result of more expedient investigations, even though this positive impact could be partly offset by the risk that the lead NCAs fail to address the specificities of the practices harming the collective interest of consumers in other Member States.

Effectiveness: While this measure could improve the effectiveness of coordinated actions by streamlining the investigation phase, fostering the level playing field and potentially leading to a reduction of consumer detriment and consumers' psychological distress, it risks bringing about enforcement actions that fail to fully address the specificities of the investigated practices in other Member States. However, this risk is somewhat mitigated by the fact that the lead authority would be designated on the basis of a common position agreed by the CPC authorities which should take into account the specificities of the practices across Member States. The lead authority would therefore be tasked with implementing that collective position. However, as for under measure 1.1, the need for authorities to agree on a common position could make the process more time-consuming and may risk leading to a lowest common denominator outcome. **Score: 3/5**

Efficiency: Streamlined actions by NCAs could significantly reduce consumer detriment because of the lower duration of cases, and hence of infringements. The impact is similar to that estimated to arise from centralised enforcement, because NCAs would continue dealing with a significant share of CPC cases, in addition to the Commission's own enforcement. The measure would improve the efficiency of coordinated actions (by removing the need for lengthy coordination meetings at CPC level), with some cost savings for both the Commission and NCAs in aggregate,

despite more costs could emerge for the lead NCA. Net benefits range from EUR 0.6 to EUR 0.9 billion over ten years. **Score: 4/5**

Coherence: By assigning the responsibility for investigating widespread infringements with a Union dimension to a single NCA designated by the CPC Network, this measure would risk diluting the internal coherence of the cross-border enforcement within the CPC framework. This is because the effectiveness of each enforcement action would depend on both the national interpretation of the issue at stake and the resources available to the designated CPC authority, which vary among Member States. Therefore, it is possible that, as a result of this measure, cross-border enforcement actions carried out at the CPC level would lack consistency. Moreover, this measure could pose challenges to the coherence of Member States' legal systems, as they would need to adapt their procedures to be able to carry out enforcement on the basis of the CPC Network findings and, in doing so, could face constitutional constraints. **Score: 2/5**

Stakeholders' view: While a business association stated that NCAs have sufficient powers under the current CPC Regulation, a NCA stressed that enforcement by one NCA on behalf of the others could indeed be more efficient than coordinating all procedural steps across different authorities. However, in terms of feasibility, NCAs regularly stress that, having powers to take enforcement measures concerning also the territory of other Member States, could require substantial changes in their enforcement set-up. These could involve also certain constitutional changes that would imply significant implementation costs and be potentially very difficult to obtain at political level. Consultations carried out in the course of the 2026 support study confirmed those views, suggesting that while stakeholders recognised the benefits of centralised action, making one Member State responsible for enforcement on behalf of the CPC Network would also raise practical and institutional difficulties and require changes to national enforcement structures.

Measure 1.4: Investigations for widespread infringements to be carried out by a newly established EU body

Economic impacts: Under this measure, consumer detriment is expected to decrease as a result of faster and more extensive investigations into cross-border infringements carried out by an independent EU body. Thanks to its resources, the EU body would be able to follow-up on each alert issued by CPC authorities and other bodies. The detriment reduction is estimated to reach a theoretical maximum. Businesses would benefit from having the EU body as sole interlocutor during the investigation phase (resulting in faster replies, shorter meetings, less resources to comply with requests in the investigation context, etc.). The establishment of the new body would cost the EU budget approximately EUR 260 million in 10 years in resources and operational expenses. The body would comprise two case-handling units with 30 FTEs each, one forensics and intelligence unit with 20 FTEs, and horizontal administrative unit with 20 FTEs.[196] The cost estimate takes into account the reduction of the current Commission staff by 7 FTEs (as it would no longer be involved in coordinated investigations) but does not include the substantial additional costs of setting up the headquarters in an unspecified country and city. Authorities would require

[196] To estimate the structure of the body and FTEs needed, this report analysed the organizational arrangements within OLAF. While OLAF's remit is distinct from the one of a hypothetical consumer protection body, the available data provide orientation on the cost that an independent investigative body involves. See 2014 OLAF Report.

fewer resources overall (a reduction of 30 FTEs within the CPC Network), leading to estimated savings of up to EUR 26 million over 10 years.[197]

Social impacts: By aiming at the timely removal of manipulative practices (e.g., dark patterns) and other infringements in online environments, this measure can reduce psychological distress suffered by consumers while promoting a fairer and more competitive online marketplace, which stimulates employment.

Environmental impacts: The carbon footprint of the newly established EU body would not be negligible. Occupying several floors or an entire building would consume energy. If located outside Brussels, frequent travel would be necessary.

Impacts on the fundamental rights: This policy measure would increase the level of consumer protection (in line with Article 38 CFREU), as a result of quicker and more effective investigations into widespread infringements of consumer law. The EU body power to investigate would be accompanied by procedural safeguards guaranteeing the right to defence of the trader (Article 48 CFREU).

Effectiveness: The measure would increase the effectiveness of cross-border enforcement of consumer law, leading to a reduction of consumer detriment as well as psychological distress. Stronger enforcement at EU-level would foster a level playing field for businesses. However, the carbon footprint of the EU body would not be negligible. **Score: 4.5/5**

Efficiency: The measure would involve significant costs that must be financed by the EU budget, with an offset from cost savings for NCAs. Nonetheless, the substantial reduction in consumer detriment results is expected to result in positive net benefits. **Score: 4/5**

Coherence: In recent years, the EU has become increasingly involved in enforcing EU law vis-à-vis private actors. This trend can be explained by the need to ensure the successful implementation of EU policies through enhanced compliance with EU law in areas where violations occurring in a Member State can affect others.[198] There are several EU agencies and bodies with direct investigation powers, including the European Securities and Markets Authority, the European Fisheries Control Agency, the European Medicine Agency, and the European Aviation Safety Agency. Given the high level of non-compliance with consumer law driven by digitalization (see Chapter 2), establishing an EU body to investigate EU-wide infringements would align with this trend. The establishment of an EU body could therefore strengthen the coherence of the consumer protection regime by providing a specialised and more uniform enforcement approach for EU-wide infringements. However, its contribution to coherence would depend on a clear allocation of competences vis-à-vis the Commission, the CPC Network and other EU regulatory regimes, since an additional layer of enforcement could also create overlap and coordination challenges. Moreover, this measure could pose challenges to the coherence of Member States' legal systems,

[197] Regulations contained in the Annex of the CPC Regulation and hard-core infringements as defined in Annex 8.
[198] This trend has been widely examined in academic research. See for example: Scholten, M., 'Mind the trend! Enforcement of EU law has been moving to 'Brussels'', *Journal of European Public Policy*, Vol. 24, 2017, pp. 1348-1366, Taylor & Francis Online.

as they would need to adapt their procedures to be able to carry out enforcement on the basis of the body's findings and, in doing so, could face constitutional constraints. **Score: 2/5**

Stakeholders' view: Certain CPC authorities, in open and targeted consultations, considered this option beneficial in terms of independence and consistent application of both procedural and substantive rules through the CPC Regulation. Similarly, different resources allocated by Member States to their NCAs would be, at least, partially overcome by this option. It is however very unlikely that Member States would agree to provide the necessary additional resources to the Union budget. The measure would have to rely on existing funds. Consultations carried out in the course of the 2026 support study suggest that stakeholders within national authorities, consumer organisations and businesses would recognise the value of a more centralised and specialised enforcement structure in serious cross-border cases, especially where national action is fragmented or uneven (see previous measures' discussions). At the same time, stakeholders, including national authorities repeatedly stressed the importance of clear responsibilities, workable governance and a meaningful role for Member States which could conflict with an independent EU body.

<u>OBJECTIVE 2</u> - STRENGTHEN THE CAPACITY AND COMPETENCE OF THE CPC NETWORK

Measure 2.1: Explicitly include third-country traders

Economic impacts: In recent years, some CPC authorities have expressed reservation with regards to the use the powers conferred upon them by the CPC Regulation against third-country traders on the grounds that they were falling outside the scope of application of the CPC Regulation. Therefore, a small reduction of consumer detriment could be expected in the short run as a result of a clearer scope of application of the Regulation. In the long run, the reduction of the consumer detriment is set to be more significant by virtue of the megatrends associated to hyper connectivity and growing consumption, predicting more global trade.[199] Businesses in the EU will benefit from an increased level playing field as third-country businesses will be subject to the same cross-border enforcement system as EU companies, provided that the legal clarification is matched with an increase in enforcement resources. This would improve the competitiveness of EU companies. The number of cases could potentially increase, necessitating additional resources from the Commission and NCAs. However, at least in the short term, this increase is expected to be minimal, as the measure primarily serves as a clarification to address a legal grey area. In fact, cases against third-country traders are already handled against non-EU traders and this has been considered in the updated baseline scenario. Consumers in third countries might benefit if their traders choose to comply with EU consumer law (due to the deterrent effect of the expanded scope) in their domestic markets as well.

Social impacts: Clarifying the scope of the CPC Regulation could benefit employment of citizens in the EU as a result of an increased level playing field among EU and non-EU traders. Businesses will enjoy the social benefits stemming from a level playing field for all (EU and non-EU traders). By bringing into compliance the practices of businesses established in third countries with EU

[199] The estimates of consumer detriment, retrieved from the 2024 Fitness Check, include consumer detriment from third-country traders, but do not allow to separate their contribution.

consumer law, this measure is likely to improve the conduct of those businesses also in their domestic markets.

Environmental impacts: As actions against misleading green claims are more likely be carried out against third-country traders, this measure could contribute to an increase in sustainable consumption across the EU.

Impacts on the fundamental rights: This policy measure would contribute to an increase in the level of consumer protection in the EU (Article 38 CFREU). It would have a positive impact on the freedom to conduct a business as since it aims at fostering the level playing field for businesses based within and outside the EU (Article 16 CFREU).

Effectiveness: The measure strengthens the competences of NCAs, by clarifying that they are allowed to act against third-country traders within the CPC framework. The measure is mainly effective in regard to clearer signalling to non-EU traders and easier application of the existing legal framework. The measure clearly aims at promoting a level playing field for EU and non-EU businesses, with benefits for employment and sustainable consumption. As noted above, the effectiveness of the measure will largely depend on whether the legal clarification is matched with enforcement resources and priorities. However, beyond a clarification of the CPC Network's competence, the measure does not address the capacity of the CPC Network, hence the measure only addresses Specific Objective 2 partially. **Score: 3/5**

Efficiency: The measure doesn't entail additional significant resources, as it concerns a legal clarification rather than an extension of scope. **Score: 5/5**

Coherence: Since some NCAs, in the absence of an explicit legal basis, have expressed reservation regarding the applicability of the CPC Regulation to third-country traders targeting EU consumers, this measure would help ensure a consistent approach among all CPC authorities in dealing with infringements by traders based outside of the EU. Interviews carried out as part of the 2026 update to the Impact Assessment revealed that national authorities already considered the CPC Regulation to apply to third-country traders, noting rather that enforcement against them is the biggest challenge, rather than asserting the applicability of the CPC Regulation. **Score: 5/5**

Stakeholders' view: CPC SLOs, NCAs, business and consumer representatives, strongly supported the clarification of the application of the CPC Regulation to third-country traders. This would both increase consumers' trust in the Digital Single Market as well as contribute to a level-playing field for compliant businesses. Consultations carried out in the course of the 2026 support study reiterated this view, which was particularly strong among consumer organisations and businesses. This policy measure is also perceived as effective among the national authorities surveyed.[200]

Measure 2.2: Extension of the material scope of the CPC Regulation to include the SEPA Regulation amongst the legislative acts that can be enforced through the CPC system

[200] Out of the 43 NCA and SLO respondents, only two considered a clarification that the CPC would apply to non-EU traders as not effective.

Economic and social impacts: Measure 2.2 is expected to have limited economic impacts. Including relevant consumer protection provisions laid down by the SEPA Regulation in the Annex of the CPC Regulation would facilitate effective cross-border cooperation to address IBAN discrimination. Based on the annual average of over 1150 complaints received through the "Accept my IBAN" website,[201] it is anticipated that a small number of these cases, potentially targeting a few prominent telecom providers and financial services companies (each sector accounting for about 25% of the complaints), may qualify for enforcement action under the CPC Regulation. Such actions are expected to be limited in scope and not to require significant human resources. Additionally, incorporating the SEPA Regulation into the Annex of the CPC Regulation is not expected to significantly increase the number of enforcement actions under the CPC framework. However, it has the potential to mitigate some consumer detriment, yielding positive outcomes for consumers and deterring potential traders from non-compliance.

Environmental impacts: None.

Impacts on the fundamental rights: This policy measure would contribute to an increase in the level of consumer protection in the EU (Article 38 CFREU). Countering discrimination practices would also have a positive impact on the freedom to conduct business (Article 16 CFREU).

Effectiveness: The measure strengthens the competence of NCAs by adding a 29th legislative instrument to the Annex of the CPC Regulation, thereby increasing protection of consumers. Similar to measure 2.1, as the measure only addressed the competence of the CPC Network, and not the capacity, effectiveness towards Specific Objective 2 remains partial. **Score: 3/5**

Efficiency: The measure is almost cost-free. The enforcement of the SEPA Regulation in cross-border contexts, given the limitation of the scope and the maximum number of potential infringements that could be addressed by the CPC Network, is not expected to involve measurable extra costs for NCAs. **Score: 5/5**

Coherence: The SEPA Regulation aims *inter alia* to protect consumers against instances of IBAN discrimination (i.e., refusal by a trader to accept IBAN for euro payments or direct debits because it is not from its same country), but, as explained in Chapter 2, it is not supported by a framework for its cross-border enforcement. By closing this gap, this measure ensures the consistent enforcement of the SEPA Regulation. **Score: 5/5**

Stakeholders' view: During the stakeholder consultations for the 2026 update of the Impact Assessment, the majority of the surveyed authorities (84%) that were able to respond to this question[202], noted that the inclusion of the SEPA Regulation would be somewhat effective or very effective to improve enforcement under the CPC Regulation.

Measure 2.3: Strengthen e-enforcement capabilities of CPC authorities

[201] Accept my IBAN, accessed 1 September 2026, https://www.acceptmyiban.org/.
[202] i.e. 19 NCA and SLO, discarding the responses from 24 respondents that answered "not sure".

Economic impacts: Consumers would benefit from a general enhancement of the CPC Network's e-enforcement capabilities allowing for more effective investigations against online infringements through the deployment of advanced investigative tools. By empowering CPC authorities to use more effectively web-scraping technology[203], for instance in the framework of an enforcement action or sweep, this measure would only entail very small costs for a few targeted businesses (i.e. those that are eventually found to be compliant with EU consumer law and are requested to let NCAs scrape their data) to technically allow NCAs or the Commission to scrape their website upon their explicit request. For the Commission, increased responsibility in the field of e-enforcement would entail the need for additional resources.[204]

Social impacts: This measure would contribute to the increase in consumers' trust in digital markets and improve the condition of vulnerable consumers as it would permit to better address online malpractices. It would increase cooperation between NCAs and businesses, thereby fostering transparency and improving corporate governance.

Environmental impacts: None.

Impacts on the fundamental rights: This policy measure would increase the level of consumer protection as a result of more effective investigations in digital markets (Article 38 CFREU). Additionally, it would have a positive impact on the freedom to conduct business as it would ensure a more consistent enforcement of consumer law and thereby fosters a level playing field for traders (Article 16 CFREU).

Effectiveness: This measure aims to strengthen the powers and capacity of NCAs in relation to e-enforcement, which is necessary to respond to enforcement challenges in a fast-evolving digital environment. By doing so, it would increase consumer trust in e-commerce (which indirectly stimulates employment) and improve corporate governance of companies who would cooperate more with NCAs on a technical level (i.e., to give access to NCAs' scrapers). However, similar to measure 2.1 and 2.2, the measure only addresses some of the problems underpinning Specific Objective 2 (e.g. not addressing the competence issues on third country traders or the SEPA Regulation), hence its effectiveness is also partial. **Score: 3/5**

Efficiency: The measure entails very limited costs for NCAs (insofar these already have capabilities use web-scraping tools and to block or obscure access to illegal online content) and the Commission (i.e., to coordinate and support NCA's activities when using e-enforcement tools for their investigations). However, the final cost to the Commission will of course depend on the extent to which the Commission would use the new legal basis to acquire and deploy innovative e-enforcement tools, as the cost of such tools can vary greatly. Similarly, the cost to NCA will depend on their existing capabilities. **Score: 5/5**

[203] Anti-scraping software are often used by online traders to prevent other persons, usually competitors, to practice data-mining on their websites to acquire information. However, scraping tools are also very useful to NCAs, as they can be used to verify traders' compliance with EU consumer law. Thus, the use of anti-scraping systems often thwarts NCAs' investigations. Measure 2.3 would therefore include the power for NCAs to request traders to give them access to the data concerned.

[204] An extra step in the enforcement action, when an anti-scraping is found in a website, the trader will be contacted to get the necessary access. The magnitude of this cost is negligible. The coordination and support tasks of the Commission towards the NCAs could entail the employment of a share of FTE.

Coherence: By providing the Commission with a stronger capacity-building mandate to further support CPC authorities with their online investigations, this measure aims at closing the existing gaps between the most advanced Member States and those with less experience in e-enforcement. This measure is thus expected to foster a more consistent and effective enforcement of consumer law across the EU. **Score 5/5**

Stakeholders' view: CPC SLOs and NCAs, both during targeted and open public consultations, welcomed capacity-building initiatives in the area of e-enforcement, such as the abovementioned EU eLab project, and highlighted the need to train IT and AI experts in NCAs. The consultations conducted with national authorities as part of the 2026 update of the Impact Assessment confirmed the problem of lack of tools to combat infringements in the fast-evolving digital space, underscoring the importance of strengthening the e-enforcement capabilities of CPC authorities.

Measure 2.4: Strengthen obligation on Member States to allocate minimum resources for cross-border enforcement activities of CPC authorities

Economic impacts: Consumers would benefit from the Commission taking on a more considerable role as regards Member States' resources, with the aim of achieving a more significant and efficient allocation towards cross-border enforcement activities. Additional resources would enable the CPC Network to follow up on the alerts that are issued but do not lead to coordinated investigations because they are not prioritised by NCAs. Thus, the benefit for consumers is expected to be positive but could not be quantified. Businesses in the EU would benefit from this measure as it would contribute to a more consistent enforcement of consumer law in cross-border situations and thus increase the level playing field. Assuming that this measure leads to an increase of 20% in Member States' resources allocated towards coordinated investigation, and estimating that the Commission would need one FTE for each Member State, the Commission's costs would be approximately EUR 24 million over 10 years (27 extra FTEs[205]), while the NCAs would incur costs of around EUR 3.6 million over the same period (13 extra FTEs).

Social impacts: Timely removal of dark patterns and other infringements tackled by the higher number of enforcement actions (which would be the expected result of the allocation of minimum resources for the CPC authorities) would further reduce psychological distress suffered by consumers online. However, these impacts are expected to be moderate because the additional investigations carried out by the CPC Network would concern the alerts that have been issued but not prioritised by NCAs (i.e., cases concerning lower-scale infringements). More companies would engage with the CPC Network and offer voluntary commitments, leading to improvements in corporate governance for businesses.

Environmental impacts: None.

[205] The number of additional FTEs for the Commission associated with this measure has been estimated in: European Commission, *Commission Staff Working Document Impact Assessment, Accompanying the document Proposal for a Regulation of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws*, 2016, SWD/2016/0164 final - 2016/0148 (COD): EUR-Lex - 52016SC0164 - EN - EUR-Lex (europa.eu)

Impacts on the fundamental rights: This policy measure would increase the number of investigations and thus the level of consumer protection (Article 38 CFREU). Furthermore, this measure would have a positive impact on the freedom to conduct business as it would ensure a more consistent enforcement of consumer law, thereby fostering the level playing field for traders (Article 16 CFREU).

Effectiveness: The measure would strengthen the NCAs capacity but could not guarantee a strategic use of their resources. Therefore, it is uncertain whether it can contribute to achieve Specific Objective 2 to the full extent. Moreover, similar to measure 2.1 to 2.3, the measure only addresses some of the problems underpinning Specific Objective 2 (e.g., not addressing the competence issues on third country traders and only partially addressing problems linked to the SEPA Regulation), hence its effectiveness is also partial.[206] **Score: 3/5**

Efficiency: The cost of the measure for the Commission is significant; costs would also increase for NCAs which currently deploy fewer resources than what will be required. **Score: 2/5**

Coherence: Under Article 5(4) of the CPC Regulation, "Member States shall ensure that NCAs and SLOs have the necessary resources for the application of this Regulation, including sufficient budgetary and other resources". A stronger role for the Commission to verify the enforcement performance of Member States and to audit the allocation of budgets by NCAs, relative to size and national markets, would strengthen the uniform application of the CPC Regulation. However, the allocation of budget to finance the activities of NCAs is a prerogative of Member States. Such measure risks therefore being inconsistent with the principle of subsidiarity as it fails to take into account national arrangements and political decisions laying behind the allocation of public resources. **Score: 1/5**

Stakeholders' view: CPC SLOs, NCAs as well as business and consumer representatives, during the targeted and public consultations, highlighted the need for levelling NCA's resources across Member States to ensure that enforcement is effective and consistent across the Single Market. Others, however, stressed that their resources are very limited and that it is highly unlikely that national budgets will be able to cope with increase in resources needed for consumer law enforcement. Consultations forming part of the 2026 update of the Impact Assessment confirmed the problem of divergent resource allocation and capacities across Member States, explaining how this divergence leads to inconsistent enforcement, weakening the deterrent effect of the CPC framework. Some Member States expressed support for improving the resources and capacity of the CPC Network, while others pointed to the administrative burdens this change would create.

<u>OBJECTIVE 3</u> - STRENGTHEN SANCTION MECHANISM FOR EU-WIDE INFRINGEMENTS OF CONSUMER LAW

Measure 3.1: New procedure to coordinate the imposition of sanctions at the national level

[206] Reinforcing Member States' obligation to allocate more resources to CPC authorities for cross-border enforcement could also improve their capacity to handle IBAN discrimination cases, and while more resources will not necessarily ensure more effective enforcement, the measure should at least help address, if not resolve, IBAN discrimination under the SEPA Regulation.

Economic impacts: Having a sanctioning process clearly establishing which NCA must impose sanctions on infringing traders would replace multiple sanctioning procedures that may result in parallel court proceedings (in case of appeals). Businesses, faced with higher probabilities of incurring sanctions, would invest more resources in ex-ante compliance. This would lead to a reduction of consumer detriment.[207] More certainty regarding the risk of receiving a sanction would then have a positive impact on compliance levels (by increasing deterrence because of the higher expected cost of non-compliance) and by consequence a better level playing field for those businesses who were already compliant.[208] Also, the fines would increase trust in consumer authorities to protect consumer rights. Both channels would positively affect the competitiveness of EU companies. By replacing coordinated sanctions with a system where only one NCA sanctions on behalf of the others, Member States would incur negligible litigation costs (if their NCAs are designated to impose sanctions). A quantification of cost savings compared to the baseline is not possible, since in no cases, so far, sanctions have been imposed under the CPC actions.

Social impacts: Enhanced compliance among businesses would decrease unfair competition and translate in more and better jobs for citizens. More certainty regarding the risk of receiving a sanction would also have a positive impact on the corporate governance of businesses, who would have incentives for stepping up ex-ante compliance. Expected savings would help authorities to allocate resources to national priorities.

Environmental impacts: By avoiding multiple proceedings at national level, this measure would ensure a smaller carbon footprint.

Impacts on the fundamental rights: This measure would ensure an increased level of consumer protection stemming from the higher deterrence of the CPC system (Article 38 CFREU). It would also have a positive impact on the freedom to conduct business as a result of increased ex-ante compliance (Article 16 CFREU). By conferring upon a single authority the power to impose sanctions on behalf of the CPC Network instead of providing for the coordination of penalties, this measure would remove any concern about potential violation of the *ne bis in idem* principle (Article 50 CFREU).

Effectiveness: The deterrent effect of the CPC framework would be enhanced since non-compliant businesses would have more chances to incur sanctions, with benefits for consumers and citizens as well for the corporate governance of businesses and carbon footprint. However, the need to reach consensus on the type and level of sanctions may make agreement difficult and encourage a lowest common denominator outcome, potentially reducing the severity and therefore deterrent effect of sanctions. **Score: 4/5**

[207] "If […] penalties are introduced, they will be much more effective [to deter non-compliance] if there is also a higher perception of likelihood of detection, and they may be use less if businesses do not see detection as very likely at all" (Parker and Nielsen, *Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation*, The Antitrust Bulletin, 2011).

[208] "If businesses truly think that the gains to their businesses from compliance are high, they will do more to implement good compliance management behaviours" (Parker and Nielsen, *Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation*, The Antitrust Bulletin, 2011).

Efficiency: The measure is considered as very efficient as it would entail potential cost savings for authorities compared to the situation in which fines were imposed separately and bring high benefit to consumers in terms of lower consumer detriment. **Score: 5/5**

Coherence: By setting aside the need to coordinate sanctions through the designation of one single authority responsible for levying the fine, this measure would establish a one-stop-shop mechanism for the final stage of a coordinated action, thus increasing the likelihood of sanctions being imposed on traders committing widespread infringements of EU consumer law. However, entrusting one authority to enforce on behalf of the Network also means fully relying on its understanding of the issue at stake, which may differ from that of other NCAs, especially in the event of minimum harmonization Directives. This, in turn, could undermine the coherent application of EU consumer law instead of strengthening it. This risk would however be mitigated by the fact that the designation of the authority(ies) and the level of the sanction would be agreed by the CPC authorities involved through consensus, thereby ensuring collective ownership of the decision and reducing the likelihood of unilateral interpretation. **Score: 3/5**

Stakeholders' view: While certain businesses representatives consider the existing rules on sanctions sufficient, CPC SLOs, NCAs and consumer representatives, during the targeted and open publications, considered that there was room to streamline CPC procedures to increase deterrence of the existing system. Stakeholders consulted in the 2026 update confirmed the need to reinforce deterrence through stronger coordinated sanctions. The main criticism was that coordinated actions often result in commitments or changes in practice rather than robust sanctions, which stakeholders felt limits the framework's enforcement power. Sanctions were often seen by authorities, businesses and consumer groups alike as too soft or too limited, especially in relation to larger companies and non-EU traders. Fragmentation across Member States, leading to different enforcement outcomes for similar conduct, together with a lack of transparency around enforcement, further reduced the perceived effectiveness of sanctions.

Measure 3.2: Commission power to impose, under certain conditions, sanctions for Union-wide infringements

Economic impacts: This measure would replace the need for coordinated sanctioning procedures at national level, which are unlikely to take place simultaneously and usually avoided due to their potential costs in case of appeals. Businesses, faced with higher likelihood of sanctions, would invest more resources in ex-ante compliance. This would lead to a reduction of consumer detriment. Increased risk of sanctions would positively impact compliance levels (by increasing the deterrence of the CPC Regulation because of the higher expected cost of non-compliance), thus fostering a level playing field for those businesses who were already compliant. Also, the fines would increase trust in consumer authorities to protect consumer rights. Finally, the sanctioning power at Commission level would make it easier to reach out to non-compliant traders which are harder to prosecute for national authorities. These consequences would positively affect the competitiveness of EU companies. The Commission would be in charge of defending the case before the CJEU, represented by the case handler responsible for the action. The amount of resources needed to handle litigation at EU level is estimated, based on EU Commission's data, at 3 FTEs, corresponding to a cost of EUR 450 000 (EUR 4 million over 10 years). Overall, NCAs

would save enforcement costs by avoiding administrative national proceedings and court litigation. A quantification of cost savings compared to the baseline is not possible, since in no cases sanctions have been imposed under the CPC actions.

Social impacts: Enhanced compliance among businesses would decrease unfair competition and translate in more and better jobs for citizens. More certainty regarding the risk of receiving a sanction would also have a positive impact on the corporate governance of businesses, who would have incentives for stepping up ex-ante compliance. Expected savings would help authorities to allocate resources to national priorities.

Environmental impacts: By avoiding multiple proceedings at national level, this measure would ensure a reduced carbon footprint.

Impacts on the fundamental rights: This measure would ensure an increased level of consumer protection stemming from stronger deterrent effects of the CPC framework (Article 38 CFREU). It would also have a positive impact on the freedom to conduct business, since increased ex-ante compliance by all traders would increase the competitiveness of virtuous businesses (Article 16 CFREU). The right to a fair trial and the right of defense would be guaranteed by new rules providing for adequate procedural safeguards for businesses as well as a mechanism to bring appeals before the CJEU (Articles 38, 16, 47 and 48 CFREU). By granting the Commission the power to impose sanctions for EU-wide infringements, instead of providing for the coordination of penalties, this measure would remove any concern about potential violation of the *ne bis in idem* principle (Article 50 CFREU).

Effectiveness: The deterrent effect of the CPC framework would be strengthened as non-compliant businesses face a higher likelihood of sanctions. This would benefit consumers, citizens, corporate governance, and carbon footprint. **Score: 5/5**

Efficiency: The measure is considered very efficient as it would entail cost savings for NCAs, negligible costs for the Commission, and significant benefits to consumers in terms of lower consumer detriment. **Score: 5/5**

Coherence: By granting the Commission the power to impose sanctions for specific EU-wide infringements (see **Annex 8**), this measure would guarantee a coherent approach to infringements that pose significant harm to the collective interests of EU Consumers. Moreover, given that these enforcement powers would be exercised in parallel with Commission's enforcement powers under the DSA and in the area of competition law, this measure would bring about a high degree of coordination, leveraging the existing synergies in these enforcement areas. **Score: 5/5**

Stakeholders' view: A stronger role of the Commission in certain, clearly defined cases, including in the context of the imposition of sanctions, was favoured by certain CPC SLOs, NCAs and consumer representatives in the context of the targeted and open consultations. One NCA as well as several business representatives, by contrast, considered the existing system to be sufficiently deterrent. Stakeholders consulted during the 2026 update were generally supportive of a stronger role for the Commission in clearly defined, high-impact EU-wide cases, as a way to improve

deterrence, consistency and effectiveness in the most serious cross-border cases and those where centralised action is required.

The measure would be confined to certain infringements, which, due to their nature and scope, affect the Single Market in a way that coordinated enforcement action by Member States' competent authorities cannot be expected to address in an effective and consistent manner. This implies that the Commission would focus on high-impact infringements which are likely to concern larger traders. Due to their relatively small size and limited economic scale, SMEs, even if they breach the laws protecting consumers, would generally not have such impact on the Single Market and national authorities would therefore be better placed to address and sanction infringements committed by SMEs. SMEs should therefore fall outside the scope of this measure.

Measure 3.3: The CPC Network, having legal personality, can impose fines at Network-level

Economic impacts: Granting legal personality to the CPC Network would allow it to impose sanctions on traders as a body, thereby replacing the need for coordinated sanctioning procedures at national level, which are unlikely to take place simultaneously and usually avoided due to their potential costs in case of appeals. Businesses, faced with higher likelihood of sanctions, would invest more resources in ex-ante compliance. This would lead to a reduction of consumer detriment. Increased risk of sanctions would positively impact compliance levels, thus fostering a level playing field for those businesses who were already compliant. The CPC Network as a formal body with legal personality would need to be supported by a permanent secretariat to fulfil its mandate. Assuming that the Commission takes on this role, following the model of the EDPB, this measure would entail additional resources.

Social impacts: More compliant businesses and a better corporate governance would decrease unfair competition and translate in more and better jobs for citizens. More certainty in the risk of receiving a sanction will then have a positive impact on the corporate governance of businesses. Expected savings would help NCAs to allocate resources to other projects.

Environmental impacts: By avoiding multiple proceedings at national level (while limited in practice), this measure would ensure a reduced carbon footprint.

Impacts on the fundamental rights: This measure would ensure an increased level of consumer protection stemming from stronger deterrent effects of the CPC framework (Article 38 CFREU). It would also have a positive impact on the freedom to conduct business, since increased ex-ante compliance by all traders would increase the competitiveness of virtuous businesses (Article 16 CFREU). The right to a fair trial and the right of defense would be guaranteed by new rules providing for adequate procedural safeguards for businesses as well as a mechanism to bring appeals before the CJEU (Articles 38, 16, 47 and 48 CFREU). By granting the CPC Network the power to impose sanctions as a body instead of providing for the coordination of penalties among NCAs, this measure would remove any concern about potential violation of the *ne bis in idem* principle (Article 50 CFREU).

Effectiveness: The deterrent effect of the CPC framework would be strengthened as non-compliant businesses face a higher likelihood of sanctions. This would benefit consumers, citizens, corporate governance. **Score: 5/5**

Efficiency: The measure would entail some costs for the Commission (to maintain secretariat of CPC Network), cost savings for NCAs, and high benefits to consumers (reduced detriment). Hence, overall efficiency is lower when compared to Measures 2.1 and 2.2. **Score: 4/5**

Coherence: By granting legal personality to the CPC Network, this measure would follow the example of the GDPR, which provided legal personality to the European Data Protection Board (EDPB).[209] Similar to the EDPB, the CPC Network's activities would be guided by a board comprising representatives from NCAs. Unlike the EDPB, however, the CPC Network would have the power to directly impose fines and defend its decisions against appeals lodged before the CJEU. The Commission would not have voting power in the Board and, while having to maintain the secretariat of the CPC Network. Therefore, it would have fewer opportunities to steer its work as effectively as under Measure 3.2 to ensure alignment with Commission's enforcement powers under the DSA and in the area of competition law. **Score: 4/5**

Stakeholders' view: No feedback was collected specifically on giving legal personality to the CPC Network. However, consultations carried out in the course of the 2026 support study indicated strong support among national authorities and consumer organisations for stronger coordinated enforcement in serious cross-border cases, provided that responsibilities remained clear and that national authorities continue to play a meaningful role. Businesses were also broadly supportive of more effective and consistent enforcement, but stressed the need for clear safeguards, legal certainty and the avoidance of duplication with other enforcement regimes.

7. HOW DO THE OPTIONS COMPARE?

Having assessed measures individually in the previous chapter, that allows for an implicit assessment of several policy options. In particular, the division of the two enforcement stages allows us to evaluate all possible combinations between the relevant measures under Objective 1 (1.2, 1.3 ,1.4) and Objective 3 (3.1, 3.2, 3.3), resulting in 9 policy bundles alternative to the baseline: I) Commission investigates and Commission sanctions; II) Commission investigates and one authority sanctions; III) Commission investigates and the CPC Network with legal personality sanctions; IV) one authority investigates and Commission sanctions; V) one authority investigates and one authority sanctions; VI) one authority investigates and the CPC Network with legal personality sanctions; VII) EU body investigates and Commission sanctions; VIII) EU body investigates and one authority sanctions; IX) EU body investigates and the CPC Network with legal personality sanctions. Our approach ensures that the preferred bundle emerges from the cumulative costs and benefits of each individual measure related to the two stages, rendering an examination of different combinations unnecessary. To each of these 9 bundles, the horizontal measures 2.1, 2.2, 2.3 and 2.4, as well as 1.1, could be added.

[209] See Article 68 of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

For better clarity, the four more coherent bundles are here presented and compared against the baseline, in order to identify the preferred option. The remaining bundles appear more difficult to implement legally or more complicated to embed in a coherent governance structure when compared to the selected bundles below. For example, if the Commission were to sanction an infringement after investigation by a national authority or vice-versa (see bundles II and IV), the case would need to be 'transferred' from one jurisdiction (i.e., national level) to another (i.e., EU level). This could lead to very complex procedural questions, for example, with regards to the competent courts for legal review or the trader's right to effective defence. Similar difficulties would occur where the Commission investigates and the CPC Network, having legal personality, sanctions the infringement (bundle III). Moreover, other bundles (i.e., V, VII, VIII and IX) are in fact procedural variations of Options A, B and D so that their individual assessment would not alter the overall assessment.

Option A: The CPC Network delegates investigation and sanctioning to one authority on a per case basis (notably taking into consideration where the trader is based or has a legal representative). Authorities have the power to cluster infringements and the traders concerned in one coordinated action: bundling measures 1.1, 1.3, 3.1.

Option B: The CPC Network delegates investigation to one authority (as in option A) but has legal personality when it comes to sanctioning. Authorities have the power to cluster infringements and the traders concerned in one coordinated action: bundling measures 1.1, 1.3, 3.3.

Option C: The Commission has the power to directly investigate and sanction certain large-scale infringements of consumer law. Authorities have the power to cluster infringements and the traders concerned in one coordinated action: bundling measures 1.1, 1.2, 3.2.

Option D: A new consumer enforcement body (with sanctioning powers managed by the Commission): bundling measures 1.4 and 3.2.

Option A	Option B	Option C	Option D
Measure 1.1	Measure 1.1	Measure 1.1	Measure 1.4
Measure 1.3	Measure 1.3	Measure 1.2	Measure 3.2
Measure 3.1	Measure 3.3	Measure 3.2	

On the remaining measures, Measures 2.1, 2.2 and 2.3 obtain a full score for efficiency and coherence against the baseline, while for effectiveness they obtain an average score of 3/5. However, when taking the three measures together, they would obtain a full score on effectiveness. While the individual measures only address Specific Objective 2 partially (either strengthening one aspect of the competence of the CPC Network, or strengthening the capacity of the CPC Network), taken together they address this Specific Objective 2 in full (thereby scoring 5/5 on effectiveness) These measures are thus complementary and mutually enhancing, building on one

another to enhance the CPC framework's effectiveness. Thus, when taken as one package of measures, Measures 2.1, 2.2. and 2.3 together would score 5/5 and are for this reason included in all 4 options as a bundle.

On the contrary, Measure 2.4 has an average score of 2.00 across the different sensitivity analyses methods, and as a consequence would is not included in the 4 options. The following table reports the combined score of the effectiveness, efficiency and coherence criteria for each of the options. The scores take the average of the scores of each measure which builds up each policy option.

	Option A	Option B	Option C	Option D
Average effectiveness score	3.67	4.00	4.67	4.75
Average efficiency score	4.33	4.00	4.67	4.50
Average coherence score	3.33	3.67	4.67	3.50
Total score	**11.33**	**11.67**	**14.00**	**12.75**

Option C has the highest total score. It also delivers the highest net benefits, at EUR 2.9-3.4 billion over 10 years and the highest net benefit per FTE, as shown in the table below.

	Option A	Option B	Option C	Option D
Net benefits	EUR 1.2-1.6 bn	EUR 1.2-1.6 bn	EUR 2.9-3.4 bn	Positive (not quantified)
FTE (baseline: 70 FTEs)	70	60	72	136
Net benefits per FTE (EUR mn / FTE)	17-23	20-27	40-47	n.a.

Please note the figures presented in the table do not include the net benefits and FTE of measures 2.1, 2.2 and 2.3

A sensitivity analysis for this result was conducted where, instead of the total score, different weights are considered for effectiveness, efficiency, and coherence, as per the following table.

Sensitivity analysis method	Baseline	Option A	Option B	Option C	Option D
60% Effectiveness; 20% Efficiency; 20% Coherence	0	3.73	3.93	**4.67**	4.45
20% Effectiveness; 60% Efficiency; 20% Coherence	0	4.00	3.93	**4.67**	4.35
20% Effectiveness; 20% Efficiency; 60% Coherence	0	3.60	3.80	**4.67**	3.95
40% Effectiveness; 40% Efficiency; 20% Coherence	0	3.87	3.93	**4.67**	4.40

8. PREFERRED OPTION

Based on the comparison above, this section provides a description of the preferred policy option, bundling together the policy measures with the highest potential and best impacts. The preferred

option is option C, consisting of measures 1.1, 1.2 and 3.2. Irrespective of the sensitivity analysis method applied, Option C still is the preferred option. Option C, with the addition of measures 2.1, 2.2 and 2.3, is then confirmed to be the preferred option, it being the best option considering both the cost/benefit analysis and the multi-criteria analysis.

Under Measure 1.2, the Commission would have the power to investigate EU-wide infringements committed by a trader if: a) the infringement is EU-wide, i.e., it concerns at least ⅔ of the Member States and potentially impacts ⅔ of EU consumers; and b) the infringement committed by the trader is one of those specified in the CPC Regulation (see **Annex 8**). Thus, if the Commission has the reasonable suspicion that an infringement meeting these two conditions has occurred or is occurring, it can launch an investigation at its own initiative. During its investigation, the Commission can use certain investigative powers (e.g., power to request information from traders) and request NCAs to provide assistance if necessary. If the trader fails to cooperate, the Commission can impose fines or periodic penalty payments. In the framework of such investigations, the trader concerned would have the opportunity to present its views in accordance with the right to be heard and other procedural safeguards that would be provided by the revised Regulation. At any point during the investigation, the trader can offer suitable commitments to cease and remedy the infringements. If the commitments are deemed appropriate, the Commission closes its investigation.

Under Measure 3.2, if the Commission determines an infringement has occurred after an investigation under measure 1.2 and finds the proposed commitments insufficient for ceasing and remedying the infringement, it can impose sanctions on the traders, provided that the infringement committed by the latter is one of those listed in the revised CPC Regulation (see **Annex 8**). The trader would be granted the right to appeal against the decision of the Commission before the CJEU.

Hence, the combination of measures 1.2 and 3.2 results in a new supplementary procedure for addressing cross-border infringements of consumer law. This procedure would only be triggered in the presence of EU-wide infringements (i.e., ⅔ of Member States and ⅔ of EU consumers potentially affected), provided that the infringement is one of those listed in the CPC Regulation (see **Annex 8**). The Commission's power to investigate and enforce is thus limited to specific, well-defined cases, where, due to the scale and nature of the infringement, enforcement at EU-level is better places to address the infringement, leading to a more significant reduction in consumer detriment and restoration of the level playing field. As such, the combination of these two measures aligns with the principles of subsidiarity and proportionality which govern EU action.

Under Measure 1.1, the preferred policy option includes an additional procedural tool that would enable the Commission to coordinate group investigations into similar infringements committed by multiple traders within the same sector (i.e., 'cluster inquiries'). Thanks to these cluster inquiries, the Commission and NCAs would be able to request information from numerous traders simultaneously to assess whether their practices are in compliance with EU consumer law and request changes if they are deemed inconsistent. Instead of having to coordinate numerous national actions launched in parallel (such as in the 16 actions against airlines in the COVID-19 context),

the CPC Network would be able to target several companies with a single procedure, resulting in significant efficiency gains and an increased effectiveness of the CPC Regulation in preventing a race-to-the-bottom in consumer protection standards. This measure is considered proportionate due to the high importance of addressing widespread infringements that may lead to market failures in certain sectors of the Single Market. The necessity for swift enforcement in these cross-border circumstances, with still a prominent role to be played by authorities under the coordination of the Commission, makes this measure consistent with the principle of subsidiarity.

The other measures presented under the Specific Objective 2 are amendments addressing specific criticalities that have emerged from applying the CPC Regulation. **Measure 2.1** aims to clarify that the CPC Regulation applies to traders established outside of the EU, ensuring that no CPC authority could refuse to participate in coordinated actions against such traders on the grounds of the narrower geographical scope of the CPC Regulation. As a legal clarification, this measure is not expected to have a significant impact but would help streamline cross-border enforcement of consumer law. **Measure 2.3** focuses on an increasingly important aspect in the area of public enforcement of consumer law: digital investigations. In this decade of digital transformation, the capacity of NCAs to identify and tackle unfair practices in online markets will be crucial for addressing consumer detriment. Through this measure, the Commission proposes to take on a larger role in supporting and coordinating the capacity-building of CPC authorities, including by allowing it to directly procure or develop e-enforcement tools for NCAs' use. The measure also proposes to facilitate the use of data-scraping tools in online investigations. Finally, **Measure 2.2** would close the potential enforcement gap identified regarding the SEPA Regulation. The latter provides for the prohibition to discriminate consumers (i.e., refusing payment) based on the nationality of their IBAN, but lacks a framework for being enforced in cross-border context. Thus, in line with the subsidiarity principle, this measure would fill this gap by including the relevant provisions of the SEPA Regulation in Annex I of the CPC Regulation.

Stakeholders' views

The Commission presented the idea to update the CPC Regulation, including direct investigation and sanctioning powers vested in the Commission, during several CPC Network meetings. During these meetings, where CPC authorities express views and make deliberations on matters of common interest, no authority opposed the option to provide, for certain well-defined cases, enhanced powers to this Commission, nor with regards to other measures presented under the preferred option. In addition, in its February 2026 conclusions the Council emphasises the need to strengthen the consistent and effective implementation, application and enforcement of EU consumer rules, including through closer cooperation among EU institutions and Member States' authorities and the active involvement of consumer organisations and relevant market actors. It further recognises the role of consumer organisations in enforcement, consumer awareness and the defence of consumer interests, and stresses the importance of involving civil society and independent entities in promoting those interests. [210]

[210] Council of the European Union, Conclusions on the 2030 Consumer Agenda, 26 February 2026, https://data.consilium.europa.eu/doc/document/ST-6634-2026-INIT/en/pdf.

During the 2026 update consultations conducted as part of the 2026 Impact Assessment support study, stakeholders remained supportive of measures proposing a stronger role for the Commission in those clearly defined, high-impact EU-wide cases. All national authorities interviewed and 35 out of 36 SLOs and NCAs surveyed[211] believed that providing the Commission with power to investigate and impose sanctions (measures 1.2 and 3.2) would be effective. Similarly, most national authorities surveyed also seem to support measure 1.1 (additional tools for cluster investigations and streamlining sector-wide investigations). National authorities generally viewed this option as a way to bypass national fragmented action and improve deterrence, avoid duplication and, thus, improve consistency and effectiveness of enforcement, especially in situations where the same unlawful practice is committed by several traders around the same time. National authorities did stress that the responsibilities allocated to NCAs would need to be clear, in order to guarantee meaningful engagement at the national level, and, to that effect, stressing the need for clear working procedures. Consumer organisations and businesses also expressed their support for this option, particularly in situations of large-scale, cross-border harm, where Commission action would be needed to avoid the too limited, fragmented national enforcement, striking a balance between national action and complementary actions by the Commission, only for clearly defined cases, respecting subsidiarity and avoiding parallel enforcement. The interviews and survey with NCA and SLO also highlighted the continued support for the measures 2.1 and 2.3, and to a less extent measure 2.2.[212]

Subsidiarity

In line with the subsidiarity principle enshrined in Article 5(2) TEU, the Union shall, in areas that do not fall within its exclusive competence, only act if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States but can, by reason of scale or effects, be better achieved at Union level. The investigation and/or enforcement of EU consumer law directly at the EU level must therefore be confined to certain infringements that, due to their nature and scope affect the Single Market in a way that enforcement action by Member States' competent authorities cannot be expected to address the detriment they cause to consumers' collective interests in an effective and consistent manner. Under the revised CPC Regulation, enforcement at EU level would be triggered in relation to the cases which are currently defined as widespread infringements with a Union dimension but which, in addition, breach one of the provisions added to the text of the Regulation ("hard core" infringements) or in the Regulations contained in the Annex. Definitions relating to the infringements will be adapted to allow for cluster investigations against several traders for the same or similar infringements at the same time.

8.1 APPLICATION OF THE 'ONE IN, ONE OUT' APPROACH

The preferred policy option is cost free for compliant businesses. It does not impose any new administrative burden on them. Instead, compliant businesses will benefit from an enhanced level

[211] Covering 20 EU Member States. Excluding the seven national authorities that responded "not sure" to this question.
[212] In the survey with NCA and SLO, 24 respondents out of 43 were "not sure" whether the inclusion of the SEPA Regulation under Annex 1 of the CPC Regulation would be effective, however this is likely related to the specific and technical nature of this proposed amendment.

playing field that fosters competition and promotes economic growth through an increased level of consumer protection in the EU.

9. HOW WILL ACTUAL IMPACTS BE MONITORED AND EVALUATED?

Objectives	Core indicators	Baseline	Target in 7 years
Provide cost efficient and rapid coordinated investigations procedures to tackle EU and sector wide infringements of consumer law	• Number of CPC enforcement actions. • Number of CPC cluster inquiries.	• Ca. 10 actions per year. • Currently there are no cluster inquiries.	• 15 actions per year on average. • At least 1 cluster inquiry run in each year.
Strengthen the powers of the CPC Network	Decrease of websites using "dark patterns" or other infringements committed online in a dedicated sweep.	37% of websites potentially violated UCPD due to dark patterns.	25% of websites employing dark patterns.
Provide additional procedures to effectively apply sanctions at the EU-level	Average non-compliance rate in the last three sweeps carried out at the end of the 7 years.	Sweeps in the last three years are often reporting non-compliance rates among 30% and 77% depending on the sector.	Maximum 40% of non-compliant businesses.

To assess the effectiveness of the preferred option, the following indicators have been identified in line with the objectives of the intervention. These indicators serve as the basis for its evaluation and establish targets to be achieved seven years after the entry into application of the revised CPC Regulation.

ANNEX 1: PROCEDURAL INFORMATION

1. LEAD DG, D*e*CIDE PLANNING/CWP REFERENCES

Lead DG	DG JUST
CWP reference	CWP 2023, "A new push for European democracy", 3.6

2. ORGANISATION AND TIMING

An Inter-Service Steering Group (ISSG) assisted DG JUST in the preparation of the Impact Assessment and legal proposal. It included Commission Services of 8 Directorate-Generals: DG for Financial Stability, Financial Services and Capital Markets Union (FISMA), DG Internal Market, Industry, Entrepreneurship and SME (GROW), DG Communications Networks, Content and Technology (CNECT), DG Mobility and Transport (MOVE), DG for Health and Food Safety (SANTE), DG Environment (ENV), DG Competition (COMP), DG Energy (ENER), together with the Commission's Legal Service (SJ) and Secretariat General (SG).

The ISSG held three meetings before the consultation of the Regulatory Scrutiny Board (RSB): on 26 August 2022, on 24 January 2023 and the last meeting on 20 March 2023. Pursuant to the requirements of the better regulation guidelines, the minutes of the last meeting were submitted to the RSB.

A fourth meeting took place on 7 July 2023 to discuss the changes following the positive with reservations opinion of the RSB.

3. CONSULTATION OF THE RSB

The RSB was consulted in an upstream meeting on 21 October 2022. The draft Impact Assessment report and all supporting documents were submitted to the RSB on 29 March 2023, in view of a hearing on 26 April 2023.

After the hearing, the RSB issued a positive with reservations opinion. Amendments to the impact assessment, following the revision requests listed in the opinion, are presented in the table below:

RSB recommendation	How the report has been modified in response
Box B - Summary of findings	
The rationale behind the design of the options is not sufficiently clear and the options do not present clearly the range of alternative policy choices.	The revised report lists all possible alternative policy choices in Chapter 7 ("How do the options compare?") and the corresponding annex (Annex 4 "Analytical methods"). The revised report further clarifies the rationale

	behind combining the different bundles of alternative choices into four policy options. It further explains why, due to the need of ensuring a coherent governance structure, certain policy choices were not included in the combined policy options.
The basis for the comparison of the options and the scoring of policy measures are not sufficiently comprehensive	The scoring methodology combined a multi-criteria assessment (effectiveness, efficiency and coherence) with the net economic benefit calculation used to underpin the efficiency assessment for the relevant alternative measures. The revised report further supports the comparison of the measures by a sensitivity analysis, i.e., testing whether the ranking of options might change when a different weighting is applied to effectiveness, efficiency and coherence. Based on this approach, it is possible to assess whether the preferred option remains robust under different weighting assumptions. In the revised report, this methodology is displayed in a more comprehensible manner in the comparison of policy options (Chapter 7 "How do the options compare"), and in the identification, description, and analysis of the preferred policy option (Chapter 8 "Preferred option"). Finally, the scoring and comparison of each policy measure and option are further described in Annex 4, under the section "Comparison of the measures".
BOX C - What to improve	
The report should clearly describe a range of alternative policy choices, particularly regarding the institutional governance (e.g. strengthened "network level" / national authority approach versus stronger Commission role) by examining and comparing alternative combinations of measures than currently presented in the preferred option. The report should be	The revised report further develops alternative policy choices in Chapter 7 ("How do the options compare?") and the corresponding annex (Annex 4 "Analytical methods"). The revised report further clarifies how the different measures relate to the two different enforcement stages (i.e., (i) investigation, and (ii) enforcement measures, including imposition of sanction in case of infringement of EU

explicit from the outset on the interdependencies between the individual policy measures, which ones are mutually exclusive, cumulative, or horizontally applicable to all combinations of measures. It should present more clearly how the measures relate to the different stages of the consumer protection enforcement process.	consumer law). The report now lists the different bundles of policy choices and explains why/how they are combined into four different policy options which ensure that the policy options assessed result in the creation of a coherent governance structure.
(2) The report should provide sufficient information on the basis for the comparison of the measures and their scoring. The assessment and comparison of the (and combinations of) measures on effectiveness, efficiency and coherence, and their scoring should be presented comprehensively and be supported by evidence. The underlying argumentation should be both measure-specific and integrative to cover the synergetic effects between related measures. All measures and options should be compared against the baseline.	The scoring methodology combines a multi-criteria assessment (effectiveness, efficiency and coherence) with the net economic benefit calculation used to underpin the efficiency assessment for the relevant alternative measures. The revised report further supports the comparison of the measures by a sensitivity analysis, i.e., testing whether the ranking of options changes when a different weighting is applied to effectiveness, efficiency and coherence. This approach makes it possible to assess whether the preferred option remains robust under different weighting assumptions. In the revised report, this methodology is displayed in a more comprehensible manner in the comparison of policy options (Chapter 7 "How do the options compare"), and in the identification, description, and analysis of the preferred policy option (Chapter 8 "Preferred option"). Finally, the scoring and comparison of each policy measure and option are further described in Annex 4, under the section "Comparison of the measures".
(3) The principles of proportionality and subsidiarity should feature more prominently in the comparison of options, such as with respect to the potential Commission's enhanced enforcement powers. The level of support from different categories of stakeholders (including from the Member States) should be clearly presented.	The revised report develops further the analysis of the subsidiarity and proportionality principles for each policy measure, in particular for measures related to the Commission's potential investigation and enforcement powers, in Chapter 5 (5.2 "Description of the policy options"), and in Annex 4 ("Analytical methods"). Stakeholders' views are presented for each measure in Chapter 6 ("What are the

	impacts of the policy options?") and further details are provided in Annex II ("Stakeholder consultation").
(4) The report should provide more extensive evidence on stakeholder views. The presentation of stakeholder feedback should be more elaborate and the acceptance of the different measures further detailed. For measures where stakeholder views are not presented, this should be justified.	The stakeholder views build on the evidence base presented in Annex II ("Stakeholder consultation") and was updated in 2026 to reflect up-to-date data. Based on this more extensive evidence base, the revised report ensures that the views of specific stakeholder groups are presented as part of the impact analysis of every policy measure (Chapter 6 "What are the impacts of the policy options?"), in addition differences across groups are explicitly highlighted where relevant; and the wording used accurately reflects the level of support. Finally, more information is provided in the stakeholders' views section of Chapter 8 ("Preferred option").
(5) The report should strengthen the impact analysis. It should further justify the assumptions used and clearly acknowledge the limitations of the analysis. It should strengthen the assessment of impacts on SMEs. To this end, it should further develop the SME test by explaining more clearly how the policy options may affect SMEs directly, or indirectly, including as regards the expected effects of this initiative on the level playing field for businesses. The report should improve the analysis of the social and environmental impacts and the impacts on fundamental rights so that it is clear what the differences between the measures are. It should present a summary of the costs and benefits for each option, including the net benefits.	The revised report further develops the impact analysis of the policy measures in Chapter 6 ("What are the impacts of the policy options?") and in Annex 4 ("Analytical method"). In particular, a specific SME test (Annex 6) was added to assess the impacts of the different policy measures on SMEs. The methodology for the SME test combines, where available, qualitative analysis with quantitative evidence. The revised report strengthens the analysis of the social and environmental impacts and the impacts on fundamental rights for each policy measure in Chapter 6 ("what are the impacts of the policy options?") and in Annex 4. Annex 4 ("Analytical method") presents a summary of the costs and benefits for policy measures. Finally, the net benefits of each option are presented in Chapter 7 ("How do the options compare?").
(6) The baseline scenario analysis should be revised to factor in the effects (quantitative	The revised report makes additions to the baseline scenario analysis in Chapter 5 ("5.1 what are the baseline from which options are

to the extent feasible) of the relevant EU legislation	assessed?") which includes further relevant EU legislation. The additions include up-to-date analysis of the effects of other legal frameworks which are shaping or will shape directly and indirectly consumer protection law in the EU (e.g., the Digital Services Act (DSA), the Digital Markets Act (DMA), EU KIDS Act, the revised Consumer Credit Directive (CCD), the Enforcement and Modernisation Directive, and the interaction with the Alternative Dispute Resolution (ADR) Directive and the Representative Actions Directive).

4. EVIDENCE, SOURCES AND QUALITY

The impact assessment is based on several sources, using both quantitative and qualitative data. However, the impact assessment was not supported by a dedicated study. These sources include:

Studies commissioned by the European Commission

- European Commission, Directorate-General for Justice and Consumers, Tetra Tech, '*Study to support the update of the Impact Assessment on the review of the CPC Regulation to strengthen enforcement of consumer protection*', 2026.
- European Commission: Directorate-General for Justice and Consumers, VVA, Tetra Tech, IPSOS, Hausemer, P. et al., *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* – Final report, Publications Office of the European Union, 2024.
- European Commission, Directorate-General for Justice and Consumers, Lupiáñez-Villanueva, F., Boluda, A., Bogliacino, F., et al., *Behavioural study on unfair commercial practices in the digital environment: dark patterns and manipulative personalisation: final report*, Publications Office of the European Union, 2022, https://data.europa.eu/doi/10.2838/859030.

Studies of the European Commission

- European Commission, '*Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*', {SWD(2024) 230 final}, 2024, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en
- European Commission, Consumers, Health, Agriculture and Food Executive Agency, *Study on measuring consumer detriment in the European Union: executive summary*, Publications Office, 2017, https://data.europa.eu/doi/10.2818/581911.

- Consumer Conditions Survey: Consumer at home in the Single Market – 2021 edition, available at Workbook: ConsumerConditionsSurvey (tableau.com).
- European Commission, produced by Consumers, Health, Agriculture and Food Executive Agency (Chafea) on behalf of Directorate-General for Justice and Consumers, *Survey on "Scams and fraud experienced by consumers": final report,* 2020, available at: survey_on_scams_and_fraud_experienced_by_consumers_-_final_report.pdf (europa.eu).
- European Commission, '2025 Consumer Condition Scoreboard' 14 March 2025, available at https://commission.europa.eu/strategy-and-policy/policies/consumers/consumer-protection-policy/key-consumer-data_en
- Market Monitoring Survey 2019-2020, available at Market Monitoring 2019-2020 - Factsheets by Market (europa.eu).

Publicly available dataset/information

- Data on sweeps (up to 2025).
- European Consumer Centres Network, Actions Reports.
- Eurostat.

ANNEX 2: STAKEHOLDER CONSULTATION (SYNOPSIS REPORT)

INTRODUCTION AND CONSULTATION STRATEGY

The objective of the consultation was to give all relevant stakeholders who are concerned by the Consumer Protection Cooperation (CPC) Regulation (EU) 2017/2394 and are therefore potentially affected by a targeted revision of that Regulation the opportunity to express their views on the different issued covered by this Impact Assessment Report.

The stakeholders which the Commission identified as relevant include in particular Member States' CPC **Single Liaison Offices** (SLOs) and **national competent authorities**, including where applicable, "**designated bodies**"[213], that are directly concerned by the CPC Regulation as regards their obligations to ensure effective cooperation with their counterparts in other Member States and the Commission and/or to execute requests for mutual assistance under the Regulation.

Moreover, the CPC Regulation establishes an "external alert mechanisms" that allows consumer or trader associations, empowered by Member States or the Commission for this purpose, to send alerts on suspected infringements. In this context, in particular the **European Consumer Organisation (BEUC)**, **national consumer organisations**, as well as the **European Consumer Centres (ECCs)**, funded by the Commission, have been identified as relevant stakeholders.

In addition, despite the fact that the CPC Regulation does not contain any direct obligations on compliant traders, the Commission identified as relevant stakeholders also businesses, as well as their representatives or consultancies at national and EU level, which have been in contact with the CPC Network and the Commission in the context of coordinated enforcement actions.

Finally, also views from consumers/citizens as well as from academics and researchers were considered for the purpose of the Commission's consultation activities on the targeted review of the CPC Regulation.

In 2026, the Commission carried out **additional stakeholder consultations to support the update of the Impact Assessment on the review of the CPC Regulation**. These additional consultations were designed to complement the evidence already gathered in the 2023 Impact Assessment and to provide further input on the functioning of the current CPC framework, the main enforcement challenges and the expected impacts of the reform options under consideration. The consultations involved national competent authorities and Single Liaison Officers, businesses, consumer organisations, European Consumer Centres, large market players and other relevant stakeholders, including through surveys and in-depth interviews

[213] "*Designated bodies*", under Article 7 of the CPC Regulation, are bodies having a legitimate interest in the cessation or prohibition of infringements of consumer law, e.g., national consumer organisations. They are designated by a Member State and instructed by a competent authority for the purpose of gathering the necessary information and to take the necessary enforcement measures (e.g., injunctions before the competent civil courts) available to them under national law in order to bring about the cessation or prohibition of the infringement, acting on behalf to that competent authority.

CONSULTATION ACTIVITIES AND TOOLS (2023 IMPACT ASSESSMENT)

All of these stakeholder groups have been reached by the following consultation activities:

- **Online surveys and in-depth interviews** with main stakeholders conducted in the framework of the study on the effectiveness of the CPC Regulation;

- **Backward-looking Open Public Consultation** (OPC) to assess the implementation of the CPC Regulation that run from 4 April 2022 to 27 June 2022;

- **Forward-looking OPC** to feed the Impact Assessment for the revision of the CPC Regulation that run from 28 September 2022 to 21 December 2022;

- **Call for Evidence** (CfE) for the Impact Assessment, which was launched together with the OPC on 28 September 2022;

- **Targeted consultations**;

- **Multilateral meetings with Member States**.

The public consultations were promoted using the communication channels put in place by the Commission for exchanges across the CPC Network and via social media to reach the general public. Their results were published on the "Have Your Say" portal.[214]

Throughout these consultation activities, all relevant stakeholders had the opportunity to express their views on:

- how to increase the speed and flexibility of the CPC framework to better respond to emerging market threats, including streamlining their powers and cooperation procedures to more effectively address threats affecting entire business sectors or coming from outside of the EU;

- which role the Commission could take in coordinating more effectively the work of CPC authorities and how the Commission could further contribute to their investigations and enforcement actions, including when it comes to the imposition of credible and deterrent fines against non-compliant businesses.

OVERVIEW OF CONSULTATIONS (2023 IMPACT ASSESSMENT)

This section provides an overview of the input received from all relevant stakeholders in the context of the different consultation activities carried out by the Commission.

a) Data-gathering study:

[214] The factual summaries of the various public consultation activities can be found here: https://ec.europa.eu/info/law/better-regulation/have-your-say_en

In November 2021, the Commission launched a **comprehensive study to assess the effectiveness of the CPC Regulation**. Besides desk research of the relevant academic literature, this study included **online surveys and in-depth interviews** of those stakeholders that the Commission considered to be directly affected by the application of the CPC Regulation, namely **CPC SLO's, CPC authorities, entities issuing external alerts**, as well as **traders who have been subject to CPC action**.

The tables below give an overview of the stakeholders who participated in the surveys:

	Stakeholder group	Number of responses
CPC authorities	Single Liaison Office (SLO)	8
	National CPC authority	68
	Both Single Liaison Office (SLO) and National CPC authority	16
	Designated body	4
	Other	6
	TOTAL	**102**
Entities issuing external alerts	Consumer organisation at EU level	2
	Consumer organisation at national level	13
	Consumer organisation covering more than one Member State	0
	Consumer organisation at local/regional level	0
	ECC Net organisation	18
	Business association at national level	1
	Other	1
	TOTAL	**35**
Traders concerned by CPC action	Marketplaces and digital services	1
	e-commerce	5
	Booking platform	2
	Search engine	1
	Car rental	3
	Social media	2
	Airlines	8
	TOTAL	**22**
	TOTAL NUMBER OF STAKEHOLDERS WHO PARTICIPATED IN THE SURVEY	**159**

In addition to the survey, the data gathering study was informed by in-depth interviews with relevant stakeholders, which aimed at gathering further insights on the application of the CPC Regulation. In total, 31 stakeholders were consulted. The following table provides an overview of the stakeholders interviewed:

Stakeholder group	Number of stakeholders interviewed
CPC authority	6
Trader	13

Business association	8
Consumer organisation	3
Other	1

While **individual consumers/citizens** were not explicitly targeted in the context of this study, it can reasonably be assumed that their experiences, regarding how compliance by traders with consumer protection laws has evolved under the CPC Regulation, are reflected in the feedback obtained from EU and national consumer organisations having the power to issue external alerts.

As regards the online survey, **35 entities having the power to issue external alerts from 20 countries**[215] **participated**, of which the majority represent consumers (i.e., 18 ECCs, 13 national and 2 EU-level consumer organisations). In addition, **one national trader organisation and one "other entity"**[216] participated. While according to the online survey only **half of these entities** reported that they had **made use of their power to issue external alerts**, it seems that **resources are a main issue**. Almost **one third** of these entities reported that the **preparatory work**, i.e., identifying all the parameters necessary for issuing an alert to the CPC system, would be **too costly** for them. In addition, these entities called for **more transparency on the state-of-play of CPC actions** and suggested to **better coordinate** among them and the CPC Network, in particular as regards the follow-up on their external alerts, in order **to make more effective use of scarce resources and to avoid duplication of work**. Finally, one EU-level entity which is very experienced with issuing external alerts reported that the **time lapse between an external alert** issued to the CPC system **and the launch of a coordinated action** by the CPC Network is **often too long** to result in effective enforcement action, in particular in the digital world.

22 traders that have been subject to a CPC coordinated action responded to the online survey, representing, as a majority, the airlines (8), e-commerce (5), and car-rental sectors (3). Most traders **acknowledge that the CPC Regulation contributes to a one-stop-shop approach** and that the **resources attributed to CPC enforcement actions**, which mostly concern the internal processes of discussing, validating and implementing commitments, are **rather low** (i.e., on average 1.6 FTEs). Almost a third of them (7), however stated that the **communication with the CPC Network could be even further improved** and that **good practices of cooperation between traders and competent authorities should be further disseminated** across the CPC Network.

The majority of replies to the online-survey were received from **competent authorities (i.e., 68 of the 102 replies received from national authorities), while 16 entities that are, at the same time, SLO and competent authorities, 8 SLOs and 4 "designated entities"** responded to the online-survey. Responses were received from all countries, except for Bulgaria, Croatia, Italy, and Liechtenstein, while the majority of replies was received from Germany (23.53%) which is not surprising due to the large number of different competent authorities in Germany. The fact that

[215] Belgium, Bulgaria, Denmark, Germany, Estonia, Greece, Spain, France, Italy, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Sweden.
[216] The entity under the category "other entity" was a regulatory enforcement body in telecommunications, postal and media sector, which also acted as ADR body.

only 4 designated entities responded to the online survey is also not surprising as the latter mainly exist in Germany and Austria, where consumer law is traditionally enforced by private entities through application to the relevant courts.

While **approximately one fourth of the respondents** in this category were **not in a position to comment**[217], the **majority** of respondents in this category **consider the CPC Regulation to be effective and generally well adapted to digital challenges and crisis situations**. Only **4 respondents** stated that the **CPC Regulation fails to timely respond to crises** and suggested to **consider introducing a "fast-track procedure"**, in particular where widespread infringements are ceased shortly after they occur but yet have considerable impact on consumers. **Several authorities** moreover reported that there is room for improvement as regards **diverging resources and capacities of competent authorities across Member States**. They suggested that the Commission could assume a more central role, including by carrying out **investigative and enforcement tasks** in some cases. **For others, the Commission should maintain its coordination role** and provide more **assistance on training and capacity-building**, especially in the areas of Information Technologies and Artificial Intelligence to effectively investigate new business practices in the digital sphere. Another issue, according to stakeholders from this category are the often **diverging interpretations of the law** which often results in lengthy discussions or "lowest common denominator" solutions that can negatively affect the effectiveness and deterrence of enforcement under the CPC Regulation. **One authority** therefore suggested to create the **possibility of one authority to take the necessary investigation and enforcement steps on behalf of the CPC Network** in case of widespread and EU-wide infringements, while **others** call for **stricter deadlines** and **closer cooperation** both between CPC authorities and the Commission Furthermore, as regards deterrence, **only half of the respondents in this category consider that the CPC Regulation has a deterrent effect** while the **other half** was **split between being uncertain and believing that the deterrent effect** of the current system is **limited** and that **further harmonisation measures** as regards the **imposition of fines** is necessary. As regards the costs associated to the implementation of the CPC Regulation, respondents in this category consider the **participation to coordinated actions as the leading authority** to be **most time-consuming and resource-intensive**, while **participation** in coordinated actions, in particular investigations, was considered as **somewhat resource-intensive**. Furthermore, several stakeholders from this category consider that **further streamlining and clarifying CPC procedures** would significantly **reduce costs** by lifting the administrative burden on authorities. Also **closer cooperation with consumer organisations** and other entities issuing external alerts could help **decreasing costs by avoid the duplication** of work and make more effective use of resources. Finally, **most respondents** in this category highlighted the **challenges to effectively enforce** the laws protecting consumers **where the trader responsible for the infringement is not located in the European Economic Area (EEA)**.

b) Open Public Consultations (OPCs):

[217] i.e. responded by "don't know" – in this context, it should however be noted that the CPC network comprises also a large number of specialised authorities, e.g., in the banking or financial sector which have not yet been subject to CPC action.

The Commission published two OPCs that, in line with the Commission's Better Regulation requirements, ran for a period of 12 weeks each.[218]

For its first backward-looking OPC, the Commission received 121 replies from 23 countries.[219] The largest number of replies, which mostly represented the views of consumers and consumer organisations, were received from Belgium (16), Germany and the Netherlands (each 15).

Respondents considered that the **key tasks for public enforcement authorities** should be to **raise awareness on consumer rights** (41%) and to **investigate and stop infringements** both at the national level and in cross-border situations (more than 55%). Moreover, **respondents from all groups agree that authorities in their countries are weak** when it comes to the protection of consumers **against illegal practices committed by traders not established in the EU**. As regards the **effectiveness of actions taken by public authorities** in their countries, the **views of consumers and traders significantly differed**, with the **majority of traders agreeing** that this was the case, while the **majority of consumers disagreed** with the statement that the actions taken by the public authorities in their countries are effective enough to ensure that consumer law is well respected.

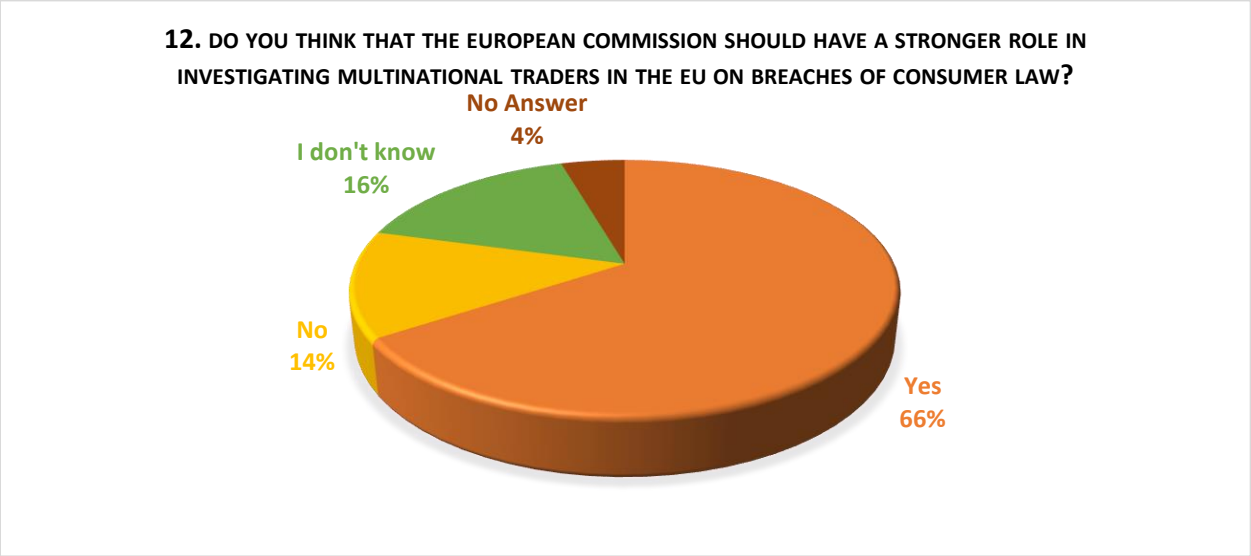
For its second forward-looking OPC (i.e., 28 September 2022 to 21 December 2022), the Commission received 111 replies from 23 Member States. The largest number of replies, which mostly came from consumers/citizens (30%), were received from Germany (16), Belgium (14) and France (11).

Consulted on their **awareness regarding the existence of public bodies** they could turn to in case of consumer problems, the **majority of respondents** (77%) reported that they **were aware while a minority** (17%) **was not aware**. Among the **four main challenges for consumer protection authorities**, respondents indicated:

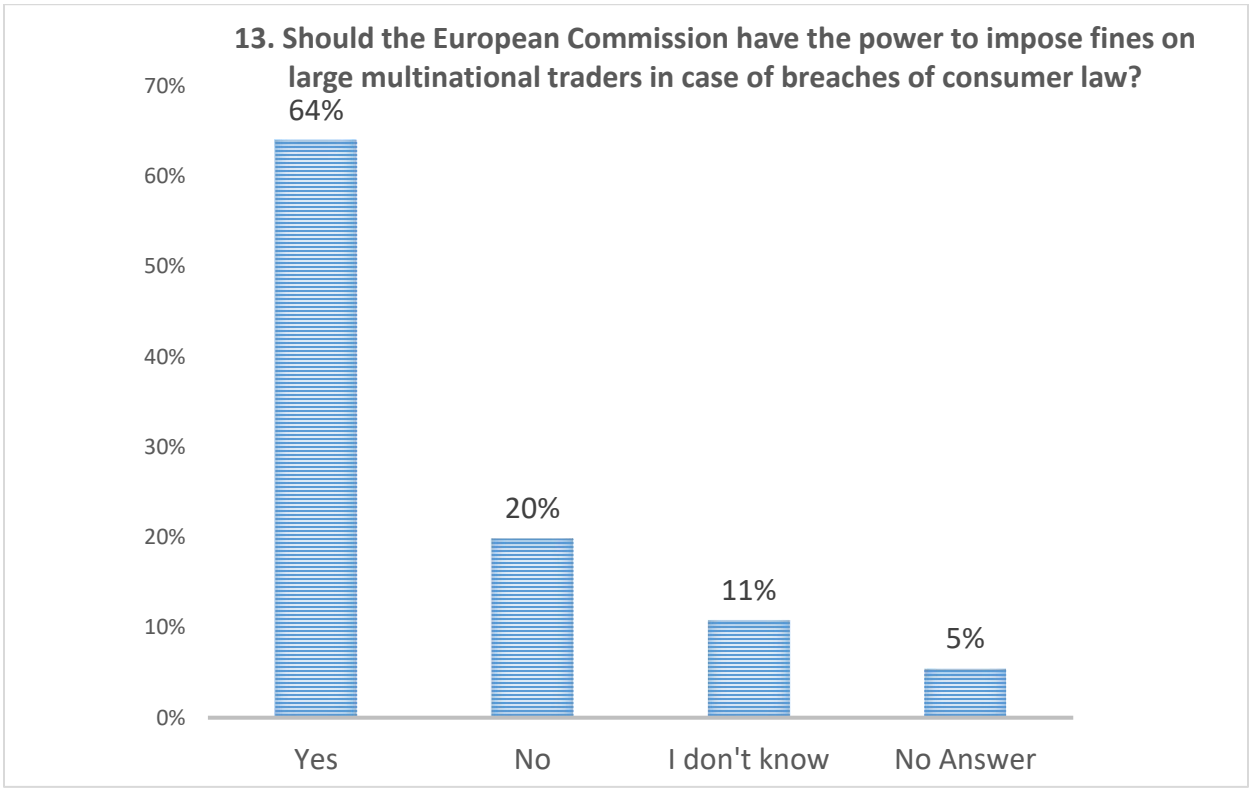
- **traders not established in the EU** (48%);
- **limited resources** (40%);
- the **lack of (effective) cooperation with authorities from other EEA countries** to tackle illegal practices in cross-border situations (36%); and
- **large online traders challenging the legal assessment of public authorities** (26%).

As a possible solution to address these challenges, the **vast majority** (66%) of respondents agree that the **Commission should have a stronger role in investigating multinational traders**. The pie chart below illustrates their views on the role of the Commission vis-à-vis large companies committing widespread infringements:

[218] Both OPCs included questions on enforcement by public authorities through the CPC network as well as on out-of-court dispute resolution tools made available to consumers under the Alternative Dispute Resolution (ADR) Directive 2013/11/EU and the Online Dispute Resolution (ODR) Regulation (EU) No 524/2013.
[219] 18 EU Member States, Iceland, Norway, the United Kingdom and the United States of America.



To increase the deterrence of public enforcement of consumer law, a majority of stakeholders who participated in the OPC also believes that the Commission should have the power to impose fines on large multinational companies. This is illustrated by the following chart:



c) Call for Evidence (CfE):

Between 28 September and 21 December 2022, in parallel with the second OPC, the Commission also published a CfE for which it received 14 replies from seven Member States.[220] The largest number of replies, which mostly came from traders and NGOs (each 4), business and trader associations (each 2), and competent authorities and individual consumers/citizens (each 1), from Belgium (4) as well as France and Slovakia (each 3).[221]

The European Consumer Organisation (BEUC), Ecommerce Europe, the Austrian Federal Economic Chamber (WKO), the German Advertising Federation (ZAW), the Council of European National Top-Level Domain Registries (CENTR), the Swedish Consumer Agency (SCA), and Booking.com, submitted detailed position papers in response to the CfE.

In their papers, BEUC, the SCA and CENTR highlighted the importance of **stepping up enforcement against traders established outside of the EU**. In this respect, **clarifying that the CPC Regulation is applicable also to third-country traders** is regarded as a necessary amendment. Moreover, CENTR and BEUC believe that the Commission should have the power to conclude **agreements with third countries to facilitate enforcement against non-EU traders**. The majority of the respondents, including Booking.com, expressed **support for the introduction of a procedure allowing the Commission and CPC authorities to conduct cluster inquiries** as this measure would enable a rapid tackling of simultaneous infringements in online markets while establishing a level playing field for businesses.

Ecommerce Europe, the WKO and ZAW shared the view that **the CPC Regulation is deterrent** and that **enforcement by competent authorities of the Member States**, including at the level of the CPC Network, is **largely effective**. Instead of **vesting direct investigative and enforcement powers in the Commission**, the latter should maintain its **coordination role** and **work towards a more consistent interpretation of both the procedural rules** under the CPC Regulation **as well as the substantive laws** contained in the Regulations and Directives in the CPC Regulation's Annex. However, BEUC stated that the **Commission should be entrusted with additional powers**, including the **possibility to launch and conduct investigations** and the **powers to impose fines** where traders fail to comply with consumer law and does not offer/respect commitments to remedy the infringements.

Finally, **BEUC, Ecommerce Europe and the SCA** call for **more transparency regarding the setting of enforcement priorities and the state-of-play of CPC coordinated actions** as well as an **increased role for external stakeholders**, e.g., the possibility to contribute and being formally consulted on enforcement activities

d) Bi- and multilateral meetings:

[220] Belgium, Germany, France, the Netherlands, Austria, Slovakia and Sweden.
[221] Four contributions, i.e., one by an individual consumer/citizen (anonymous) and three by NGOs (*Elektrosmog a zdravie, Europeans for Save Connections and OZ Bez bariéry - Národná platforma proti bariéram*), seem, in fact, to aim at answering different consultations as their submissions refer to health and safety considerations or accessibility that are neither covered by the current CPC Regulation nor envisaged to be included in the scope of the CPC Regulation in the context of the envisaged review.

The Commission regularly presented its plans to revise the CPC Regulation to Member States, both at the political and technical level, and provided regular updates in **various multi-lateral fora**, including **CPC Network meetings**, meetings of the **Consumer Policy Network**, or the **informal ministerial on consumer affairs** organised by the CZ Council Presidency in September 2022.[222]

In addition, the Commission engaged in extensive **bilateral exchanges with CPC SLOs and authorities of several Member States, as well as with BEUC**.

While the **feedback** received during these bi- and multilateral exchanges were overall **positive** regarding a targeted revision of the CPC Regulation, in particular as regards the **clarification of the Regulation's application to non-EU traders** and the **ability to act faster to address mass-harm situations during crises and against infringements affecting entire business sectors**, it has also become clear that there is **need for further discussions at the political level** to find a solution acceptable for all Member States, regarding an **enhanced role of the Commission**, in particular as regards the possible imposition of fines.

CONCLUSIONS AND CONSIDERATION OF THE FEEDBACK BY THE COMMISSION (2023)

The Commission included almost all of the contributions it received in the context of the various consultation activities in its Impact Assessment.

There seems to be **agreement among all stakeholder groups** having participated in the Commission's consultation activities that the targeted amendments to the CPC Regulation should include a **certain level of streamlining and clarification of CPC procedures**, including deadlines and the interpretation of certain provisions under the CPC Regulation, as well as a **clarification on the application of the Regulation to traders not established in the EU/EAA**.

Among **consumers/citizens and their representatives** there seems to be **consensus as regards the need to further increase the deterrence and effectiveness** of cross-border enforcement under the CPC Regulation. Opposed to some traders and trade associations, which believe that conferring direct enforcement powers upon the Commission would be "premature" at this stage, consumers/citizens and their representatives appear to clearly see a value-added in **vesting investigative and enforcement powers in certain, clearly defined cases** – e.g., crises situations or where infringements affect entire sectors –, **directly in the Commission**.

Member States, their CPC SLOs, authorities and "designated bodies" appear to be **divided in two "camps"** concerning the **vesting of investigative and enforcement powers** in certain, clearly defined cases **directly in the Commission**. **Some** suggest that the **Commission** should maintain and – in certain cases – further step up its **coordination role** under the CPC Regulation and **assist Member States' and their authorities in training and capacity building**. **Others**, by contrast, see the **clear need to vest investigative and enforcement powers directly in the Commission** to overcome existing challenges, in particular as regards infringements committed by **non-EU**

[222] Council of the EU, 'Informal meeting of consumer protection ministers', 22-23 September 2022, Council of the EU website, accessed 1 September 2026, https://www.consilium.europa.eu/en/meetings/epsco/2022/09/22-23/.

traders or infringements affecting entire market sectors, **to increase the deterrence and effectiveness** of the cross-border enforcement cooperation system under the CPC Regulation.

CONSULTATION ACTIVITIES AND TOOLS (2026 IMPACT ASSESSMENT)

In 2026, additional stakeholder consultations were conducted to support the update of the Impact Assessment on the review of the CPC Regulation. These consultations were designed to complement the evidence gathered in the 2023 Impact Assessment and to further explore the functioning of the current CPC framework, the main enforcement challenges and the expected impacts of the policy options under consideration.

The 2026 consultation programme consisted of the following activities:

- an **online survey addressed to NCAs and SLOs** from the 27 EU Member States and 3 EEA countries, hosted on the EU Survey platform;
- a **telephone survey targeting businesses**, consisting of 613 CATI interviews with businesses in six Member States;
- an in-depth **interview programme with national authorities, consumer organisations, ECCs, business organisations and large market players.**

The consultations were designed to obtain both quantitative evidence, through the surveys, and more detailed qualitative input, through the interview programme.

OVERVIEW OF CONSULTATIONS (2026 IMPACT ASSESSMENT UPDATE)

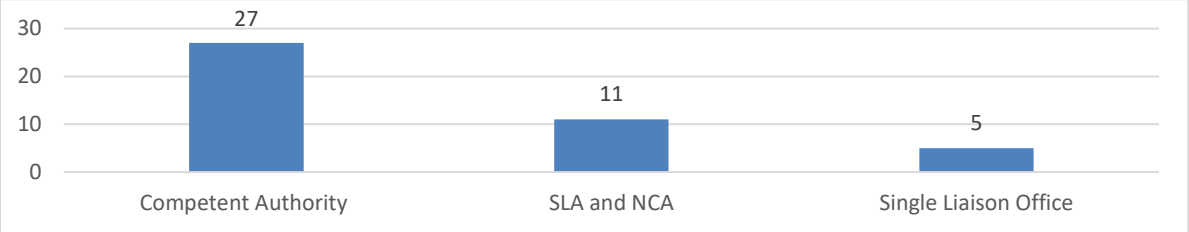
This section provides an overview of the input received from the 2026 consultation activities carried out by the contractor on behalf of the Commission.

a) NCA/SLO survey

The survey of NCAs and SLOs **received 43 responses from 20 EU Member States and 1 EEA country (Norway).** Over half of the responses (22 out of 43) came from authorities in just four Member States namely: Czechia (7), Austria (6), Ireland (5), Slovakia (5) and Italy (4)[223].

[223] This uneven distribution had methodological implications for the interpretation of results: aggregate findings are in several cases disproportionately shaped by these Member States with multiple respondents. This is particularly relevant given that several of these authorities reported limited or no direct CPC case-handling experience.

Figure 4: Distribution of authorities surveyed (N=43)



The survey confirmed that cross-border CPC enforcement remains a relatively limited part of the overall workload for many authorities, but that the cases in which they are involved are often resource-intensive and lengthy. Staff time and inter-authority coordination were identified as the main cost drivers, while cases involving traders established outside the EU were described as particularly challenging.

Authorities also reported a clear increase in enforcement challenges linked to digital markets over the last three years. The practices most frequently identified as problematic included dark patterns, online marketplaces, influencer and hidden advertising, subscription traps and algorithm-based pricing or ranking. Respondents considered that the entry into application of the DSA has had a positive impact on enforcement work, but also that it has created additional overlaps and coordination needs with consumer protection rules.

Views on the current deterrent effect of the CPC framework remained cautious. Authorities considered that the main shortcomings relate to the reliance on voluntary commitments, the absence of a clear and operational sanctioning framework in coordinated actions, procedural length, fragmentation across Member States and difficulties in addressing traders established outside the EU. In that regard, most authorities considered that the proposed reforms would improve enforcement, in particular measures strengthening EU-level investigative and sanctioning powers, clarifying the application of the CPC framework to non-EU traders and streamlining cooperation procedures.

A further recurring finding was that a more harmonised and directly applicable consumer protection framework could improve legal certainty and consistency of enforcement, although authorities also noted that such a reform would entail adaptation costs and would require clear guidance, sufficient resources and an effective transition period.

b) Business survey

The business survey consisted of 613 completed interviews across six Member States with businesses of different sizes and in different sectors as presented in the tables below.

Table 7: Business survey respondents by country, size and sector (N= 613)

Member State	Number of respondents

France	103
Germany	103
Italy	103
Poland	101
Spain	102
Sweden	101
Total	**613**

Size	**Number of interviews**
Micro (<10 employees)	236
Small (10–49 employees)	176
Medium (50–249 employees)	162
Large (250+ employees)	39
Sector tier	**Number of interviews**
Core e-commerce and digital services	363
Travel and mobility	117
Traditional retail with digital transformation	133

The survey suggests that compliance burdens are generally perceived as manageable, with most businesses estimating only limited effects on consumer prices and annual turnover. Larger traders were more likely than SMEs to report dedicated compliance staff, while SMEs more often relied on external advisers.

The survey also indicates that compliance costs are generally seen as part of broader operational and organisational functions rather than as a distinct standalone expense. Most businesses estimated that compliance with EU consumer protection rules has only a limited effect on prices and turnover, and that administrative costs represent only a relatively small share of overall compliance costs. At the same time, businesses were cautious in their estimates and often noted that compliance costs are difficult to isolate precisely, particularly where they are embedded in wider legal, technical and governance processes.

The survey further suggests that competitive pressure from non-EU traders remains a significant concern. Businesses reported that competition from non-EU traders has increased or remained stable over the last two years, and that the main effects have been pressure on margins, loss of sales and reduced or delayed investment. Many respondents considered that more centralised enforcement would improve their competitive position vis-à-vis both non-compliant EU traders

and non-EU traders, while having little effect on their compliance costs or administrative burden. The main concerns identified were lengthy procedures, fragmentation across Member States, and difficulties in enforcing rules against non-EU traders.

Overall, the business survey indicates support for more coherent and more centralised enforcement, particularly where this would help level the playing field and improve deterrence without creating significant additional compliance costs.

c) Interview programme

The 2026 interview programme covered national authorities, consumer organisations, ECCs, business organisations and large market players.

Table 8: Interviews conducted

Stakeholder group	Geography	Number of interviews
National authorities (NCAs/SLOs)	France, Germany, Italy, Poland, Spain, Sweden	7
Consumer organisations	EU-level	2
Consumer organisations	National level	6
ECCs	National level	4
Business organisations	EU-level	10
Business organisations	National level	3
Large market players	EU/international level	8
Total		**40**

National authorities generally emphasised that consumer protection challenges are increasingly shaped by digital and cross-border markets, with particular concern about dark patterns, misleading advertising, algorithmic practices, subscription traps and difficult-to-trace traders. Several authorities noted that the main issue is not necessarily an overall increase in the number of infringements, but rather a shift towards more complex, faster-moving and harder-to-enforce practices. They also highlighted the practical difficulties of identifying traders, gathering evidence and ensuring timely follow-up, particularly where businesses operate through online marketplaces or from outside the EU.

Consumer organisations and ECCs broadly shared this assessment. They underlined that harmful practices are increasingly cross-cutting, opaque and difficult for consumers to detect, especially where business models rely on platforms, intermediaries, hidden advertising or temporary websites. They also stressed that consumers often do not see clear enforcement outcomes, which

weakens trust in both the market and the enforcement system. In their view, the main weakness of the current framework is that it is still too slow and reactive for fast-moving digital markets.

Business stakeholders confirmed that e-commerce, platform-mediated transactions and third-country traders are increasingly important features of the enforcement landscape. They pointed to misleading marketing, fake reviews, fake discounts, dark patterns, subscription traps and trader-traceability issues as the practices that currently create the greatest compliance and enforcement challenges. While several respondents considered that many of these issues are already covered by existing EU legislation, they stressed that the main problem lies in fragmented enforcement, overlapping frameworks and uneven implementation across Member States.

There was also a strong and consistent focus on traders established outside the EU across all stakeholder groups interviewed. Interviewees considered that these traders continue to pose particular enforcement difficulties and can create competitive distortions where they are harder to trace, harder to engage and harder to sanction in practice.

Overall, the interviews supported the view that the CPC framework remains useful but is under strain in digital and cross-border cases. Stakeholders were generally supportive of reforms aimed at strengthening EU-level enforcement, clarifying the application of the CPC framework to non-EU traders, streamlining cooperation procedures and improving deterrence.

CONCLUSIONS AND CONSIDERATIONS OF THE FEEDBACK (2026)

The 2026 stakeholder consultations broadly confirmed the main findings already identified in the 2023 IA. In particular, the additional surveys and interview evidence reinforced the view that CPC enforcement remains constrained by fragmentation, procedural length, resource disparities and practical difficulties in tackling non-EU traders and fast-moving digital practices. The consultations showed broad support for measures aimed at strengthening the effectiveness, coherence and deterrent effect of the CPC framework.

There seems to be agreement across stakeholder groups that the targeted amendments to the CPC Regulation should include a certain level of streamlining and clarification of CPC procedures, including deadlines and the interpretation of certain provisions under the Regulation, as well as clarification of its application to traders not established in the EU/EEA. This was consistent with the 2023 findings.

There is clear support for stronger deterrence and more effective cross-border enforcement. The 2026 consultations reinforced the view that more decisive action is needed in cases involving widespread harm. Stakeholders were generally supportive of a stronger Commission role, while stressing that any such role would need to be clearly defined, limited to appropriate cases and accompanied by robust procedural safeguards. The 2026 consultations therefore suggest that the main debate is less about whether the Commission should play a stronger role than about how such a role should be designed in practice, in particular as regards the allocation of responsibilities, the scope of the Commission’s powers and the interaction with national authorities.

Overall, the 2026 consultations broadly confirmed the 2023 IA and showed a generally supportive stance towards reform.

ANNEX 3: WHO IS AFFECTED AND HOW?

1. PRACTICAL IMPLICATIONS OF THE INITIATIVE

The initiative will impact consumers, businesses, the Commission and consumer protection national authorities.

The CPC Regulation is a procedural regulation. It does not impose new obligations on traders. On the contrary, by ensuring more levelled markets and offering a one stop shop approach, benefits are expected for all businesses which are operating in compliance with EU laws protecting consumers. Legal certainty should improve, compliance and litigation costs decrease. On the other hand, businesses, which do not respect consumer law, may incur costs to change their business practices, litigate and eventually be fined. Such costs which result from their non-compliance are not accounted for in this impact assessment.

2. SUMMARY OF COSTS AND BENEFITS

I. Overview of Benefits (total for all provisions) – Preferred Option		
Description	***Amount***	***Comments***
Direct benefits		
Reduction of resources allocated to the CPC Network	EUR 15 million for Commission investigating for the Network	National authorities
Reduction of detriment	**EUR 0.6 billion** for cluster inquiries **EUR 2.7 – 3.3 billion** for the new investigative power of the Commission with binding deadlines or EUR 2.1 – 2.3 billion with no biding deadlines	Consumers
Administrative cost savings related to the 'one in, one out' approach		

II. Overview of costs – Preferred option						
	Citizens/Consumers		**Businesses**		**Administrations**	
	One-off	**Recurrent**	**One-off**	**Recurrent**	**One-off**	**Recurrent**

Action (a)	Direct adjustment costs						
	Direct administrative costs						
	Direct regulatory fees and charges						
	Direct enforcement costs						**EUR 27.5 million** for Commission to carry out investigations concerning EU wide (high-impact) cases **EUR 4 million** for Commission to exercise its power to impose sanctions **Total EUR 31.5 million (Commission)**
	Indirect costs						

1. *Estimates (gross values) to be provided with respect to the baseline; (2) costs are provided for each identifiable action/obligation of the <u>preferred</u> option otherwise for all retained options when no preferred option is specified; (3) If relevant and available, please present information on costs according to the standard typology of costs (adjustment costs, administrative costs, regulatory charges, enforcement costs, indirect costs;)*

III. Contribution to the administrative burden reduction targets – Preferred option(s)					
Administrative costs [M€]	**New recurrent costs (INs)** (nominal values per year)	**Removed recurrent costs (OUTs)** (nominal values per year)	**Net cost (INs – OUTs)** (nominal values per year)	**New one-off costs (INs)** (annualised total net present value over the relevant period)	**Removed one-off costs (OUTs)** (annualised total net present value over the relevant period)
All businesses					
• in which SMEs					
Public administrations	New recurrent cost to Commission:	Recurrent cost reduction to MS	-€ 1,830,000		

	€ 3,590,000 (measure 1.2 and 3.2)[224]	authorities: € 1,760,000 (measure 1.2)			
Citizens					

RELEVANT SUSTAINABLE DEVELOPMENT GOALS

IV. Overview of relevant Sustainable Development Goals – Preferred Option(s)		
Relevant SDG	**Expected progress towards the Goal**	**Comments**
SDG no. 12 – Responsible production and consumption	Target: 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. Indicator: 12.6.1 Number of companies publishing sustainability reports. Limited progress is expected as in particular cluster inquiries under the new CPC Network operational framework would be able to directly encourage large companies to adopt sustainable practices in line with consumer law, and in particular to avoid "greenwashing" market practices.	N/A

[224] 3% discount rate applied.

ANNEX 4: ANALYTICAL METHODS

This annex lists some more details on the calculations of the economic impacts presented in Chapter 6 of the Impact Assessment. It also highlights the multi-criteria analysis that was used to compare the measures.

Preliminary remark: The CPC Regulation is a procedural regulation. It does not contain substantive provisions of consumer law nor does it impose new obligations on traders. On the contrary, by promoting a level playing field and offering a one-stop-shop for traders, it provides advantages to all businesses operating across borders in compliance with EU consumer laws by strengthening legal certainty and curbing compliance and litigation costs. Conversely, businesses whose commercial practices are inconsistent with consumer law may potentially incur costs associated with having to change of their practices, litigation and fines. The costs resulting from their non-compliance are not taken into account in the context of this impact assessment.

Impacts over a 10 year horizon are actualised at present value with sums discounted with a standard rate of 3%.

ASSESSMENT OF THE MEASURES

Specific Objective 1: PROVIDE COST EFFICIENT AND RAPID COORDINATED INVESTIGATIONS PROCEDURES TO TACKLE EU AND SECTOR WIDE INFRINGEMENTS OF CONSUMER LAW

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
Measure 1.1 **COM competent to carry out cluster inquiries with the assistance of NCAs**	A new procedure whereby competent authorities concerned by widespread infringements that have common features, including the same unlawful practice, the same	**Consumers/ Citizens** Benefits: As this policy measure would allow the Commission to quickly conduct parallel	**Consumers/ Citizens** Benefits: Timely removal of dark patterns and other infringements would reduce psychological	**All Stakeholders** Benefits: Limited impact but cluster inquiries into "greenwashing" will allow for a quicker removal	**Consumers/ Citizens** Positive: **(Article 38 CFREU)** This policy measure would increase the level of consumer protection, as more

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	interest being infringed and that are occurring concurrently or in close temporal proximity, should have the power to cluster these infringements and the traders concerned in one coordinated action. Competent authorities should set out the outcome of their investigations in one common position that is, where necessary, taking into consideration the specific features of each trader's conduct, agreed among them. The Commission would coordinate actions that concern several traders simultaneously and	investigations of multiple traders across a business sector and thus prevent a "race to the bottom", the annual consumer detriment caused by widespread infringements would decrease. Consumers would benefit from time saved in launching action (e.g., airlines action) / follow-up to ensure level playing field (e.g., booking accommodation action). With cluster inquiries the Commission would be able to open the investigation immediately	distress suffered by consumers online. By helping to restore the level playing field, competitiveness in the sector increases and thus employment. <u>Costs</u>: Some citizens employed by businesses found in non-compliance thanks to the new cluster investigations might have to find a new employment in more virtuous businesses and incur the frictional costs of the job market.	of the practices, enabling consumer to redirect their attention to real sustainable consumer choices and hence contributing positively to the environment.	traders would be brought into compliance through cluster inquiries.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	communicate the common position simultaneously to all traders concerned. This measure complies with the principle of subsidiarity: national authorities would remain competent to carry out the investigations while the coordination by the Commission would provide added value in ensuring coherence and consistence in cases with common features and involving several traders. The measure is also in line with the principle of proportionality: clustering related infringements involving multiple	following an external alert. In the airlines action this was done, given the current procedure, only after 5 months. The action recovered 50 million euro for consumers and lasted 7 months after the opening and covered reimbursement of tickets to consumers in a span of 12 months. Stopping the infringement 5 months earlier would then imply EUR 21 million of detriment that would not take place, plus a 2% annual interest rate over the EUR 50 million remaining to consumers for those 5 months, i.e., EUR			

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	traders can reduce duplication of investigations and ensure consistent assessment while the coordination role of the Commission is limited to these specific investigations and thus proportional.	400,000, for a total of EUR 21.4 million per year. On the 10-year horizon, this means (with a 3% discount factor) approximately **EUR 564 million of consumer benefit under this policy measure.** Costs: 0			
		Businesses Benefits: This measure would foster the level playing field for businesses, which would benefit virtuous businesses already aligning their commercial practices to consumer law. The restoration of the playing field,	**Businesses** Benefits: Improvements in corporate culture for businesses in affected sectors, given their agreement to undertake commitments on a voluntary basis. Costs: 0		**Businesses** Positive: **(Article 16 CFREU)** This policy measure would have a positive impact on the freedom to conduct a business as it increases competition within certain market sectors /

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		together with the increase in the cost of non-compliance, and the higher consumer trust and, hence, market demand, can also improve the competitiveness of EU traders. <u>Costs</u> Businesses, which comply with EU law, would have to reply to Requests for information / surveys. Negligible administrative costs could arise from the change in procedures.			competitiveness of virtuous businesses
		SME Test <u>Benefits:</u> No direct impacts expected; indirect benefit	**SME Test** <u>N/A:</u> SMEs not likely to falling within the scope of cluster inquiries,		**SME Test** **N/A**

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		through a fairer level playing field. Costs: No direct costs for SMEs expected; SMEs are likely outside the main scope. of cluster inquiries, which target mainly large traders.	which target mainly large traders		
		Commission Benefits: more efficient use of resources for current actions. Costs: More efficient use of resources due to bundling of potential separate enforcement actions. As for enforcement costs, some additional workload would fall	**Commission** **N/A**		**Commission** **N/A**

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		upon the European Commission. The CPC Regulation already preserves the right of competent authorities to conduct investigation and enforcement actions against more than one trader for similar infringements. The added value of the proposed cluster-inquiry measure is a dedicated, streamlined procedural whose additional FTEs are included for handling centralised actions (see measure 1.2 below) and hence not accounted here to avoid double regulatory counting.			

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Public Authorities <u>Benefits</u>: More clustering and Commission coordination would reduce their workload. The impacts would depend on whether the resources freed were devoted to other cases and CPC activities (hence, no enforcement cost savings, but higher deterrence effect) or whether the reduction in workload implied a savings in CPC resources, hence generating enforcement cost	**Public Authorities** **N/A**		**Public Authorities** **N/A**

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		savings for the NCAs. <u>Costs</u>: The extra coordinating resources for the Commission would balance the need for extra resources for authorities, for which the impact would be neutral.			
Measure 1.2 **COM competent to carry out, under certain conditions, investigations for EU-wide infringements**	The Commission can launch and conduct investigations if it has the reasonable suspicion that a widespread infringement with Union dimensions is taking place when: • CPC authorities agree • hardcore infringements • urgency	**Consumers/ Citizens** <u>Benefits:</u> Based on the CPC Network's experience, it can be estimated that the Commission would investigate up to six cases per year. Based on the CPC Network's experience, it can be estimated that the Commission would	**Consumers/ Citizens** <u>Benefits:</u> Timely removal of dark patterns and other infringements would reduce psychological distress suffered by consumers online. By helping to restore the level playing field, competitiveness in	**All Stakeholders** No environmental impact	**Consumers/ Citizens** <u>Positive:</u> **(Article 38 CFREU)** This policy measure would increase the level of consumer protection, as a result of quicker investigations.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	The measure complies with the principle of subsidiarity: Commission direct investigative and enforcement powers are confined to certain infringements that due to their nature and scope affect the Single Market in a way that enforcement action by Member States' competent authorities cannot be expected to address in an effective and consistent manner. The measure is also proportionate: the conferral of direct investigation and enforcement powers on the Commission is limited in scope and justified by the	investigate up to six cases per year. To measure impacts, it is assumed that all these cases would replace infringement that would have been prosecuted by means of coordinated actions under the baseline scenario. If the Commission handles six of the existing cases and the NCAs use the resulting additional capacity to take on further cases within the CPC Network, the overall number of cases handled is expected to increase. This is expected to increase the reduction on consumer	the sector increases and thus employment. <u>Costs:</u> No additional costs		

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	nature of infringements concerned and is necessary to ensure consistent, swift and effective enforcement.	detriment[225] by 30% because of the increased deterrence compared to the current level of CPC activities, corresponding to EUR 210 million per year of additional reduction compared to the baseline (EUR 1.8 billion over 10 years). Consumer detriment would also decrease as a result of quicker investigations on Union-wide infringements. This would emerge from the procedural streamlining under two different scenarios. Under the			

[225] The consumer-detriment assessment uses the DFA Impact assessment estimate of approximately EUR 10.3 billion in annual post-redress financial detriment in digital consumer markets. This is the most recent EU-wide estimate of consumer detriment and is closely aligned with the digital markets in which many coordinated CPC actions arise.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		first one the overall duration would become 2 months shorter due to reduced coordination procedures. In this case the potential reduction of consumer detriment is estimated at as much as EUR 0.4 billion over a 10-year period, (with a sensitivity range of EUR 0.3-0.5 billion). Under the second scenario, the introduction of the binding deadlines would reduce the overall duration to up to 12 months, resulting in a reduction of consumer detriment of EUR 1.2 billion			

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		over a 10-year period, (with a sensitivity range of EUR 0.9-1.5 billion). Centralised investigations, and clearer allocation of responsibilities would further strengthening deterrence, shortening consumers' exposure to unlawful practices. <u>Costs:</u> No additional costs associated with this measure			
		Businesses No change in costs for compliant businesses	**Businesses** No expected social impacts for businesses.		**Businesses** <u>Positive</u> **(Articles 47 and 48 CFREU)**

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
					COM's power to investigate would be accompanied by procedural safeguards guaranteeing the right to defence.
		SME Test <u>N/A:</u> SMEs are out of the scope of this measure. This measure may still generate indirect benefits for SMEs through stronger enforcement and reduced unfair competition.	**SME Test** <u>N/A:</u> SMEs are out of the scope of this measure. This measure may still generate indirect benefits for SMEs through stronger enforcement and reduced unfair competition.		**SME Test** <u>N/A:</u> SMEs are out of the scope of this measure. This measure may still generate indirect benefits for SMEs through stronger enforcement and reduced unfair competition.
		Commission <u>Benefits:</u> No additional benefits <u>Costs:</u> Granting the	**Commission** **N/A**		**Commission** **N/A**

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Commission the power to investigate and enforce Union-wide infringements would require additional administrative capacity. Each investigation is estimated that would employ two case handlers and one administrative support staff member. Considering six cases, this corresponds to 18 FTEs, in addition to the current 9 FTEs. The annual costs of the 18 additional FTEs correspond to around EUR 3 million (approx. EUR 27.5 million over 10 years).			

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Based on the evidence available, the existing capacity of the eLab is considered sufficient to accommodate the expected increase in workload. Consequently, no additional IT infrastructure or operational costs are assumed under these measures. Similarly, the resources deployed for capacity building are expected to remain stable. **Total additional costs in 10 years: EUR 27.5 million**			
		Authorities	**Authorities**		**Authorities** **N/A**

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Benefits: The cases handled directly by NCAs are expected to decrease from 10 to 4 (-30%). As a result, NCAs could save up to approximately 30% of the total enforcement costs, i.e. EUR 1.8 million per year, or EUR 15.4 million over a ten-year period, corresponding to around 15 FTEs across the Network. Part of these costs would be incurred when the Commission would ask for assistance. These 15 FTEs could be reallocated to addressing three additional CPC actions	Benefits: Authorities can reallocate resources on national interest enforcement actions. Costs: Reduced investigative power on union wide infringements, although authorities would be able to comment on a voluntary basis any document related to actions that the Commission will promptly share.		

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Costs: no identified costs.			
Measure 1.3 **NCAs concerned delegate to one NCA the power to carry out investigations "on their behalf"**	When the CPC Network has the reasonable suspicion that a widespread infringement is taking place, it can authorize an authority to conduct an investigation and engage in a dialogue with the trader. The CPC authority must act on behalf of the whole network and seek EU-wide commitments from the trader. The measure is fully in line with subsidiarity principle: national authorities remain fully competent to carry out	**Consumers/ Citizens** Benefit: Consumer detriment would decrease as a result of quicker investigations on Union-wide infringements. By prioritizing certain cases over others, the CPC Network would only address a share of the annual consumer detriment, which can be assumed to be up to ⅔ of the total consumer detriment. We could then estimate a potential	**Consumers/ Citizens** Benefits: Timely removal of dark patterns and other infringements would reduce psychological distress suffered by consumers online. By helping to restore the level playing field, competitiveness in the sector increases and thus employment. However, investigations conducted by one single national authority might fail	**All Stakeholders** No environmental impact	**Consumers/ Citizens** Positive: **(Article 38 CFREU)** This policy measure would increase the level of consumer protection as a result of quicker investigations, even though this positive impact could be lessened by the national authority's failure to take into account the collective interest of consumers in other EU Member States

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	investigations while the investigation by one authority acting on behalf of the network would allow to address the cross-border practice more effectively and more swiftly. The measure complies with the principle of proportionality: it is limited to widespread infringements while the mandate of the authority is defined and is carried out in coordination with other competent authorities.	maximum benefit, purely theoretical, if the ⅔ of EUR 10.3billion in annual detriment.[226] **Consumer detriment could be reduced** through faster investigations of Union-wide infringements. This would be achieved by eliminating time-consuming coordination meetings between the Commission and NCAs to reach a common position on the infringement at CPC level. Under strict deadlines **consumer detriment could potentially**	to take into account the differences in the practices across Member States <u>Costs:</u> No additional costs		

[226] European Commission, *Commission Staff Working Document: Fitness Check on EU consumer law on digital fairness*, 2024, SWD(2024) 231 final, https://commission.europa.eu/document/707d7404-78e5-4aef-acfa-82b4cf639f55_en.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		decrease by EUR 0.9 billion over a 10-year period, (with a sensitivity range of EUR 0.7-1.0 billion).[227] If strict deadlines were not introduced, it is expected that the simpler process would still reduce the duration of cases. Under the assumption that two months were cut from the procedures, **consumer detriment could potentially decrease by as much as EUR 0.6 billion over a 10-year period, (with a sensitivity range**			

[227] Assuming a 12-month deadline for centralised cases handled by the EU Commission.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		of EUR 0.4-0.7 billion) <u>Cost:</u> No additional costs associated with this measure.			
		Businesses No change in costs for compliant businesses.	**Businesses** No expected social impacts for businesses.		**Businesses** No relevant impact.
		SME Test <u>N/A:</u> No direct SME impact; indirect market-level benefit only.	**SME Test** <u>N/A:</u> No direct SME impact; indirect market-level benefit only.		**SME Test** No direct SME impact; indirect market-level benefit only.
		Commission <u>Benefits:</u>	**Commission** <u>N/A</u>		**Commission** <u>N/A</u>

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		This policy measure would also reduce the EU Commission's resources actually spent on coordinating the work of multiple NCAs. However, this is a redistribution effect because, based on available information, it is considered that those resources currently deployed for coordination will be spent on centralised actions. These resources are not accounted as additional costs under measure 1.2 and, consequently, not as cost savings under measure 1.3. <u>Costs:</u>			

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		No additional costs.			
		Authorities Benefits: Allowing NCAs to delegate investigations to a single lead authority would reduce the need for lengthy coordination meetings and parallel investigative activities. Although the lead authority would bear a larger share of the operational workload, the Network as a whole would benefit from lower administrative costs and more efficient use of enforcement resources.	**Authorities** Benefits: Authorities can reallocate some resources on national interest enforcement actions thanks to smaller involvement in coordinated investigation. Costs: No additional costs		**Authorities** N/A

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		<u>Costs:</u> The designation of a lead NCA would redistribute enforcement efforts within the CPC Network. While the lead authority is likely to incur higher costs due to its greater investigative and coordination responsibilities, the cooperating NCAs would correspondingly face lower resource requirements. The net economic impact on the lead authority cannot be quantified, as it will depend on the detailed design of the revised CPC procedures, including the			

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		allocation of investigative tasks, the degree of procedural streamlining, and the level of operational support provided by the cooperating authorities.			
Measure 1.4 **Investigations for widespread infringements to be carried out by a newly established EU body**	Newly established independent body takes up investigative powers for widespread infringements and widespread infringements with a Union dimension and may require national competent authorities to provide operational assistance. The measure would comply with the principle of	**Consumers/ Citizens** <u>Benefits:</u> Consumer detriment would decrease as a result of quicker and more numerous investigations on cross-border infringements. Thanks to the larger availability of resources, the body would be able to follow-up on each alert it receives from CPC	**Consumers/ Citizens** <u>Benefits:</u> Effective investigations and timely removal of dark patterns and other infringements would reduce psychological distress suffered by consumers online. By helping to restore the level playing field, the body would	**All Stakeholders** The carbon footprint of the body would not be negligible. Some floors or an entire building would consume energy. If established outside Brussels, it would imply frequent travelling. More paper would also	**Consumers/ Citizens** <u>Positive:</u> **(Article 38 CFREU)** This policy measure would increase the level of consumer protection, as a result of quicker and more effective investigations.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	subsidiarity: an independent body would provide an added value through one investigation, single strategy and assessment as well as effectiveness. The national competent authorities would remain involved by providing operational guidance. The measure is also in line with the principle of proportionality: it would be limited to widespread infringements allowing to address them in an effective and consistent manner. The operational guidance by national authorities is	authorities / other bodies (79 in 2020, 25 in 2022) and therefore open more actions than in the baseline scenario (currently about 10 actions per year). Due to limited resources, the CPC Network under the baseline scenario has to select the cases to investigate based on certain criteria, including the high potential reduction of consumer detriment. By prioritizing certain cases over others, the CPC Network would only address a share of the annual consumer detriment, which can be	increase competitiveness in the sector and thus employment. <u>Costs:</u> No additional costs.	be used given to the establishment of an independent administration.	

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	intended to complement rather than duplicate the investigative capacities of national authorities.	assumed to be up to ⅔ of the total consumer detriment. The body, on the other hand, would have the resources to address the entirety of the annual consumer detriment. Hence, for the ⅔ of the detriment, i.e., EUR 17 billion, the benefit of the body would be identical to option 1.2: EUR 2.8 billion in 10 years; for the remaining 1/3 of the detriment the body would have a potential of maximum reduction of EUR 1.5 billion (the remaining EUR 9 billion divided by 6) in 10 years, for **a**			

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		theoretical maximum reduction of EUR 4.3 billion in 10 years. <u>Costs:</u> No additional costs associated with this measure.			
		Businesses No change in costs for compliant businesses.	**Businesses** No expected social impacts for businesses.		**Businesses** <u>Positive:</u> **(Article 38 CFREU)** This policy measure would increase the level of consumer protection, as a result of quicker and more effective investigations. **(Article 48 CFREU)** The body's power to investigate would be accompanied by

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
					procedural safeguards guaranteeing the right to defence of the trader.
		SME Test <u>N/A:</u> No direct SME impact; indirect market-level benefit only.	**SME Test** <u>N/A:</u> No direct SME impact; indirect market-level benefit only.		**SME Test** <u>N/A:</u> No direct SME impact; indirect market-level benefit only.
		Commission <u>Benefits:</u> The 7 FTEs currently employed full time on CPC enforcement actions will reduce drastically, with a benefit of **up to EUR 6.2 million in 10 years.** <u>Costs</u>**:**	**Commission** <u>N/A</u>		**Commission** <u>N/A</u>

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		To establish a well-functioning body comprising at least four units (two for specialized case-handling, one for intelligence-forensics, and one for administration). The case handling units, to be able to tackle up to 8 times the number of actions currently dealt by the CPC Network, should have about 30 FTEs each, plus 20 FTEs for the other two units. A sufficient operative budget should also be provided (a cost of EUR 20 million per year can be estimated), leading to an **expenditure of EUR 263 million**			

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		over a 10 -year period. In case of this option to be taken forward, the cost of the establishment and the maintaining of the (small) headquarters of the new body should be added. This would depend also on the choice of the country and city chosen for the establishment. This would require a further in-depth analysis at a later stage.			
		Authorities <u>Benefits</u>**:** This measure would allow authorities to save approximately	**Authorities** <u>N/A</u>		**Authorities** **<u>N/A</u>**

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		30 FTEs[228], amounting to a **saving of EUR 13 million over 10 years**. <u>Costs</u>**:** No additional costs for national authorities associated with this measure.			

[228] This number is established by making reference to the previous footnote: with the establishment of an EU body, the FTEs required by NCAs to fulfil their mandates under the CPC Regulation would be the following: sweeps: 0 FTEs (as the body would be responsible for conducting them); alerts: 1.5 FTEs; mutual assistance activities: 18,6 FTEs; internal coordination: 5 FTEs (number would decrease as a result or lower number of coordinated activities conducted by national authorities); direct work on actions: 0 FTEs (as EU body would take up this responsibility).

Specific Objective 2: STRENGTHEN THE POWERS OF THE CPC NETWORK

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
Measure 2.1 **Explicitly include third-country traders**	Clarify the geographic scope of the CPC Regulation to make it explicit that the cross-border enforcement cooperation system under the CPC Regulation also applies to infringements committed by traders that are neither established nor have assets in the Union. The measure complies with the principle of subsidiarity: the clarification ensures that EU consumer law should be respected by all traders irrespective of their place of establishment	**Consumers/ Citizens** Benefits: In recent years, some CPC authorities have expressed reservation with regards to the use the powers conferred upon them by the CPC Regulation against third-country traders on the grounds that they were falling outside the scope of application of the CPC Regulation. Therefore, **a small reduction of consumer detriment could be expected in the short run** as a result of a clearer	**Consumers/ Citizens** Benefits: Clarity of the legislation would benefit the employment of citizens in the EU; increased level playing field in the international market will enable more EU citizens to find a job within the EU, decreasing the interest in seeking employment outside the EU borders; actions against misleading green claims could be carried out against third country traders, overall increasing the sustainable consumption in the EU.	**All stakeholders** As actions against misleading green claims are more likely be carried out against third-country traders, this measure could contribute to an **increase in sustainable consumption across the EU**.	**Consumers/ Citizens** Positive: **(Article 38 CFREU)** This policy measure would increase the level of consumer protection as a result of the broader scope of application of the CPC enforcement mechanism.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	without creating new enforcement powers. The measure is also proportionate: it does not create new obligations for traders outside the EU but clarifies the application of the existing enforcement framework.	scope of application of the Regulation. **In the long run, the reduction of the consumer detriment is set to be more significant** by virtue of the megatrends associated to hyper connectivity and growing consumption, predicting more global trade. The estimates rely on the consumer detriment developed in the 2024 Fitness Check on Digital Fairness. These estimates already capture detriment irrespective of the trader's place of establishment,	Costs: no costs.		

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		including non-EU traders. Moreover, recent CPC enforcement practice addressed infringements by third-country traders, meaning that such cases are - at least partly - reflected in the baseline. Costs: no costs expected.			
		Businesses Benefits**:** Businesses in Europe will benefit from an increased level playing field as they will be placed in the same condition as third-country businesses regarding	**Businesses** Benefits: Businesses in Europe will enjoy the social benefits stemming from the level playing field achieved towards third country businesses.		**Businesses** Positive: **(Article 16 CFREU)** This policy measure would have a positive impact on the freedom to conduct a business as it fosters the level playing field for businesses

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		consumer enforcement. Costs: no costs expected.	Costs: no costs expected.		based within and outside the EU.
		SME Test Benefits: SMEs will indirectly benefit of the established level playing field. Costs: No costs.	**SME Test** Benefits: SMEs will indirectly benefit of the established level playing field. Costs: No costs.		**SME Test** Positive: **(Article 16 CFREU)** SME would benefit from an increased rate of compliance with consumer law regarding businesses based outside of the EU.
		Commission Benefits: No benefits. Costs: The number of cases could potentially increase and so the number	**Commission** N/A		**Commission** N/A

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		of resources needed, but this is expected, at least in the short run, to be very small because the measure is only a clarification to avoid a legal grey area, and cases against third-country based traders are already tackled in the baseline.			
		Authorities Benefits: No benefits. Costs: The number of cases could potentially increase and so the number of resources needed, but this is expected, at least in the short run, to be very small because	**Authorities** N/A		**Authorities** N/A

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		the measure is only a clarification to avoid a legal grey area, and cases against third-country traders are already tackled in the baseline.			
		Third countries Benefits: The consumers of third countries might benefit if their traders decided to be compliant with EU consumer law (due to the deterrent effect of the scope enlargement) also in the domestic market. Costs: 0	**Third countries** Benefits: By bringing into compliance with EU law the practices of the businesses established in third countries, this measure is likely to improve the conduct of those businesses also in their domestic markets. Costs: No expected costs.		**Third countries** **N/A**

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
Measure 2.2 Extension of the material scope of the CPC Regulation to include additional legislative acts to be enforced through the CPC system	Measure 2.2 proposes to broaden the enforcement competences of the cross-border cooperation mechanism under the CPC Regulation by extending the Annex of CPC Regulation (i.e., material scope). In order to ensure that rules protecting consumers that are contained in EU legislation covering payment services, for example the unjustified refusal to accept payments from foreign bank accounts ("IBAN discrimination"), are consistently and effectively enforced, the provisions protecting consumers under Regulation	**Consumers/ Citizens** The measure is expected to have limited impacts. The inclusion in the Annex of the CPC Regulation of the provisions protecting consumers contained in the SEPA Regulation would help establishing an effective cross-border cooperation to stop infringements related to IBAN discrimination. Based on the annual average of around 1100 complaints received on the "Accept my IBAN"	**Consumers/ Citizens** N/A		**Consumers/ Citizens** N/A

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	(EU) 260/2012 are added to the Annex of the CPC Regulation. The measure respects the principle of subsidiarity: it does not alter the enforcement framework but allows the CPC Network to enforce additional legislation. It is in line with the proportionality principle: it does not create new obligations or change of competence but instead extends the powers of the CPC Network to relevant legislation.	website,[229] it is anticipated that a small number of these cases, potentially targeting a few prominent telecom providers and financial services companies (each sector covering for about 25% of the complaints), may qualify for enforcement action under the CPC Regulation. However, it has the potential to restore a portion of consumer detriment, providing a positive outcome for consumers			

[229] Based on 4 688 complaints received by the Accept My IBAN initiative between 2021 and the end of March 2025, or approximately 1 100 complaints per year on average. European Consumer Centres Network, 'IBAN discrimination, still an issue for EU consumers', 3 July 2025, pp. 7–10.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Businesses The measure will deter potential traders from not complying with this obligation.	**Businesses** N/A		**Businesses** N/A
		SME Test N/A	**SME Test** N/A		**SME Test** N/A
		Commission These actions are expected to be limited in scope and not require significant human resources. Additionally, the inclusion of this 29th legislative instrument in the Annex of the CPC Regulation is not expected to result in a significant increase in	**Commission** N/A		**Commission** N/A

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		enforcement actions.			
		Authorities These actions are expected to be limited in scope and not require significant human resources. Additionally, the inclusion of this 29th legislative instrument in the Annex of the CPC Regulation is not expected to result in a significant increase in enforcement actions.	**Authorities** N/A		**Authorities** N/A
Measure 2.3 **Strengthen e-enforcement capabilities of CPC authorities**	Add the minimum power of NCAs to scrape websites using web-scraping tools and to request any	**Consumers/ Citizens** <u>Benefits</u>: Consumers would benefit from	**Consumers/ Citizens** This measure would contribute to increase consumers'		**Consumers/ Citizens** <u>Positive:</u> **(Article 38 CFREU)** This

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	individual trader that uses technical means to "protect" their website from web-scraping to take the steps that are necessary to allow NCAs to use web-scraping tools on their website. Furthermore, this measure would clarify the legal basis for COM to deploy and procure innovative e-enforcement tools through the EU eLab and confer upon COM the power to coordinate and support NCAs' activities when using e-enforcement tools for their investigations. The measure respects the principle of	enhanced e-enforcement capabilities of CPC Network as online infringements would be tackled more effectively thanks to the deployment of sophisticated tools. Besides fostering investigations at scale, the availability of e-enforcement tools would further empower CPC authorities to detect and investigate violations of EU consumer law perpetrated through sophisticated digital techniques. <u>Costs</u>: No costs.	trust in digital markets and improve the condition of vulnerable consumers; By enabling investigations at scale of dark patterns and other infringements, this measure would reduce psychological distress suffered by consumers online. By ensuring an effective and equal enforcement in digital markets, this measure brings about an increased level of competitiveness and thus an increase of employment in the Single Market.		policy measure would increase the level of consumer protection as a result of more effective investigations of infringements in the digital Single Market.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	subsidiarity: it does not change the enforcement architecture but improves the capabilities of the network. The measure is also proportionate: it addresses the shortcomings of capabilities of the CPC authorities and does not go beyond what is necessary.	**Businesses** Benefits: Given that large businesses have more resources to invest in anti-scraping systems and thus can prevent authorities from having access to the data published on their website, this measure would bring about an improved level playing field in the digital Single Market. Costs: The CPC Network could request traders that use anti-scrapers to be allowed to scrape their websites. This would be done in	**Businesses** Benefits: This measure would increase cooperation between public authorities and businesses, thereby fostering transparency and improving corporate governance.		**Businesses** Positive: **(Article 16 CFREU)** This policy measure would have a positive impact on the freedom to conduct business as it fosters the level playing field for traders.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		the framework of an enforcement action or sweep, on a case-by-case basis. Hence, the measure would only entail very small costs for few targeted businesses (a few might be compliant businesses) to technically allow national authorities or COM to scrape their website upon their explicit demand.			
		SME Test N/A: No direct SME impact; indirect market-level benefit only.	**SME Test** N/A: No direct SME impact; indirect market-level benefit only.		**SME Test** <u>Positive:</u> **(Article 16 CFREU)** SME would benefit from an increased level playing field

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Commission Benefits: No benefits. Costs: An extra step in the enforcement action, when an anti-scraping is found in a website, the trader will be contacted to get the necessary access. The magnitude of this cost is negligible. Increased responsibility in the field of e-enforcement could entail the need for additional resources.	**Commission** N/A		**Commission** **N/A**
		Authorities	**Authorities** N/A		**Authorities** **N/A**

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Benefits: No benefits. Costs: An extra step in the enforcement action, when an anti-scraping is found in a website, the trader will be contacted to get the necessary access. The magnitude of this cost is negligible.			
Measure 2.4 **Strengthen obligation on MS to allocate minimum resources for cross-border enforcement activities of CPC authorities**	Measure 2.4 proposes to introduce binding minimum thresholds of resources, i.e., financing and staffing, that Member States would be obliged to allocate to their NCAs depending on the size of their	**Consumers/ Citizens** Benefits: Consumers would benefit from CPC authorities investing more resources in cross-border enforcement activities, even though the direct	**Consumers/ Citizens** Benefits: Timely removal of dark patterns and other infringements concerning the extra enforcement investigations opened would further reduce psychological		**Consumers/ Citizens** Positive: **(Article 38 CFREU)** This policy measure would increase the level of consumer protection as a result of more resources invested in the CPC

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	population and national markets. The measure complies with the principle of subsidiarity: it sets the minimum requirements for Member States regarding resources while leaving for national authorities their organisation and management. The measure is in line with the principle of proportionality: the requirements of resources are necessary for effective enforcement and are differentiated taking into account the size	benefit is hardly quantifiable. The number of enforcement investigations would increase proportionally with the amount of resources invested. However, the additional investigations carried out by the CPC Network would concern the alerts that have been issued but not prioritized by national authorities. Thus, the benefit for consumers is uncertain.	distress suffered by consumers online. By helping to restore the level playing field, competitiveness in the sector increase and thus employment. However, these impacts are expected to be very moderate because the additional investigations carried out by the CPC Network would concern the alerts that have been issued but not prioritized by national authorities.		Network by national authorities.
		Businesses <u>Benefits:</u>	**Businesses** <u>Benefits:</u>		**Businesses** <u>Positive:</u>

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	and population of the Member State.	Businesses in Europe would benefit from an increased number of resources invested by national authorities in the CPC mechanism as this would contribute to ensure a more consistent and effective enforcement of consumer law in cross-border situation and thus increase the level playing field. <u>Costs:</u> No additional costs<u>.</u>	Improvements in corporate culture for businesses in affected sectors, given their agreement to undertake commitments on a voluntary basis.		**(Article 16 CFREU)** This policy measure would have a positive impact on the freedom to conduct business as it would ensure a more effective and consisted enforcement of consumer law, thereby fostering the level playing field for traders.
		SME Test <u>Benefits</u>: SMEs will indirectly benefit from the	**SME Test** <u>Benefits</u>: SMEs will indirectly benefit		**SME Test** <u>Positive:</u> **(Article 16 CFREU)**

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		established level playing field. Costs: No costs.	from the established level playing field. Costs: No costs.		SME would benefit from an increased level playing field
		Commission Benefits: no benefits. Costs: The Commission would need one FTE for each Member State, the Commission's costs would be approximately **EUR 24 million over 10 years (27 extra FTEs[230]).**	**Commission** N/A		**Commission** N/A
		Authorities Benefits: no benefits.	**Authorities** N/A		**Authorities** N/A

[230] The number of additional FTEs for the Commission associated with this measure has been estimated in: European Commission, *Commission Staff Working Document Impact Assessment, Accompanying the document Proposal for a Regulation of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws*, 2016, SWD/2016/0164 final - 2016/0148 (COD), EUR-Lex - 52016SC0164 - EN - EUR-Lex (europa.eu).

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Costs: if we assume an increase of resources of 20%, this would imply 13 extra FTEs for the whole Network, **about EUR 3.6 million in 10 years.**			

Specific Objective 3: PROVIDE ADDITIONAL PROCEDURES TO EFFECTIVELY APPLY SANCTIONS AT THE EU LEVEL

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
Measure 3.1 **New procedure to coordinate the imposition of sanctions at the national level**	In case the trader fails to offer adequate commitment to cease the infringement in the context of a coordinated action, CPC authorities may adopt a decision of non-compliance,	**Consumers/ Citizens** Benefits: "If […] penalties are introduced, they will be much more effective [to deter non-compliance] if there is also a higher perception of likelihood of	**Consumers/ Citizens** Benefits: More compliant businesses and a better corporate governance would reinstate a level playing field and avoid races to the bottom. This	**All stakeholders** Benefits: By avoiding multiple proceedings at national level, this measure would ensure a smaller carbon footprint. Costs: None.	**Consumers/ Citizens** Positive **Article 38 CFREU** This measure would ensure an increased level of consumer protection as a result of the higher

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	where they state which authorities should impose the fine and the amount. The measure complies with the subsidiarity principle: it aims to ensure the deterrence of the CPC enforcement system for cross-border infringements. The measure is also proportional: it would apply only in case of non-compliance by the trader.	detection, and they may be use less if businesses do not see detection as very likely at all" (Parker and Nielsen, 2011).[231] Having a clear decision on which authority will impose the fine would sidestep multiple sanctioning procedures that are generally avoided due to their appeal costs in justice. Businesses having a higher likelihood of receiving a sanction will invest more resources in ex-ante compliance, hence reducing consumer detriment a priori. Costs: no costs for consumers.	would translate in more and better jobs for citizens. Costs: None.		deterrence of the CPC mechanism

[231] C. Parker and V.L. Nielsen, 'Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation', in: The Antitrust Bulletin, 2011, pp.407-426.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Businesses Benefits: "If businesses truly think that the gains to their businesses from compliance are high, they will do more to implement good compliance management behaviors" (Parker and Nielsen, 2011).[232] Businesses, faced with higher probabilities of incurring sanctions, would invest more resources in ex-ante compliance. This would lead to a **reduction of consumer detriment** a	**Businesses** Benefits: "If businesses truly think that the gains to their businesses from compliance are high, they will do more to implement good compliance management behaviors" (Parker and Nielsen, 2011).[235] More certainty regarding the risk of receiving a sanction will then have a positive impact on the corporate governance of businesses.		**Businesses** Positive: **(Article 16 CFREU)** This policy measure would have a positive impact on the freedom to conduct business as a result of a higher deterrence and increased compliance of businesses. By conferring upon a single authority the power to impose sanctions on behalf of the CPC Network instead of providing for the coordination of penalties this measure would

[232] C. Parker and V.L. Nielsen, 'Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation', in: The Antitrust Bulletin, 2011, pp.407-426.
[235] C. Parker and V.L. Nielsen, 'Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation', in: The Antitrust Bulletin, 2011, pp.407-426.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		priori.[233] More certainty regarding the risk of receiving a sanction would then have a **positive impact on compliance levels** (by increasing deterrence because of the higher expected cost of non-compliance) and by consequence a better level playing field for those businesses who were already compliant.[234] Also, the fines would increase trust in consumer authorities to protect consumer rights. Both channels would	Costs: None.		remove any concern about potential violation of the *ne bis in idem* principle (**Article 50 CFREU**).

[233] "If […] penalties are introduced, they will be much more effective [to deter non-compliance] if there is also a higher perception of likelihood of detection, and they may be use less if businesses do not see detection as very likely at all" (Parker and Nielsen, Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation, The Antitrust Bulletin, 2011).
[234] "If businesses truly think that the gains to their businesses from compliance are high, they will do more to implement good compliance management behaviours",
C. Parker and V.L. Nielsen, 'Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation', in: The Antitrust Bulletin, 2011, pp.407-426.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		positively affect the competitiveness of EU companies. Costs: None.			
		SME Test Benefits: SMEs will also enjoy a better established level playing field. Costs: None.	**SME Test** N/A: No costs.		**SME Test** Positive: **(Article 16 CFREU)** This policy measure would have a positive impact on the freedom to conduct business of SMEs as a result of a higher deterrence and increased compliance of businesses.
		Commission Benefits: None. Costs: None.	**Commission** N/A		**Commission** N/A

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Authorities Benefits: Authorities will enjoy a clearer procedure which would save multiple justice-connected sanctions' costs. Costs: By replacing coordinated sanctions with a system where only one NCA sanctions on behalf of the others, Member States could incur **negligible litigation costs (if their NCAs are designated to impose sanctions).** A quantification of cost savings compared to the baseline is not possible, since in no cases so far sanctions have been	**Authorities** Benefits: Expected savings would help authorities to allocate resources on other projects. Costs: None.		**Authorities** N/A

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		imposed under the CPC actions.			
Measure 3.2 **COM power to impose, under certain conditions, sanctions for Union-wide infringements**	In case the trader fails to offer adequate commitment to cease the Union-wide infringement, COM may adopt a decision of non-compliance and impose fines/other sanctions on the trader. The measure is compliant with the principle of subsidiarity: Commission direct enforcement powers are confined to certain infringements that due to their nature and scope affect the	**Consumers/ Citizens** Benefits: "If […] penalties are introduced, they will be much more effective [to deter noncompliance] if there is also a higher perception of likelihood of detection, and they may be use less if businesses do not see detection as very likely at all" (Parker and Nielsen, 2011).[236] This measure would sidestep multiple sanctioning procedures that are generally avoided due to their appeal	**Consumers/ Citizens** Benefits: More compliant businesses and a better corporate governance would reinstate a level playing field and avoid races to the bottom. This would translate in more and better jobs for citizens. Costs: None.	**All stakeholders** Benefits: By avoiding multiple proceedings at national level, this measure would ensure a smaller carbon footprint. Costs: None.	**Consumers/ Citizens** Positive **Article 38 CFREU** This measure would ensure an increased level of consumer protection as a result of the higher deterrence of the CPC mechanism

[236] C. Parker and V.L. Nielsen, 'Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation', in: The Antitrust Bulletin, 2011, pp.407-426.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	Single Market in a way that enforcement action by Member States' competent authorities cannot address them effectively and swiftly enough. The measure is also in line with the principle of proportionality: the conferral of direct enforcement powers on the Commission is limited in scope and justified by the nature of the infringement. The sanctions would be imposed only when a non-compliance decision is adopted.	costs in justice. Businesses having a higher likelihood of receiving a sanction will invest more resources in ex-ante compliance, hence reducing consumer detriment a priori. Costs: no costs for consumers.			
		Businesses Benefits: "If businesses truly think that the gains to their businesses from compliance are high, they will do more to implement good compliance management behaviors" (Parker and Nielsen, 2011).[237]	**Businesses** Benefits: "If businesses truly think that the gains to their businesses from compliance are high, they will do more to implement good compliance management behaviors"		**Businesses** Positive **(Article 16 CFREU)** This policy measure would have a positive impact on the freedom to conduct business as a result of a higher deterrence and increased

[237] C. Parker and V.L. Nielsen, 'Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation', in: The Antitrust Bulletin, 2011, pp.407-426.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		Increased risk of sanctions would positively **impact compliance levels** (by increasing the deterrence of the CPC Regulation because of the higher expected cost of non-compliance)**,** thus fostering a level playing field for those businesses who were already compliant. Also, the fines would increase trust in consumer authorities to protect consumer rights. Finally, the sanctioning power at Commission level would make it easier to reach out to non-compliant traders which are	(Parker and Nielsen, 2011).[238] More certainty in the risk of receiving a sanction will then have a positive impact on the corporate governance of businesses. <u>Costs</u>: None.		compliance of businesses. **Article 47 and 48** <u>Positive</u> The right to a fair trial and the right of defence would be guaranteed by provision providing adequate procedural safeguards to the businesses as well as a mechanism to bring appeals before the Court of Justice. By conferring upon the Commission the power to impose sanctions on behalf of the CPC Network instead of providing for the coordination of penalties this

[238] C. Parker and V.L. Nielsen, 'Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation', in: The Antitrust Bulletin, 2011, pp.407-426.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		harder to prosecute for national authorities. These consequences would overall positively affect the competitiveness of EU companies Costs: None.			measure would remove any concern about potential violation of the ne bis in idem principle (**Article 50 CFREU**).
		SME Test Benefits: SMEs will also enjoy a better-established level playing field. Costs: None.	**SME Test** N/A: No costs, not even for third country SMEs as they do not fall in the scope of this measure.		**SME Test** N/A: SMEs not likely to falling within the scope of this measure, which target mainly large traders.
		Commission If the Commission were empowered to impose sanctions for Union-wide infringements, the Commission would be in charge of	**Commission** N/A		**Commission** N/A

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		defending the case before the CJEU. Litigation before the Court of Justice of the European Union would require an estimated 3 additional FTEs, correspond to EUR 450,000 yearly, and EUR 4 million in 10 years.			
		Authorities Benefits: **NCAs would save enforcement costs** by avoiding administrative proceedings and court litigation. A quantification of cost savings compared to the baseline is not possible, since in no cases so far sanctions have been	**Authorities** Benefits: Expected savings would help authorities to allocate resources on other projects. Costs: None.		**Authorities** N/A

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		imposed under the CPC actions. Costs: None.			
Measure 3.3 **Give legal personality to the CPC Network, with a view to imposing fines at "network-level"**	In case the trader fails to offer adequate commitments to cease the widespread infringement, the CPC Network as a body may adopt a decision of non-compliance and impose fines/other sanctions on the trader. The measure complies with the principle of subsidiarity: national authorities remain competent to carry out investigations while the role of the	**Consumers/ Citizens** Benefits: "If […] penalties are introduced, they will be much more effective [to deter noncompliance] if there is also a higher perception of likelihood of detection, and they may be use less if businesses do not see detection as very likely at all" (Parker and Nielsen, 2011).[239] Having a clear decision on a CPC Network with legal personality that imposes the	**Consumers/ Citizens** Benefits: More compliant businesses and a better corporate governance would reinstate a level playing field and avoid races to the bottom. This would translate in more and better jobs for citizens. Costs: None.	**All stakeholders** Benefits: By avoiding multiple proceedings at national level, this measure would ensure a smaller carbon footprint. Costs: None.	**Consumers/ Citizens** Positive **Article 38 CFREU** This measure would ensure an increased level of consumer protection as a result of the higher deterrence of the CPC mechanism

[239] C. Parker and V.L. Nielsen, *Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation*, The Antitrust Bulletin, 2011.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
	CPC Network is strengthened to ensure effective enforcement. The measure complies with the principle of proportionality: it would be limited to what is necessary to ensure compliance.	fine would sidestep multiple sanctioning procedures that are generally avoided due to their appeal costs in justice. Businesses having a higher likelihood of receiving a sanction will invest more resources in ex-ante compliance, hence reducing consumer detriment a priori. Non-compliance rates from sweeps are today, depending on the sector, around 30% and 80%. If we assume that the EUR 26 billion detriment is the result of an average 55% non-compliance, decreasing non-compliance of ten percentage points			

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		would indicate a detriment of EUR 21 billion, i.e. **a reduction of EUR 5 billion in 10 years for a 10% improvement in compliance**, or EUR 500 million annually. Costs: no costs for consumers.			
		Businesses Benefits: "If businesses truly think that the gains to their businesses from compliance are high, they will do more to implement good compliance management behaviors" (Parker	**Businesses** Benefits: "If businesses truly think that the gains to their businesses from compliance are high, they will do more to implement good compliance management behaviors"		**Businesses** Positive **Article 38 CFREU (Article 16 CFREU)** This policy measure would have a positive impact on the freedom to conduct business as a result of a higher deterrence and

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		and Nielsen, 2011).[240] More certainty in the risk of receiving a sanction will then have a positive impact on compliance for non-compliant businesses and by consequence a better level playing field for those businesses who were already compliant. <u>Costs:</u> None.	(Parker and Nielsen, 2011).[241] More certainty in the risk of receiving a sanction will then have a positive impact on the corporate governance of businesses. <u>Costs</u>: None.		increased compliance of businesses. **Article 47 and 48** <u>Positive</u> The right to a fair trial and the right of defence would be guaranteed by provision providing adequate procedural safeguards to the businesses as well as a mechanism to bring appeals before the Court of Justice. By conferring upon the CPC Network having legal personality the power to impose sanctions instead of providing for the

[240] C. Parker and V.L. Nielsen, 'Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation', in: The Antitrust Bulletin, 2011, pp.407-426.
[241] C. Parker and V.L. Nielsen, 'Deterrence and the impact of calculative thinking on business compliance with competition and consumer regulation', in: The Antitrust Bulletin, 2011, pp.407-426.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
					coordination of penalties this measure would remove any concern about potential violation of the ne bis in idem principle (**Article 50 CFREU**).
		SME Test <u>Benefits:</u> SMEs will also enjoy a better-established level playing field. <u>Costs:</u> None.	**SME Test** N/A: No costs.		**SME Test** N/A: No costs.
		Commission <u>Benefits</u>: None. <u>Costs</u>: The CPC Network as a formal body with legal personality would need to be supported by a	**Commission** N/A		**Commission** N/A

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		permanent secretariat to fulfil its mandate. Assuming that the Commission takes on this role, following the model of the EDPB, this measure would entail costs **of EUR 22 million in 10 years for the EU budget**. [242]			
		Authorities Benefits**:** Authorities will enjoy a clearer procedure which would save significant litigation costs. If sanctions are contested in 27 Member States, based on the figures above the total	**Authorities** Benefits: Expected savings would help authorities to allocate resources on other projects. Costs: no costs		**Authorities** N/A

[242] To estimate the cost associated with the secretariat of the CPC Network with legal personality, this report considered the human resources available to the unit responsible for maintaining the secretariat of the EDPB within the EDPS: 25 FTEs.

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		benefit for all authorities approaches **up to EUR 4.3 million in 10 years (worst case scenario when all disputes are lost).** Costs: Authorities would have to participate in the operational activities and contribute to the budget of the new structured CPC Network, in particular to cover the costs of litigation associated to sanctions, with direct budget transfers towards the CPC Network. Although this is not expected to be a high value (as calculated above, up			

	Description of the measure	Economic Impacts	Social Impacts	Environmental Impacts	Fundamental Rights
		to **EUR 158,000 in the 10 years' time horizon**), a budget will need to be established and transfers likely to be expected upfront.			

COMPARISON OF THE MEASURES

Having assessed measures individually in the previous chapter, that allows for an implicit assessment of several policy options. In particular, the division of the two enforcement stages allows us to evaluate all possible combinations between the relevant measures under Objective 1 (1.2,1.3,1.4) and Objective 3 (3.1,3.2,3.3), resulting in 9 policy bundles alternative to the baseline: I) Commission investigates and Commission sanctions; II) Commission investigates and one authority sanctions; III) Commission investigates and the CPC Network with legal personality sanctions; IV) one authority investigates and Commission sanctions; V) one authority investigates and one authority sanctions; VI) one authority investigates and the CPC Network with legal personality sanctions; VII) EU body investigates and Commission sanctions; VIII) EU body investigates and one authority sanctions; IX) EU body investigates and the CPC Network with legal personality sanctions. Our approach ensures that the preferred bundle emerges from the cumulative costs and benefits of each individual measure related to the two stages, rendering an examination of different combinations unnecessary. To each of these 9 bundles, the horizontal measures 2.1, 2.2, 2.3 and 2.4, as well as 1.1, could be added.

For better clarity, the four more coherent bundles are here presented and compared against the baseline, in order to identify the preferred option. The remaining bundles appear more difficult to implement legally or more complicated to embed in a coherent governance structure when compared to the selected bundles below. For example, if the Commission were to sanction an infringement after investigation by a national authority or vice-versa (see bundles II and IV), the case would need to be 'transferred' from one jurisdiction (i.e., national level) to another (i.e., EU level). This could lead to procedurally very complex questions, for example, with regards to the competent courts for legal review or the trader's right to effective defence. Similar difficulties would occur where the Commission investigates and the CPC Network, having legal personality, sanctions the infringement (bundle III). Moreover, other bundles (i.e., V, VII, VIII and IX) are in fact procedural variations of the Options A, B and D so that their individual assessment would not alter the overall assessment.

Option A: The CPC Network delegates investigation and sanctioning to one authority on a per case basis (notably taking into consideration where the trader is based or has a legal representative). Authorities have the power to cluster infringements and the traders concerned in one coordinated action: bundling measures 1.1, 1.3, 3.1.

Option B: The CPC Network delegates investigation to one authority (as in option A) but has legal personality when it comes to sanctioning. Authorities have the power to cluster infringements and the traders concerned in one coordinated action: bundling measures 1.1, 1.3, 3.3.

Option C: The Commission has the power to directly investigate and sanction certain large-scale infringements of consumer law; Authorities have the power to cluster infringements and the traders concerned in one coordinated action: bundling measures 1.1, 1.2, 3.2.

Option D: A new consumer enforcement body (with sanctioning powers managed by the Commission): bundling measures 1.4 and 3.2.

This report adopts a scoring system to evaluate the effectiveness of each policy options on effectiveness, efficiency and coherence. The scores are awarded on a scale of 0 to 5 and the methodology for scoring is as follows:

- The effectiveness score assesses each measure's performance towards achieving its objectives, taking into account other relevant impacts (social impacts and environmental impacts).
- The coherence score takes into consideration each measure's contribution to consistent enforcement of consumer law across the EU, while considering similarities and differences with other EU-level enforcement frameworks, as well as the impacts on the fundamental rights.
- The efficiency score is based on how the various measures perform in terms of net benefits, for options the impacts of which could be mostly quantified (in particular, under Objective 1), together with the qualitative consideration of non-quantified impacts.

The following table reports the combined score of the effectiveness, efficiency and coherence criteria for each of the options. The scores take the average of the scores of each measure which builds up each policy option.

On the remaining measures, Measure 2.1, 2.2 and 2.3 obtain a full score for efficiency and coherence against the baseline, while for effectiveness they obtain an average score of 3/5. However, when taking the three measures together, they would obtain a full score on effectiveness. While the individual measures only address the specific objective 2 partially (either strengthening one aspect of the competence of the CPC Network, or strengthening the capacity of the CPC Network), taken together they address this Specific Objective 2 in full (thereby scoring 5/5/ on effectiveness) These measures are thus complementary and mutually enhancing, building on one another to enhance the CPC framework’s effectiveness. Thus, when taken as one package of measures, Measures 2.1, 2.2. and 2.3 together would score 5/5 and are for this reason included in all 4 options as a bundle.

On the contrary, Measure 2.4 has an average score of 2.00 across the different sensitivity analyses methods, and as a consequence would is not included in the 4 options.

	Option A	Option B	Option C	Option D
Average effectiveness score	3.67	4.33	4.67	4.75
Average efficiency score	4.33	4.00	4.67	4.50
Average coherence score	3.33	3.67	4.67	3.50
Total score	**11.33**	**11.67**	**14.00**	**12.75**

Option C has the highest total score. It also delivers the highest net benefits, at EUR 2.9 – 3.4 billion over 10 years and the highest net benefit per FTE, as shown in the table below.

	Option A	Option B	Option C	Option D
Net benefits	EUR 1.2-1.6 bn	EUR 1.2-1.6 bn	EUR 2.9-3.4 bn	Positive (not quantified)
FTE (baseline: 70 FTEs)	70	60	72	136
Net benefits per FTE (EUR mn / FTE)	17-23	20-27	40-47	n.a.

Please note the figures presented in the table do not include the net benefits and FTE of the measures 2.1, 2.2 and 2.3.

A sensitivity analysis for this result was conducted where, instead of the total score, different weights are considered for effectiveness, efficiency, and coherence, as per the following table.

Sensitivity analysis method	Baseline	Option A	Option B	Option C	Option D
60% Effectiveness; 20% Efficiency; 20% Coherence	0	3.73	3.93	**4.67**	4.45
20% Effectiveness; 60% Efficiency; 20% Coherence	0	4.00	3.93	**4.67**	4.35
20% Effectiveness; 20% Efficiency; 60% Coherence	0	3.60	3.80	**4.67**	3.95
40% Effectiveness; 40% Efficiency; 20% Coherence	0	3.87	3.93	**4.67**	4.40

Irrespective of the sensitivity analysis method applied, Option C still is the preferred option. Option C, with the addition of measures 2.1, 2.2 and 2.3, is then confirmed to be the preferred option, it being the best option considering both the cost/benefit analysis and the multi-criteria analysis.

The tables below present the CBA and the calculation of net benefits for a subset of measures, including those part of Option C.

Table 8. Measure 1.1: Streamline investigations run by CPC national consumer authorities committed by multiple traders within the same sector, the so-called cluster enquiries

	Authorities	**Businesses**	**Consumers**
Costs	Accounted under Measures 1.2 to avoid double counting	-	-
Benefits	Streamlining leads to reduction of workload	More uniform enforcement of consumer rules within sectors	EUR 0.6 bn
Net benefits	**EUR 0.6 bn**		

Measure 1.2 Provide the European Commission with power to carry out investigations concerning EU-wide infringements (high-impact) of consumer protection rules and impose sanctions, the so-called centralised enforcement

	Duration scenarios	**Authorities**	**Businesses**	**Consumers**
Costs		EUR 27.5 million	-	-
Benefits	Binding deadlines	EUR 15 million	-	EUR 2.7 – 3.3 billion

	No binding deadlines			EUR 2.1 – 2.3 billion
Net benefits	Binding deadlines	**2.6 – 3.3 billion**		
	No binding deadlines	**2 – 2.3 billion**		

Measure 1.3 Streamline cooperation and coordination procedures for CPC authorities (e.g., additional / faster deadlines for key procedural steps, designation of a lead authority)

	Duration scenarios	**Authorities**	**Businesses**	**Consumers**
Costs		Higher workload for lead NCA	-	-
Benefits	Binding deadlines	Lower administrative costs and more efficient use of enforcement resources	-	EUR 0.7 – 1.0 billion
	No binding deadlines			EUR 0.4 – 0.7 billion
Net benefits	Binding deadlines	**0.7 – 1.0 billion**		
	No binding deadlines	**0.4 – 0.7 billion**		

Measure 2.1 Clarify and making it explicit that the CPC regulation applies to non-EU traders

	Authorities	Businesses	Consumers
Costs	Negligible increase in enforcement costs	-	-
Benefits	-	Improve the level-playing field	Reduction of consumer detriment (already accounted under estimates for Measure 1.2 and 1.3)
Net benefits	**Included in estimates for measures 1.2 and 1.3**		

Measure 3.1 and 3.2: New procedure to coordinate the imposition of sanctions at the national level and COM power to impose, under certain conditions, sanctions for Union-wide infringements

	Authorities	Businesses	Consumers
Costs	EUR 4 million Additional workload for the lead NCA	-	-
Benefits	Enforcement cost savings for NCAs	Improve compliance levels	Reduction of consumer detriment (already accounted under estimates for Measure 1.2 and 1.3)
Net benefits	**Included in estimates for measures 1.2 and 1.3**		

ANNEX 5: COMPETITIVENESS CHECK

Overview of impacts on competitiveness

Dimensions of competitiveness	Impact of the initiative (++ / + / 0 / – / – – / n.a.)	References to sub-sections of the main report or annexes
Cost and price competitiveness	+/++	Sections 2 and 6
Capacity to innovate	0/+	Section 6
International competitiveness	+	Section 6
SME competitiveness	0/+	SME test

The initiative is expected to have a **positive impact on the competitiveness of EU traders across the four dimensions assessed, with a magnitude that is limited to moderate**. The review of the CPC imposes no new costs on compliant traders while eroding the artificial cost, timing and enforcement advantages currently enjoyed by non-compliant operators and those beyond the effective reach of national enforcement. Since compliance costs are small relative to turnover and their pass-through to prices is limited, the effects are expected to be visible in relative profitability and in market position rather than in retail prices. The demand-side gains are economically meaningful – each percentage point of consumer trust in enforcement being associated with an estimated EUR 2–8 billion of e-commerce turnover – and are expected to benefit primarily traders that comply with the applicable rules.

No significant negative impacts on competitiveness have been identified for the preferred option; the residual points of attention are one-off adjustment costs, and the conditionality of the international level-playing-field gains on enforcement capacity, i.e. on the availability of resources to reach out to harder-to-catch non-compliant traders.

Given the horizontal nature of the review, the preferred option is not expected to affect certain sectors in particular. Limited specific impacts have been identified – e.g. on online trade of low-value goods; these are discussed explicitly in the text.

Cost and price competitiveness (+/++)

The preferred option leaves the compliance costs of compliant traders unchanged.[243] **For non-compliant operators, by contrast, the initiative raises the effective cost of operating without meeting the applicable requirements**, improving compliance cost equalisation.

[243] The survey evidence confirms this expectation: a majority of businesses anticipate no change in their overall compliance spend, and where savings are expected they concern enforcement-related expenditure One-off transition and adaptation costs are possible while a new body of enforcement practice is established.

Given that the compliance costs at stake are low as a share of turnover[244] and that pass-through is limited,[245] the resulting effect on market prices is expected to be small.

The cost differential between compliant and non-compliant traders is expected to mostly impact on margins, rather than prices. Margin differentials have tangible consequences on traders' competitiveness. A trader that does not incur the costs of compliance has, at equal turnover, a greater capacity to finance investments, customer acquisition and market penetration than a compliant competitor.

The net effect of the review of the CPC Regulation on cost and price competitiveness is therefore assessed as positive, with a magnitude that is moderate for the generality of traders and potentially more pronounced in the market segments in which non-compliance is concentrated. This is consistent with most businesses expecting their competitive position vis-à-vis non-compliant traders to improve limitedly or moderately under centralised enforcement.[246]

This cost effect is reinforced by the **deterrence mechanism**. The expected cost of non-compliance is the product of the probability that a breach is detected and sanctioned and the severity of the resulting sanction. The evidence collected for this study indicates that the current CPC framework raises this expected cost only partially. The review of the CPC Regulation, and in particular the centralised enforcement and sanctioning mechanisms, is expected to strengthen the severity and credibility of the legal framework, by reducing reliance on voluntary commitments, shorten the duration of proceedings and thereby increase the present value of the expected penalty, and extend effective enforcement reach to non-EU traders, the segment for which detection probability is currently lowest.

Costs and prices are not the only channel through which the CPC Regulation affects market behaviors. **It also acts on the demand side, by improving market functioning,** i.e. influencing the trust of consumers, and hence their willingness to buy. The econometric analysis conducted for this study finds a **robust, statistically significant association between consumer trust in public authorities to protect consumer rights and participation in e-commerce**. A 10-point increase in the share of consumers trusting public authorities is associated with an increase of around 3 points in the share of the population buying online. Applied to the value of EU e-commerce, **a 1 percentage-point increase in consumer trust in enforcement translates into an estimated EUR 2–8 billion of additional e-commerce turnover**, depending on the model specification.[247] The increment in e-commerce associated with stronger enforcement is likely to accrue disproportionately to traders that comply with the

[244] The business survey conducted for this study confirms, with firm-level data, the limited order of magnitude of compliance costs: 61% of businesses spend under 2% of turnover on consumer protection compliance, with a median of 1.5% and an average of 2.9%.
[245] According to the business survey, the price increase attributable to compliance falls in the 0-3% range, with roughly three in ten businesses reporting no price effect at all. Around seven businesses in ten state that compliance costs are passed on to consumers not at all or only to a small extent.
[246] Business survey, Q24: 20% expect their competitive position vis-à-vis non-compliant traders to greatly improve and 42% to somewhat improve; 33% expect no change and 4% a deterioration.
[247] Estimate based on the fixed-effects coefficients applied to the value of EU e-commerce turnover; the range reflects the model specifications (Consumer Conditions Survey and Eurostat indicators). The estimate is an order of magnitude derived from correlational evidence, not a causal effect of the reform.

applicable rules.[248] However, the extent to which additional demand reaches compliant traders will depend on the visibility of enforcement outcomes to consumers.

Capacity to innovate (0/+)

The initiative introduces no obligation bearing on research, development or product design, and its direct effect on innovation capacity is accordingly neutral. Still, it has a **limited positive indirect effect on the deployment of innovation.** For compliant traders, verifying that a new product, feature or interface conforms to the consumer acquis is an integral stage of business development, resulting in lead time between innovation and its deployment. Conversely, non-compliant traders can launch innovation faster and cheaper. In online markets, network effects, winner-takes-all dynamics and switching costs can convert this temporal advantage into durable market advantages: customers acquired through a non-compliant practice tend to remain after the practice is discontinued, and the multi-year interval between infringement and effective enforcement is a window in which such positions are built.[249] By shortening enforcement procedures and raising the probability of detection, the initiative compresses this window and reduces the expected return on circumventing compliance, channelling competition more towards genuine quality differentiation. Combined with the innovation-supporting effects of higher consumer trust (repeat purchases, willingness to trial new products, voluntary data sharing) and the greater legal certainty of a more consistent enforcement architecture, the expected impact on innovation competitiveness is positive but limited, with most respondents expecting no material change to their capacity to grow and innovate.[250]

Also, better enforcement of consumer protection rules has a positive effect **against innovative malpractices.** Innovative malpractices can also lock-in customers for a durable market advantage, and a more effective, quicker enforcement reduces their negative impacts on the competitiveness position of compliant competitors. By reducing the return on the deployment of malpractices relative to the return on genuine product and service improvement, better enforcement thereby directs competitive effort towards the latter.

International competitiveness (+)

The initiative is unlikely to produce effects measurable via the standard indicators of international competitiveness, such as GDP, export performance or trade flows, because the causal chain from enforcement cooperation to these outcomes is long and dominated by more powerful drivers. In line with the intervention at stake, the relevant dimension is therefore the impact of the review of the CPC on the **level playing field between EU traders and non-EU competitors serving EU consumers**.

[248] First, the mechanism through which the effect operates is trust in the enforcement of consumer rights. Second, enforcement acts on the specific practices that allow non-compliant operators to capture demand – misleading presentation of offers, manipulated reviews and rankings, obstacles to withdrawal and redress – so that the same intervention that raises aggregate participation also removes the means by which part of that participation was previously diverted.

[249] See in particular: European Commission, *Commission Staff Working Document, Impact Assessment Report Accompanying the document Proposal for a Regulation of the European Parliament and of the council on contestable and fair markets in the digital sector (Digital Markets Act)*, Brussels, 2020, SWD(2020) 363 final, https://op.europa.eu/en/publication-detail/-/publication/57a5679e-3f85-11eb-b27b-01aa75ed71a1/language-en.

[250] Business survey, Q27.

The preferred option addresses this asymmetry directly, by clarifying the application of the CPC framework to non-EU traders and by introducing centralised enforcement, which is expected to better reach global traders. The expected effect is thus a narrowing of the artificial component of the competitive gap. **The impact on international competitiveness is therefore assessed as positive but conditional**: it will materialise to the extent that enforcement capacity extends to hard-to-reach operators.[251]

SME Test (0/+)

SMEs are affected by the review of the CPC Regulation indirectly, through the restoration of the level playing field: stronger and faster enforcement against non-compliant operators, including those established outside the EU, raises the expected cost of non-compliance and improves compliance cost equalisation. Since compliance costs are regressive in firm size – SMEs report a median of 1.5% and an average of 3.0% of turnover, against 0.75% and 1.4% for large enterprises – the erosion of the artificial advantage enjoyed by non-compliant competitors is, in relative terms, of somewhat greater significance for smaller traders.

This indirect competitiveness benefit is expected to be limited. The business survey indicates limited differences between SMEs and large traders, both in the assessment of their current competitive position and in the impacts they expect on their competitiveness from the reform; where differences emerge – SMEs are somewhat more optimistic about the effect of centralised enforcement on their position vis-à-vis non-EU traders – they concern expectations rather than differential exposure. Second, SMEs fall outside the scope of certain of the policy options considered, in particular centralised enforcement, which is designed to address infringements with a Union dimension and cannot be directed at SMEs; they therefore benefit only indirectly, from enforcement action targeting other operators Therefore, on balance, the impact on SME competitiveness is assessed as neutral to slightly positive (0/+).

SYNTHETIC ASSESSMENT

The impacts on cost and price competitiveness under the preferred option are expected to be positive (high magnitude). New investigations targeting entire sectors (cluster inquiries) would help correct market failures where certain businesses exploit unfair commercial practices against consumers, distorting the level playing field. Swiftly eliminating such practices would restore the level playing field, allowing virtuous businesses to regain their competitive edge through fair pricing and cost structures. The same outcome would occur with the Commission's ability to investigate EU-wide infringements, as faster actions compared to the past would restore the competitiveness of virtuous businesses. Furthermore, the increased deterrent effects of the CPC framework would lead to the enhancement the competitiveness of virtuous businesses a priori, as other businesses as the overall level of ex-ante compliance would increase. The clarification of the scope of the CPC Regulation to explicitly include third-country traders could, to some extent, improve competitiveness of EU traders in the

[251] Business survey, Q25. 57% expect an improved competitive position vis-à-vis non-EU traders (large enterprises 39%), with the modal expectation being a moderate improvement.

international market, as both EU and non-EU traders would be clearly subject to the same enforcement systems.

Regarding the capacity to innovate, the initiative is expected to have a limited yet positive impact, as restoring a level playing field would encourage businesses within the same sector to develop new ideas in order to enhance their competitiveness with one another.

SMEs, which are generally not expected to fall under the scope of the initiative or be investigated by the CPC Network (under the preferred option SMEs are out of the scope of the investigations of the Commission), would indirectly benefit significantly from the initiative. Ensuring a level playing field would positively impact their ability to conduct business. If large businesses quickly correct consumer law infringements due to the new provisions of the CPC Regulation, SMEs in the same sector would be among the first to experience enhanced competitiveness in their business models.

ANNEX 6: SME CHECK

1.OVERVIEW OF IMPACTS ON SMES

Relevance for SMEs
The impact of the proposed revision of the CPC Regulation on SMEs is expected to be indirect, and only to add benefits. Interviewed organisations representing the interests of European SMEs at EU level, expressed views that the CPC reform is only indirectly relevant. They do not perceive it as a measure that changes the core obligations for SMEs, but rather as a more generally applicable reform that affects how existing consumer rules are enforced for all market players. Their comments suggest that the real SME impact stems from the substantive consumer legislation that SMEs already must comply with, which the CPC reform does not impact on. Instead, the CPC revision matters to SMEs in a more indirect manner because it can make enforcement clearer and more streamlined across Member States, thereby restoring the level playing field for all market players, including SMEs. Likewise, the business survey (which included 574 SMEs) results suggest that the revision of the CPC Regulation is **moderately relevant for SMEs rather than transformative**. SMEs generally view the current framework as only partly effective, and they have **some**, albeit not high, **expectations** a centralised enforcement approach to improve their competitive position against non-EU traders and, to a lesser extent, support growth and innovation. At the same time, most SMEs expect **little (to their benefit) or no change** in compliance and administrative costs, so the main value of the revision seems to be in creating a fairer enforcement environment rather than delivering a major operational shift for SMEs. ***Taken together, these sources confirm that the CPC revision is 'relevant' to SMEs, but only in a limited and mainly indirect way. It does not introduce new obligations for SMEs, nor it is aimed primarily at them.***

IDENTIFICATION OF AFFECTED BUSINESSES
Are SMEs directly affected? In which sectors?
No.
Estimated number of directly affected SMEs
N/A
Estimated number of employees in directly affected SMEs
N/A
Are SMEs indirectly affected? In which sectors? What is the estimated number of indirectly affected SMEs and employees? Yes. Affected businesses / sectors: SMEs operating as consumer-facing traders, especially retailers, online sellers, and cross-border traders subject to consumer protection enforcement under the CPC framework. The coverage by the CPC Regulation is triggered

by non-compliance with any of the rules contained in the Annex of the CPC Regulation thus many companies will never be affected by the CPC Regulation's enforcement.
Are SME impacts likely to be more substantial than on other companies, for example, in terms of adverse effects?
No.
What is the estimated number of indirectly affected SMEs and employees?
3.3 million SMEs 10.1 million persons employed (NACE Division 47 'Retail trade, except of motor vehicles and motorcycles', Source: Eurostat's Structural Business Statistics) Of which: 23% operating online (estimate from the 2024 European Commission Fitness Check[252]) Of which: 13% selling cross-border (estimate from the business survey carried out as part of the External Study to support the Fitness Check[253])

(2) CONSULTATION OF SME STAKEHOLDERS
How has the input from the SME community been taken into consideration?
This study featured a business survey as a direct evidence for the SME test, built to capture quantitative data on business size, trader type, cross-border reach, compliance costs, price effects, enforcement exposure and the expected impact of the CPC reform. It was designed to compare SMEs with larger traders, collect views on whether SMEs bear a proportionately higher compliance burden and on whether stronger CPC enforcement would improve the competitive position of compliant SMEs, especially in relation to non-EU traders. The questionnaire was therefore relevant both for identifying direct and indirect SME impacts and for testing whether the reform could reduce various existing burdens or create SME-friendly effects. The total of SME respondents to the survey was 574 (94% of all survey respondents), of which: Micro: 236 Small: 176 Medium: 162 The interview consultations included 10 EU-level business organisations, of which some representing both large organisations and SMEs, and some only represented SMEs (e.g. SMEunited and Independent Retail Europe), as well as three Member State business organisations representing both SMEs and large companies, and several large market players to compare the SME views with.
Are SMEs' views different from those of large businesses?

[252] European Commission, *Commission Staff Working Document, Fitness Check of EU consumer law on digital fairness*, Brussels, 2024, SWD(2024) 230 final, 707d7404-78e5-4aef-acfa-82b4cf639f55_en.
[253] European Commission Directorate-General for Justice and Consumers, Study to support the fitness check of EU consumer law on digital fairness and report on the application of the Modernisation Directive, 2024, Study to support the fitness check of EU consumer law on digital fairness and report on the application of the Modernisation Directive - European Commission.

Yes, to a limited extent.

Compared with large businesses, SMEs who completed the survey are generally more positive about the revision's likely effects, although the expected gains are still modest. On the question of competitive position vis-à-vis non-compliant traders, SMEs are broadly optimistic, with around **62%** expecting some kind of benefit. A similar pattern appears for competitive position vis-à-vis non-EU traders, where the overall survey shows a clear majority expecting improvement and large businesses are notably more cautious: **56%** say their position would remain unchanged, while only **39%** expect improvement (**8% greatly** and **31% somewhat**). On cross-border compliance burden, SMEs are again slightly more positive than large traders: **59%** of respondents overall expect no change, **24%** expect some reduction and **12%** expect an increase, while large traders are more likely to expect costs to rise, at **17%**. The same broad pattern appears on administrative costs, where **13%** of SME expect an increase; compared to 26% among large businesses. SMEs also start from a somewhat more pressured position, with **30%** saying compliance with EU consumer protection rules is more burdensome for them than for larger traders in their sector, compared with **44%** saying it is about the same. On growth and innovation, SMEs are broadly neutral to mildly positive: **12%** expect a significant boost, **31%** somewhat enhance, **49%** no change and only **5%** a negative effect. Overall, the survey suggests that SMEs see the revision as more relevant and more likely to help than large traders do, but mainly through better enforcement conditions and a fairer competitive environment rather than through major direct cost savings.

The **interviews did not identify a fundamentally distinct perspective** from large market players compared with SMEs. Rather, the two categories broadly shared views on the need for effective enforcement and a level playing field. The main difference is one of emphasis: SMEs are described as more constrained by limited resources, legal capacity and fragmented rules, while large market players are better resourced and more focused on stronger, faster and more consistent enforcement, particularly against non-EU traders. Overall, the evidence points to similar underlying views, but with large traders better able to absorb compliance demands and SMEs needing a more proportionate, workable approach.

(3) ASSESSMENT OF IMPACTS ON SMES
What are the estimated direct costs for SMEs of each policy option?
No direct impacts expected.
Qualitative assessment
N/A
Quantitative assessment
N/A
What are the estimated direct benefits/cost savings for SMEs of the policy options?
No direct benefits expected.
Qualitative assessment

N/A

Quantitative assessment

N/A

What are the indirect impacts of this initiative on SMEs?

The measures under consideration are expected to strengthen consumer trust, improve the level playing field for compliant businesses, and reduce the unfair competitive advantage of non-compliant traders, including those operating cross-border. The distinction between direct and indirect effects was assessed by identifying whether a measure would create an immediate obligation, cost, or benefit for SMEs themselves; where no such SME-facing obligation is expected, any impact was treated as indirect, arising instead through changes in market conditions, enforcement intensity, consumer confidence, or competitive fairness. The design of the business survey specifically tested all these anticipated measures, examining businesses' expectations as to forthcoming costs and benefits. The table below summarises the main measures currently under consideration by DG JUST for a possible revision of the CPC Regulation. The table below summarises the costs and benefits for SMEs of each policy measures.

Measure	SME indirect and direct costs	SME indirect and direct benefits
Measure 1.1 Commission to carry out cluster inquiries with the assistance of CPC national authorities	**No direct costs for SMEs expected.**	**More efficient and consistent enforcement should benefit SMEs** by reducing unfair sector-wide practices and creating a more level playing field. It may also bring quicker resolution of widespread enforcement problems that affect compliant traders. Administrative costs could be reduced if there is no need to participate in more than one national investigation.
Measures 1.2 and 3.2 Give the European Commission power to investigate EU-wide infringements of consumer protection rules and impose sanctions	**No direct costs for SMEs expected.** Any indirect costs would likely be limited and transitional, for example from stronger and more consistent market-wide enforcement standards.	The anticipation is that centralised enforcement could bring **greater deterrence of unfair practices**, which should improve trust in the market and reduce unfair competition for compliant SMEs. This could reduce the disadvantage faced by SMEs competing with rogue traders. Further, centralised enforcement could lower administrative and compliance costs, reduce the length of enforcement procedures, and ensure consistency and clarity of enforcement standards. This would affect traders falling within the scope of Commission's competence and will indirectly benefit SMEs.

Measures 1.3 NCAs concerned delegate to one NCA the power to carry out investigations "on their behalf"	**No direct costs for SMEs expected.**	**Faster enforcement** should reduce the duration of unfair market conduct and improve legal certainty. It could lower some of the administrative burdens for SMEs. SMEs may further benefit from a more predictable and trustworthy market environment, which should follow the adoption of stronger and consistent enforcement standards.
Measure 1.4 Investigations for widespread infringements to be carried out by a newly established EU body	**No direct costs for SMEs expected.**	Similar to measure 1.2, the anticipation is that centralised enforcement through an EU body could bring **greater deterrence of unfair practices**, which should improve trust in the market and reduce unfair competition for compliant SMEs. This could reduce the disadvantage faced by SMEs competing with rogue traders.
Measure 2.1 Clarify and make it more explicit that the CPC Regulation applies to non-EU traders	**No direct costs for SMEs expected.**	**Fairer competition** for SMEs by helping ensure that non-EU traders are subject to the same enforcement expectations.
Measure 2.2 Extension of the material scope of the CPC Regulation to include additional legislative acts to be enforced through the CPC system	**No direct costs for SMEs expected.**	The extension of the material scope should enable **more rules protecting the interest of consumers to be enforced through a more efficient and consistent enforcement**. This should benefit SMEs by bringing quicker resolution of widespread enforcement problems that affect compliant traders regarding the additional legislative acts. Administrative costs could be reduced if there is no need to participate in more than one national investigation.
Measure 2.3 Strengthen e-enforcement capabilities of CPC authorities	**No direct costs for SMEs expected.**	More efficient and consistent enforcement should benefit SMEs **by reducing unfair practices and creating a more level playing field.** Given that large businesses have more resources to invest in anti-scraping systems and thus can prevent authorities from having access to the data published on their website, this measure would bring about an

		improved level playing field in the digital single.
Measure 2.4 Strengthen obligation on MS to allocate minimum resources for cross-border enforcement activities of CPC authorities	**No direct costs for SMEs expected.**	SMEs would benefit from an increased number of resources invested by national authorities in the CPC mechanism as this would contribute to ensure a more consistent and effective enforcement **and reduce unfair practices and creating a more level playing field.**
Measure 3.1 New procedure to coordinate the imposition of sanctions at the national level	**No direct costs for SMEs expected.**	**Strong deterrence of serious infringements** should protect compliant SMEs from unfair competition and improve consumer trust, which can support business conduct of legitimate SMEs
Measure 3.3 Give legal personality to the CPC Network, with a view to imposing fines at "network-level"	**No direct costs for SMEs expected.**	Similar to measure 3.1, **strong deterrence of serious infringements** should protect compliant SMEs from unfair competition and improve consumer trust, which can support business conduct of legitimate SMEs

The business survey suggests that **SMEs perceive the benefits and cost savings for SMEs to be limited, which is in line with the expectation that the CPC reform has only indirect impacts on SME**. On cross-border compliance burden, **59%** of respondents expect no change from a centralised enforcement approach, while **24%** expect some reduction and **12%** expect an increase. A similar pattern appears for administrative costs: **54%** expect no change, **24%** some reduction, **7%** a significant reduction, and **13%** an increase. For investigation and proceeding-related costs, the picture is again broadly neutral, with **49%** expecting no change, **30%** some reduction and **12%** a significant reduction. Taken together, this indicates that the policy options are not expected to generate major immediate savings for SMEs, but they may produce modest indirect gains through more efficient, better targeted enforcement and lower burden in cross-border cases.

Interview feedback also reinforced the view that the CPC revision affects SMEs indirectly. Stakeholders emphasised that the principal benefit would come from clearer and more consistent enforcement, which would level out the playing field for compliant traders. In practice, this may ease some compliance pressure over time because the application and interpretation of the existing rules may become more consistent, although the revision of the CPC Regulation will not clarify the substantive rules contained in its Annex as such. Overall, the benefits for SMEs are best characterised as **indirect, mainly qualitative, and linked to improved level playing field rather than to large cost reductions**.

Qualitative feedback collected as part of the survey indicate the following indirect impacts resulting from the CPC reform:

Competitiveness: The survey with businesses and interviews suggests that the CPC reforms would have indirect positive impacts on SMEs, due to stronger enforcement, which in turn would create a fairer market environment, reduce unfair competition and improved consumer trust and greater confidence in the market. Of the business survey respondents, **20%** of SMEs say centralised enforcement would greatly improve their position vis-à-vis non-compliant traders, **42%** say it would somewhat improve it, **34%** expect no change and only **4%** expect a deterioration. The perceived competitive effect of the reform in relation to non-EU traders is very similar, with **15%** expecting a great improvement, **42%** a somewhat improved position and **38%** no change and only **5%** expect a deterioration.

Growth and innovation: The survey with businesses and interviews suggests that the CPC reform would be moderately and indirectly supportive of SME growth and innovation, as the strengthening of the enforcement system and improved legal certainty would improve confidence in the market which could make cross-border expansion feel less risky. In the business survey **12%** of SME say it would significantly enhance their ability to grow and innovate and **31%** say it would somewhat enhance it, while **49%** expect no change and only **5%** foresee a negative effect.

Level-playing field. To the extent to which centralised enforcement will increase the incentives for large traders to comply, and the sanctions for non-compliance, SMEs will benefit from a reduction in the unfair competition brought about by non-compliant traders. They will also benefit from the faster re-establishment of a level playing field, as CPC authorities and the Commission can address underlying unfair or illegal practices more quickly in the future

As noted by the Competitiveness check:

The CPC reform leaves the compliance costs of compliant traders unchanged. For non-compliant operators, by contrast, the initiative raises the effective cost of operating without meeting the applicable requirements. These impacts would not differ whether it concerns a larger trader or SME.

The impact of the CPC reform has a positive impact on international competitiveness, and a limited indirect positive effect on the deployment on the capacity to innovate. This positive impact is expected to be felt by both large organisations and SMEs alike.

(4) MINIMISING NEGATIVE IMPACTS ON SMES
Are SMEs disproportionately affected compared to large companies?
No.
Have mitigating measures been included in the options?

N/A

2.ADDITIONAL INFORMATION

The table below provides an overview of the data supporting the test, the data collection methods and the expected limitations of the analysis.

Data collection method	Type of information	Limitations and proxies
Business survey of SMEs	**Quantitative primary data** from businesses, including firm size, trader type, cross-border activity, compliance costs, price effects, enforcement exposure, and perceptions of the expected impact of the CPC revision.	The survey provides the strongest direct evidence base, especially because the SME sub-groups are sufficiently large for broad comparisons. However, results should be interpreted with some caution where differences are small, particularly for larger traders and for later questions with smaller follow-up bases. It is also mainly based on self-reported perceptions. The survey does not test each planned CPC option separately, but it provides a strong proxy through questions on centralised enforcement, cross-border compliance burden, administrative costs, and competitive position.
Interviews	**Qualitative primary data** from SMEs, business representative bodies, large market players, and other stakeholders.	Interviews provide context, explanations, and evidence on practical challenges, but they are not a statistically representative source. Most interviewees could not provide hard data on costs or market effects, so the evidence is best used as a qualitative proxy for mechanisms such as fragmentation, legal uncertainty, limited resources, cross-border compliance, and enforcement practice.
Statistical data	**Quantitative secondary data** from official and desk-based sources, such as Eurostat structural business statistics and business demography, plus supplementary evidence on e-commerce participation, enforcement patterns and complaint trends.	These sources provide a useful baseline on the size, structure, and dynamics of the affected business population, but they are not SME-test evidence in a direct sense. They do not measure the burden of the CPC revision itself, so they function mainly as contextual and structural proxies. Some sources are not SME-specific and therefore only indicate likely indirect effects on smaller traders.

ANNEX 7: FINDINGS RESULTING FROM THE APPLICATION OF THE CPC REGULATION

Introduction

Regulation (EU) 2017/2394[254] on cooperation between national authorities responsible for the enforcement of consumer protection laws ("CPC Regulation") establishes a pan-European enforcement network in the EU/EEA countries and provides a framework that the CPC authorities can use to tackle infringements of the EU consumer laws with a cross-border dimension. The CPC Regulation was adopted in December 2017 and entered into application on 17 January 2020. It repealed Regulation 2006/2004[255] and updated the CPC regime by clarifying and extending its scope and procedures as well as by further harmonising the minimum powers of the national enforcement authorities.

According to Article 40 of the CPC Regulation, the Commission shall submit a report to the European Parliament and the Council on the application of the CPC Regulation. An external study[256], which was carried out to assist the Commission in the preparation of the report, collected data and information on the application of the CPC Regulation. The assessment of the application of the CPC Regulation is structures around 5 evaluation criteria and is based on: a) EU-level desk research, b) national desk research and interviews with CPC authorities from 30 EU/EEA countries, c) results from online surveys with national authorities, entities eligible to issue alerts and traders subject to CPC action.[257] Finally, in the framework of case studies[258], interviews were conducted with relevant stakeholders.[259] The sources mentioned were triangulated.

The objectives of the Regulation

The CPC Regulation provides a set of rules and conditions under which Member States' and EEA countries' competent authorities cooperate and coordinate actions with each other and with the European Commission with the main aim to enforce compliance with European Union's consumer laws in the cross-border context.

More specifically, the CPC Regulation is meant to: i) facilitate the detection of cross-border and widespread infringements of consumer law ii) facilitate actions to address these

[254] Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004 (Text with EEA relevance), *OJ L 345, 27.12.2017, p. 1–26.*

[255] Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (the Regulation on consumer protection cooperation)Text with EEA relevance, *OJ L 364, 9.12.2004, p. 1–11*

[256] Information gathering for assisting the Commission in complying with its obligations under Article 40 ("reporting") of Regulation (EU) 2017/2394 on Consumer Protection Cooperation, Tetra Tech and partners.

[257] Online Surveys were targeted at: i) CPC Single Liaison Offices (SLO) and national competent (CPC) authorities (NCA), which received 102 responses from authorities in 26 countries, ii) External entities eligible to issue alerts under Article 27 of the CPC Regulation, which received 35 responses from stakeholders in 20 countries and iii) Traders, which received 22 responses.

[258] Case studies focused on relevant markets, namely air travel, e-commerce, in-app purchases, consumer credits, car rental, and accommodation booking platforms.

[259] 41 interviews with the relevant stakeholders were conducted, including with 12 traders that had been subject to coordinated CPC actions.

infringements and iii) support consistency in the approach to address the infringements across EU/EEA countries.

The evolution of the market and consumer law infringements

Changes in the consumer markets have been observed in recent years. The main trends which have driven the changes are globalisation, digitalisation, Covid-19 pandemic, new emerging business models and commercial practices and the green transition.

Globalisation and digitalisation had an impact on the development of e-commerce. Because of digitalisation, more and more consumers buy goods and services online. In 2019, 79% of EU27 citizens have purchased products or services online[260] and there is an increasing share of online purchases by individuals in the EU27 from sellers abroad (9% in 2011, against 21% in 2019).[261] In Europe, the overall e-commerce revenue is expected to increase from EUR 277.7 billion in 2017 to EUR 422.2 billion in 2024.[262] The digitalisation trend was further stimulated by *Covid-19 pandemic*, during which even more consumers were shopping online. A study in a few selected countries in Europe found that from 19% in Denmark up to 44% in Spain shopped online more often due to the pandemic in 2020.[263]

Next to significant uptake of e-commerce, there have also been changes in the nature of online trade. More in particular, centralised marketplaces have emerged allowing third-party sellers to offer goods or services to consumers. This also means that small sellers from third countries can more easily sell products via platforms to consumers in the EU/EEA which on its turn creates new challenges for consumer protection. The CPC Network's online platform checks and sweeps suggest, issues such as lack of price transparency, price advantages, unclear or missing pre-contractual information are particularly prevalent with those third countries traders.[264] Furthermore, new business models emerge, like e-commerce via social media, whereby the user base of social media platforms is used as sales channels for online traders. The marketing of products by influencers, has developed and is constantly growing. Influencers' marketing is nowadays considered one of the most popular and effective forms of online marketing.[265]

Another phenomenon in the market which has appeared in recent years are *misleading sustainability claims.* Due to increased consumers' interest in the impacts of products they buy on the environment, traders started using various "greenwashing techniques" by which they create false impressions or provide false information about how their products are more environment friendly than they actually are.

[260] Source: Eurostat (isoc_ec_eseln2).
[261] Source: Eurostat (ISOC_EC_IBUY).
[262] Statista (2019). Europe: retail e-commerce revenue forecast from 2017 to 2024. Available at: https://www.statista.com/forecasts/715663/e-commerce-revenue-forecast-in-europe
[263] Statista (2021). Share of respondents in selected European countries who shopped online more often due to the coronavirus pandemic in 2020. Available at: https://www.statista.com/statistics/1189076/Covid-19-e-commerce-growth-europe-country/
[264] European Commission, *Commission Staff Working Document, Biennial overview of actions carried out by national authorities under Regulation (EU) 2017/2394 on consumer protection cooperation and key market trends that might affect consumers' interests in the future,* Brussels, 2022, SWD(2022) 108 final, p.16, https://commission.europa.eu/document/download/c52bbf71-56d1-4433-a73c-c432f6c35610_en?filename=swd_2022_108_f1_staff_working_paper_en_v3_p1_1903309.pdf.
[265] Statista, 2021, Influencer marketing market size from 2016 to 2021. Available at: https://www.statista.com/statistics/1092819/global-influencer-market-size/.

The above market changes influence the trends in consumer law infringements. Information from several data sources[266] indicate an increasing number of infringements relating to online purchases, with a larger number of consumers across the EU affected by them. More and more traders involved in infringements are traders from outside the EU and a high-level of infringements is detected in relatively new sectors.

Main findings

The CPC Regulation is generally considered by national consumer authorities[267] as effective in meeting its objectives, as it facilitated the detection of cross-border and widespread infringements. While recognising that the network is more effective than bilateral cooperation between authorities, authorities from two countries indicated that differences in resources make the cooperation less effective. Countries where authorities have less resources process cases slower making the information less relevant because of the delay. The inconsistencies in the application of the regulation and in particular the differences in the interpretation of the regulation and in the implementation of CPC powers, have been indicated as obstacles hampering the effective functioning of the CPC.[268]

More concretely, sweeps (the EU/EEA-wide screening of websites to check compliance with consumer legislation) were considered an effective tool for identifying issues by most authorities[269], although some[270] were less positive about the advantages of sweeps claiming they have a limited remit and are not necessarily followed up with enforcement actions. Five countries expressed the need for more follow-up on the sweeps. Internal and external alerts have increased the effectiveness of the detection of cross-border infringements and coordinated market surveillance efforts increased awareness of ongoing infringements thus enabling CPC Network members to take appropriate enforcement measures. The overwhelming majority of CPC authorities[271] indicated that the Regulation has enhanced and increased consistency of enforcement of consumer protection through coordinated actions by the CPC authorities. Authorities from five countries highlighted the value of coordinated actions as leading to a higher level of enforcement vis-a-vis multinational companies. More specifically, these CPC authorities reported that the power of having several authorities working together creates higher pressure on traders as compared to a Member State acting alone. It also ensures a uniform and consistent approach to businesses. The contribution of the CPC Regulation to ensuring

[266] Complaints from ECC Net, Data from IMI tool used by the CPC Network and CPC coordination actions. The data from these sources have their limitations but allow to observe certain trends.
[267] This is the view of authorities from 20 EEA/EU countries out of 25 who shared their view during an interview.
[268] *It was pointed out by 48 respondents out of 88 stakeholders that replied. 40 of them did not identify any gaps but it was due to their lack of familiarity / experience dealing with the CPC network or cross-border cases.*
[269] Authorities from 12 EEA/EU countries confirmed this, while the authorities in 6 countries expressed mixed or slightly negative views on the effectiveness of sweeps. The authorities of 4 other countries responded that they have limited experience with sweeps. 8 EEA/EU countries did not reply.
[270] 3 authorities from 1 country described the limited function of a sweep as a "market observation tool", capable of presenting a snapshot of a small sample of traders' behaviour, rather than offering robust solutions with a focus on law enforcement. This was the feedback from almost all stakeholders consulted as part of the e-commerce case study which explained that the impact of sweeps on compliance in the sector is very limited (mostly due to the lack of information and communication about the sweep and their results). Another authority from one country went as far as to say that sweeps draw the CPC authorities away from their core enforcement role and can lead to misleading conclusions.
[271] It was the view expressed by 26 countries' authorities. The authorities from 1 country considered the CPC Regulation to have had neither positive nor negative impact while authorities from 2 countries considered that the CPC Regulation has not led to an increase in consistency and this remains a challenge. 1 country provided no answer.

consistency in the approach to addressing the same malpractices in different EU/EEA countries was assessed positively by sixteen countries and negatively by four.[272]

According to national consumer authorities[273], CPC Regulation can generally address emerging issues and infringements stemming from the increased digitalisation and globalisation of retail markets. It is also able to deal with issues stemming from crisis situations like for instance Covid-19, since it provides Member States with a framework to deal with widespread infringements that emerged (like for instance in the airlines sector).[274]

Notwithstanding the overall positive assessment of the CPC Regulation, the feedback gathered through interviews highlighted shortcomings and suggestions for further improvement of the CPC cooperation to enhance its effectiveness. Firstly, the speed of the process for launching an action is a major enforcement challenge. In the opinion of national authorities and BEUC the current tools of the CPC Network do not always allow the CPC authorities to react rapidly to emerging market threats and thus a fast-track mechanism could be considered to address this concern. Secondly, the inconsistent and limited use of sanctions and fines by national authorities has restricted the deterrent effect on traders.[275] In particular, due to the fact that the Regulation does not explicitly state its application to third countries and there are no cooperation agreements with third countries, the CPC Regulation has limited impact on traders established outside the EU and not having assets in the EU/EEA. Thirdly, the use of some of the investigative and enforcement tools and participation in sweeps was found to be uneven across EEA/EU countries. This was caused by differences in resources and in the establishment of the minimum investigation and enforcement powers across Member States.

The national authorities reported in the survey and during interviews to incur substantial administrative costs related to CPC activities but consider nonetheless the CPC Regulation overall efficient. The participation of authorities in coordinated actions (especially as a leading authority)[276] and replying to mutual assistance requests require most resources.[277] Dealing with traders from third countries was reported to be a significant cost for most authorities[278]. The national authorities also reported that almost half of their resources were allocated to administrative tasks such as meetings, management and handling of alerts.[279]

Traders (22 traders consulted via online surveys) reported that most costs stem from adjusting their business practices and discussing the feasibility of commitments with the CPC Network. Better communication with the CPC Network could improve efficiency according to these traders.

[272] 10 countries stated they had not enough information on the topic.
[273] All 45 interviewed authorities except for 3 shared this view.
[274] All 45 interviewed authorities except for 3 shared this view.
[275] *CPC authorities in 5 countries suggested further harmonising and increasing the amount of the fines.*
[276] Based on feedback from the interviews which included six SLOs that participated in at least one action as a coordinator.
[277] During the follow-up interview 8 out of 14 SLOs reported that replying to mutual assistance requests took a lot of time compared to other activities. Based on the overall feedback from authorities, it seems that SLOs that also act as competent authorities are the ones that find replying to mutual assistance requests more time consuming.
[278] Out of seven SLOs that identified the trader's country of origin as a significant cost driver, four mentioned it in the context of cases involving traders from third countries. Similarly, out of four NCAs, three mentioned traders from third countries as the main reason for impacts on costs being high.
[279] This is the view of 46 authorities (11 SLOs and 35 NCAs) who provided input in the survey.

Entities[280] with the power to issue external alerts noted that most resources are allocated to the preparatory work for the alert being the assessment of the issues, consultations with stakeholders, gathering expert opinions, etc. 12 organisations out of 35 which were consulted reported not being able to issue an alert due to lack of resources.

The CPC Regulation reduced the workload for traders saving them both time and staff needed to address requests from authorities because of a harmonised approach and centralised communication. The authorities[281] also noted that under the current CPC Regulation less resources are required to participate in actions because of reduction of delays and improved processes (e.g. improved alert system and better information exchange). The majority of the authorities[282] consider that the duplication of work has been reduced.

The CPC Regulation is overall coherent. The activities carried out by different actors involved in the cooperation are mutually complementary and appear to work well together in order to achieve the goals of the CPC Regulation. The CPC Regulation is also considered[283] consistent with wider EU policies, and complements the legislation in consumer protection, product safety, alternative dispute resolutions, financial services and recently proposed legislation in digital policies.

The assessment stemming from the application of the CPC Regulation showed that the cooperation has an added value. There was a wide agreement on this among CPC authorities.[284] The national authorities reported that the absence of the regulation would both weaken the application of consumer protection and reduce compliance of traders, thereby increasing consumer detriment.

The authorities were of the view that without the CPC Network costs would be higher and efforts of national authorities would be duplicated.[285] Without the CPC Network, cooperation between the authorities would be difficult and even absent in some cases, while it appears that in some cases the structure for cooperation is preferable to national authorities acting alone. The power of having several countries and authorities working together translates into higher pressure on traders compared to a Member State acting alone (which was especially important for smaller Member States). Certain types of actions would not be feasible without the CPC Regulation, such as actions against big market players.[286]

There was a consensus among the authorities that sharing of information and knowledge within the network contributed to the identification of infringements. It also ensures that the attention is focused and resources allocated to issues affecting consumers' rights within and across the EU contributing to boosting consumers' trust.

[280] 35 organisations were consulted.
[281] This view was supported by 30 national competent authorities.
[282] 18 out of 24 SLOs agreed with this statement. 3 national authorities did not agree.
[283] 20 authorities provided feedback and no one pointed out any inconsistencies.
[284] 75 CPC authorities were consulted and 66 of them were of the view that cross-border cases would require more resources and time and their costs would significantly increase in the absence of the CPC framework.
[285] Responses from national authorities in ten countries were available for analysis. While the authorities from other countries may not have answered this question head on, it is possible to infer from the responses elsewhere that they would agree with the summary below, i.e., they referred to process being less time-consuming or more efficient when asked about the benefits of the CPC network.
[286] As highlighted by the responses from national authorities representing five countries, particularly where the Commission acts as the organising body. In addition, according to authorities from two countries, the CPC clearly facilitates action in international e-trade and digital marketplaces (which is becoming increasingly important).

Generally the CPC Regulation also provided added value to stakeholders from the industry, who pointed out in their feedback that it is welcome and even necessary if the authorities adopt a centralised, European approach. Traders considered that there was an added value in having one contact point and not having to deal with 27 Member States.[287] At the same time, some industry stakeholders pointed out that since voluntary participation in the CPC dialogue and commitments does not prevent national authorities from still taking enforcement actions within their jurisdiction, this may have a discouraging effect on traders and undermine their trust in the CPC system.

A number of consumer market trends have influenced and will continue to influence the landscape in which the CPC Regulation operates. The question which arises is whether the current cooperation mechanism under the CPC Regulation remains relevant and whether the market changes are leading to new or changed needs for cooperation among national consumer authorities.

Due to the acceleration of the increase in e-commerce and the platform economy, the continued digitalisation, certain types of cross-border consumer law infringements have emerged or become more prominent (e.g. influencer marketing and greenwashing) and need to be dealt with by the CPC Regulation. Covid-19 pandemic caused disruptions in several sectors (e.g. air travel, accommodation booking). As long as the substantive consumer law references in the Annex of the CPC Regulation cover these emerging infringements, the CPC Regulation should be able to remain relevant. Also, the objectives of the CPC Regulation were set up in an open and technology neutral way, so they are still relevant, despite the changed landscape.

However, the CPC authorities recognised the need to act faster in case of specific types of infringements which are widespread but which can be short-lived in fast changing online environment. The CPC Regulation should also better address infringements caused by non-EU traders.[288] Finally, there is a need for the CPC Network to have the right level of capacities and skills (e.g. IT and AI expertise) to detect new types of infringements in the digital world.[289]

What are the conclusions?

The assessment of the application of the CPC Regulation shows that the regulation is generally successful in reaching the set objectives. It contributes positively to the detection of cross-border infringements of consumer law and it enhances the consistency of enforcement across the EU/EEA. The Regulation remains overall relevant as the objectives were set in an open way. The cooperation under the regulation provided added value to national consumer authorities, which acting together improved their efficiency and managed to deal with infringements on which their action without the regulation would most probably not be possible. Also traders who participated in a CPC action appreciated common and centralised approach rather than being in the obligation to deal with potentially 27 Member States.

[287] This was the view of all industry stakeholders consulted within the case studies on e-commerce sector, in-app purchases and online booking platforms. For consulted stakeholders please see the case studies within 'Information gathering for assisting the Commission in complying with its obligations under Article 40 ("reporting") of Regulation (EU) 2017/2394 on Consumer Protection Cooperation, Tetra Tech and partners'.
[288] Raised by CPC authorities in 16 countries.
[289] A few CPC authorities specifically highlighted the lack of IT and AI skills.

Notwithstanding these positive elements, the following shortcomings and challenges have emerged from the assessment:

a) The current tools of the CPC Network do not allow the CPC authorities to act rapidly, while it appears important especially in an online environment where the infringements impact a large number of consumers across the EU and may rapidly proliferate across business sectors;

b) The deterrent effect of the regulation is reduced by the lack of stronger enforcement powers (e.g. higher fines, the speedy investigations and enforcement);

c) The application of the CPC Regulation to traders from outside the EU/EEA is not clear and therefore the regulation is perceived as having limited ability to resolve infringement cases where third-country traders target consumers in the EU/EEA but do not have assets in the EU/EEA;

d) The effectiveness of the CPC Regulation was hampered by differences in capacity of Member States to deal with CPC cases, due to limited resources, differences in the interpretations of the regulation and differences in the establishment of minimum investigation and enforcement powers;

e) The fact that the participation in the CPC dialogue and commitments does not prevent consumer authorities from taking enforcement actions within their jurisdiction, may have a discouraging effect on traders and undermine their trust in the CPC system;

f) Finally, the CPC Network does not necessarily have the right level of capacities and skills to recognise and detect the new types of infringements in the digital environment (e.g. IT and AI experts).

ANNEX 8: INVESTIGATION AND ENFORCEMENT AT THE EU LEVEL UNDER THE REVISED CPC REGULATION

This Annex provides an overview of the envisaged enforcement architecture that forms the basis for the assessment of **policy measure 1.1 (Commission competent to coordinate cluster inquiries run by NCAs), 1.2 (Commission to investigate EU-wide infringements), 1.3 (NCAs concerned delegate to one NCA the power to carry out investigations "on their behalf"), 1.4 (investigations by an EU-body), 3.2 (Commission power to impose sanctions) and 3.3 (legal personality and investigative and enforcement powers of the CPC Network)** of this impact assessment as they involve the conferral of investigative and/or enforcement competencies to body/entities at the EU level.

In line with the subsidiarity principle enshrined in Article 5(2) of the TEU, the Union shall, in areas that do not fall within its exclusive competence, only act if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States but can, by reason of scale or effects, be better achieved at Union level. The investigation and/or enforcement of EU consumer law directly at the EU level must therefore be confined to certain infringements that, due to their nature and scope affect the EU Single Market in a way that enforcement action by Member States' competent authorities cannot be expected to address the detriment they cause to consumers' collective interests in an effective and consistent manner (see A).

Under its point B, this Annex outlines the type of substantive rules that, where applicable, need to be given direct effect through the CPC Regulation, could be enforced directly at the EU level under the revised CPC Regulation. Finally, under its point C, this Annex outlines the investigative and enforcement powers that, for measure **1.1. and 1.2 (investigations by the Commission)**, **1.3 (NCAs concerned delegate to one NCA the power to carry out investigations "on their behalf"), 1.4 (investigations by an EU-body)**, **3.2 (Commission power to impose sanctions)** and **3.3 (legal personality and investigative and enforcement powers of the CPC Network)**, vested directly in an EU-body, the Commission, one authority or the CPC Network.

A. Cases to be addressed at the EU level under the revised CPC Regulation:

Under the revised CPC Regulation, enforcement at EU level would be triggered in relation to the cases which would be named "high priority Union wide infringements", i.e. any act or omission contrary to the provisions added to an Annex of the Regulation, that has done, does or is likely to do harm to the collective interest of consumers in at least two-thirds of the Member States accounting, together, for at least two-thirds of the population of the Union; and involves breaches of a particularly serious nature or entailing high risk.

B. Tentative overview of substantive rules to be enforced directly at EU level under the revised CPC Regulation ("High Priority Union Wide Infringements")

1) Regulations contained in the Annex of the CPC Regulation:

- Regulation (EC) No 261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, and successor regulation.

- Regulation (EC) No 1107/2006 concerning the rights of disabled persons and persons with reduced mobility when travelling by air

- Regulation (EU) 2021/782 on rail passengers' rights and obligations.

- Regulation (EC) No 1008/2008 on common rules for the operation of air services in the Community, Articles 22, 23 and 24.

- Regulation (EU) No 1177/2010 concerning the rights of passengers when travelling by sea and inland waterway.

- Regulation (EU) No 181/2011 concerning the rights of passengers in bus and coach transport.

- Regulation (EU) 2017/1128 on cross-border portability of online content services in the internal market.

- Regulation (EU) 2018/302 on addressing unjustified geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market.

- Regulation (EU) 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro (SEPA Regulation).

2) The Unfair Commercial Practices Directive (UCPD) 2005/29/EC transformed into a Regulation. The UCPD contains provisions of Union Consumer law which have proven to be predominant in EU-wide consumer law infringements.

C. Tentative list of powers to be vested directly in entities responsible for investigating and/or enforcing EU-wide infringements directly at the EU level

For the purpose of directly investigating and enforcing these provisions of EU consumer law included in Regulations in the Annex of the CPC Regulation or to be directly included in the text of the revised CPC Regulation, the following investigation and/or enforcement powers should be, where appropriate, be vested in an EU-body (measure 1.4), the Commission (measures 1.1, 1.2, and 3.2), one authority on behalf of the Network (measure 1.3) or the CPC Network having legal personality (measure 3.3). The relevant entities will execute these powers with the assistance of the competent authorities of the Member States as appropriate.

- The power to **request any relevant information** from any natural or legal person, by simple request or by decision, for the purpose of checking whether a widespread infringement with a Union dimension has occurred or is occurring;

- The power to conduct on-site **inspections** to gather the necessary evidence;

- The power to order **interim measures** against the trader concerned on the basis of a prima facie finding of an infringement, where there is urgency due to the risk of serious harm for consumers;

- The power to make, by decision, **commitments** offered by traders at any stage during the proceedings binding on the trader concerned;

- The power to adopt a **non-compliance decision** where it finds that the trader concerned does not comply with the relevant provisions of the CPC Regulation or any Regulation included in its Annex, with interim measures or commitments made binding on them;

- The power to impose a **fine** where it finds that the trader, intentionally or by negligence infringes or has infringed the relevant provisions of the CPC Regulation or any Regulation included in its Annex, fails to comply with a decision ordering interim measures, or fails to comply with a commitment made binding on them by decision;

- The power to impose **periodic penalty payments** in order to compel traders to supply correct and complete information, submit to an inspection, comply with a decision ordering interim measures, comply with commitments made legally binding on them, or to cease the infringement.

ANNEX 9: COMPLEMENTARITY BETWEEN EU CONSUMER LAW AND THE DIGITAL SERVICES ACT

The body of substantive EU consumer law applies to all traders established within the Union, irrespective of their size (e.g. SMEs, multinationals, etc.) and business model (e.g. online platform, brick-and-mortar shop, etc.). It also applies to traders established outside the Union whenever these traders target consumers in an EU Member State or their commercial practices affect the collective interests of consumers in an EU Member State. The body of substantive EU consumer law is complemented by a specific EU-level framework for its public and private enforcement.[290]

The Digital Services Act (DSA) is a centrepiece of the EU's new horizontal rulebook for providing intermediary services in the Union. It applies to intermediary services offered to recipients of the service that have their establishment or are located in the Union, irrespective of where the providers of those intermediary services are established. One of the DSA's most characteristic features is the novel harmonised framework of obligations for providers of intermediary services that it lays down. The DSA establishes a specific framework for the private and public enforcement of these obligations. This enforcement framework is separate and distinct from the specific framework for the public and private enforcement of consumer law.[291]

Some of the DSA provisions have an interplay with substantive EU consumer law. Those provisions can be grouped into one of the following three categories:

- **DSA obligations that complement obligations for intermediaries under EU consumer law**, e.g. obligations regarding online interface design and organisation (prohibition of "dark patterns" beyond those that constitute B2C commercial practices) (Article 25), advertising on online platforms (Articles 26 and 39), or the transparency of recommender systems (Articles 27 and 38);

- **DSA obligations facilitating compliance by traders hosted by the intermediary with their (the third-party traders') compliance with EU consumer law**, e.g., obligations regarding the traceability of (third-party) traders (i.e., *"Know-your-business-customer"* (Article 30), or "*Compliance by design"* (Article 31);

- **DSA obligations facilitating an effective response to infringements of EU consumer law by traders hosted by the intermediary (e.g. on an online marketplace)** e.g., provisions on orders to act against illegal content (Article 9), orders to provide information (Article 10), or the notice-and-action mechanism (Article 16).

While the DSA complements intermediary obligations under EU consumer law and through these obligations supports the prevention of and response to consumer law infringements by traders hosted by providers of online intermediary services (e.g. third-party online retailers hosted on an online marketplace), it also pursues a broader preventive and systemic framework aimed at mitigating systemic risks. It does not substitute EU consumer law which remains applicable. Article 2(4)(f) of the DSA provides that the DSA is without prejudice to EU

[290] CPC Reg., ADR Dir, RAD, ECCs – plus special rules facilitate its private enforcement before the courts.
[291] Only overlap: Art. 86 DSA that provides for enforcement of DSA obligations under RAD.

consumer law rules regulating other aspects of the provision of intermediary services in the internal market or specifying and complementing the DSA. The CPC Regulation and the DSA are complementary instruments addressing consumer protection in the online environment from a different but mutually reinforcing angle.

Outside the DSA's scope of application, EU consumer law applies without being complemented by the DSA. This means that only EU consumer law applies for instance to:

- travel and transport services;
- offline traders;
- online traders that do not qualify as providers of intermediary services under the DSA;
- online traders that qualify as providers of intermediary services under the DSA, but are excluded from the personal scope of some of the DSA's specific provisions (e.g. providers of online platforms allowing consumers to conclude distance contracts with traders qualifying as micro or small enterprises and exempted from the application of chapter III section 4 of the DSA under its Article 29).