

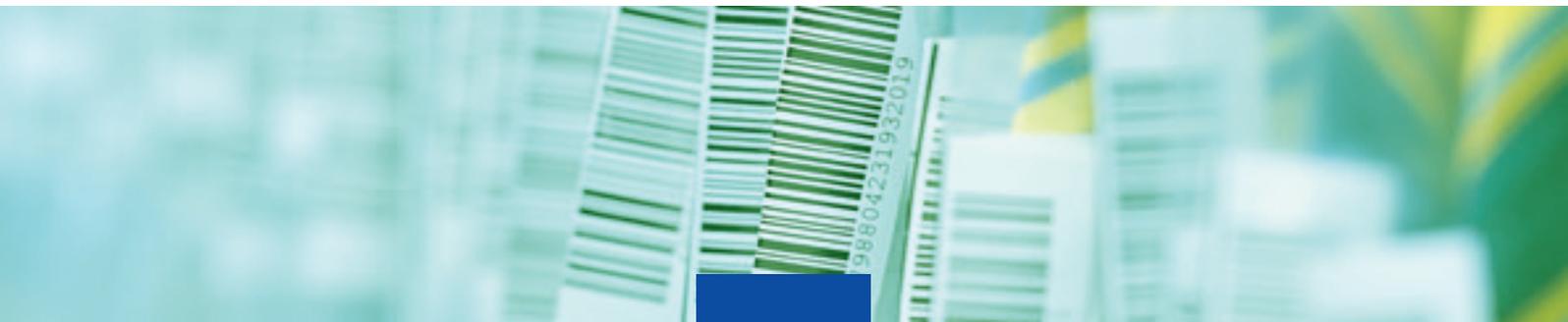


THE EUROPEAN  
UNION  
EXPLAINED

# Consumers

Putting the  
consumer first

Ensuring consumer safety and rights  
are priorities in all EU policies.



# THE EUROPEAN UNION EXPLAINED

*This publication is part of a series that explains what the EU does in different policy areas, why the EU is involved and what the results are.*

*You can find the publications online:*

[http://europa.eu/pol/index\\_en.htm](http://europa.eu/pol/index_en.htm)  
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How the EU works

## CONTENTS

1. Why an EU consumer policy? . . . .	3
2. How the EU goes about it . . . . .	5
3. Key achievements of the EU's consumer policy . . . . .	6
Further reading . . . . .	12

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### The EU explained: Consumers

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# 1. Why an EU consumer policy?

## Putting the consumer first

As one of the 508 million people living in today's European Union, you no doubt look for choice, quality and value for money when buying goods and services. You expect accurate information on what you are buying and you want to be sure that your rights as a consumer are upheld. Your market choices also drive innovation, efficiency and economic growth.

The EU's consumer policy has four key objectives:

- to protect you from unsafe products;
- to ensure that your spending choices are based on clear, accurate and consistent information;
- to give you access to fast and efficient ways of resolving disputes with traders and ensuring they respect your rights;
- to keep your rights up to date with economic and societal changes.

## Supporting economic growth

The European Union's 'single market' is one of the largest retail markets in the world. It allows people and businesses to trade freely across national borders in all EU Member States, as well as Iceland, Liechtenstein and Norway. It gives every EU consumer access to choice, flexibility, quality and value for money.

The primary role of the EU's consumer policy is to help consumers make the most of the single market opportunities. In so doing, it also supports economic growth and societal changes since consumer expenditure accounts for the greatest share of the EU's economy (57 % of EU GDP)

The EU's consumer policy guarantees that consumers have certain rights and entitles them to a high level of protection and support across the EU.

It provides:

- a set of common rules that applies to all sales of consumer products and services, online and offline, across the EU;
- a level playing field for businesses and a ban on unfair commercial practices;
- access to low-cost, fast and easy dispute resolution mechanisms;
- a reduction in product safety risks across Europe thanks to more efficient cooperation and market surveillance;
- information, advice and support on consumer issues;
- protection for vulnerable consumers such as children.

*EU consumer policy helps you make the most of the opportunities offered by the EU's single market.*



## Shopping online

Fifty percent of EU consumers shop online regularly and need to feel confident that they can do so safely. However, only 15 % of consumers buy online from other EU Member States. Recent evidence shows that online shoppers make cross-border EU purchases without always realising it (4 in 10 assume these to be from a domestic online seller). Top concerns with cross-border online purchasing relate to delivery, key consumer rights and redress. Evidence does indeed show that cross-border purchases account for a disproportionately high number of problems. It is therefore not surprising that only 38 % of consumers are confident when purchasing online from other EU Member States.

To overcome these difficulties, the Commission announced in May 2015 its '**digital single market strategy for Europe**'. It outlined 16 initiatives aimed at creating a connected digital single market and at encouraging e-commerce throughout the EU. In so doing, Europe can generate up to € 250 billion of additional growth in the course of the mandate of this Commission, thereby creating hundreds of thousands of new jobs, notably for younger jobseekers, and a vibrant knowledge-based society.

### The EU, then and now: changing consumption, changing markets

	1992	2014
<i>EU Member States</i>	12	28
<i>EU consumers</i>	345 million	508 million
<i>Countries in the euro area</i>	Not applicable	18
<i>Countries in the Schengen (free-movement) area</i>	Not applicable	25
<i>Possibility of basic internet access</i>	Not applicable	99.9 % (2012)
<i>Regular internet use</i>	Not applicable	75 %
<i>Online banking</i>	0 %	44 % of EU citizens bank online
<i>Population buying online</i>	Not applicable	50 %
<i>Mobile phone use</i>	Less than 1 %	Over 100 %
<i>Internet access at home</i>	Not applicable	81 %
<i>Online research for goods and services</i>	Not applicable	64 %
<i>Car ownership</i>	345/1 000 inhabitants	491/1 000 inhabitants (2013)
<i>Number of companies</i>	12 million	22.3 million (2012)
<i>Value of goods traded between EU Member States</i>	€ 800 billion	€ 2 935 billion
<i>Value of goods traded between the EU and the rest of the world</i>	€ 500 billion	€ 3 383 billion

## 2. How the EU goes about it

European consumer policy is a partnership between the EU, its member countries and its citizens. It is based on two key principles identified in the Treaty on the Functioning of the European Union:

- a complete range of actions should be taken at EU level to protect the health, safety and economic interests of consumers and promote their right to information and education;
- consumer protection requirements must be taken into account in defining and implementing other EU policies and activities.

EU consumer policy is regularly updated to take account of social, economic and environmental changes as well as new scientific advice and evidence. The European Commission proposes new legislation after it has assessed the potential impact of implementing it and carried out an extensive consultation with key stakeholders.

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EU law gives all consumers living in the European Union a minimum level of protection regardless of where they come from and which national laws are applicable. How this protection is given may vary between EU Member States: when countries transpose an EU directive into their national law and context, they may often choose to go beyond basic EU requirements. Some of the key consumer legislation is fully harmonised: for example, legislation on unfair commercial practices and on key

consumer rights such as the right to withdraw from a distance contract within 14 days of delivery of the service or product.

The EU works with national authorities to make sure that consumer laws are properly implemented and enforced. Penalties are applied to traders who do not respect the relevant laws.

If an EU Member State identifies products which pose a serious risk to consumer health and safety, they notify the European Commission via the EU's rapid alert system (RAPEX). This allows the information to be transmitted rapidly Europe-wide and the appropriate measures to be taken.

### Who does what?

**The European Commission** proposes legislation.

**National experts and authorities** discuss these proposals.

**The European Parliament and the Council (where Member States are represented)** decide on them jointly.

**EU Member States** implement EU legislation and make sure authorities, producers and businesses respect the rules.

**Consumer organisations** speak on behalf of consumers at EU and national levels.

**Industry and businesses** must comply with EU rules throughout production, processing and distribution.

**Independent agencies and scientific committees** give scientific advice assessing the risks of food, feed, animal health, drugs and health threats.

## 3. Key achievements of the EU's consumer policy

### Protecting your safety

Since the first measures aimed at consumers were adopted in 1975, the EU has worked continuously to secure a high level of protection for the health and safety of all EU consumers, from the moment a product is manufactured to its final use at home.

- **Product safety.** Under EU rules in this area, only products that are safe can be placed on the EU market. EU rules require the 'CE' conformity mark to be used on many categories of products. This is the manufacturer's declaration that the product has been checked against essential EU safety criteria and that it satisfies all relevant requirements.

Product safety rules are often extended or adjusted to include new products or to take account of new scientific evidence. For example, in 2011, new European safety requirements were introduced for personal music players to reduce the risk of hearing loss linked to excessive sound levels.

Toy safety, electrical safety and vehicle safety are just three examples of EU product safety rules that have made a big difference in Europe.

The toys you buy in Europe are amongst the safest in the world. Before a toy is placed on the EU market, it has undergone rigorous safety checks linked to construction and small parts, flammability, chemical properties, electrical properties, hygiene and radioactivity.

*The CE conformity mark is the manufacturer's declaration that a product has been checked against all essential EU safety criteria.*



EU electrical safety rules ensure that all low-voltage electrical equipment is safe for its intended use. European accident levels in relation to low-voltage equipment have been shown to be consistently lower than other comparable trade regions.

Finally, during the period 2010-2014, the annual number of deaths in traffic accidents in the EU fell by 18 %, in part due to the introduction of European laws for crash protection standards. In recent years, the most important EU vehicle safety rules have seen the introduction of crash tests for frontal impact protection and side impact protection for car occupants, as well as additional tests for pedestrian protection. Better consumer information on, for example, vehicle safety performance in crash tests has also encouraged manufacturers to introduce evidence-based safety designs that go beyond the EU's legal requirements.

#### • THE EU'S RAPID ALERT SYSTEM

The EU's **RAPEX** informs inspectors in all Member States about measures taken by a particular Member State with regard to a dangerous product. This starts a chain reaction whereby the product notified via RAPEX by a Member State is also removed from other national markets in the EU.

RAPEX has been operational since 2004 and has, over the years, exponentially increased the amount of information shared on dangerous products found on national markets, from around 460 alerts in 2004 to around 2 500 in 2014.

The increased amount of shared information on dangerous products in Europe in the last decade has to be seen in conjunction with the positive effects of aligned legislation and safety requirements in the larger context of the EU-28: stringent safety rules applied to an enlarged jurisdiction lead to a higher degree of safety for a wider community of consumers.

- **FOOD SAFETY.** EU food safety legislation guarantees consumers a high level of protection for all foodstuffs and food products sold in the EU, at all stages of production and distribution. It controls food hygiene, animal health and welfare, plant health and risk of food contamination. Its primary aim is to ensure that all consumers have access to safe, high-quality and

affordable food, bought on a market that is open, transparent and suited to individual preferences.

Substances such as food additives are also covered by EU legislation. They play an important role in food production and distribution, by keeping food hygienic or giving it a longer shelf life, for example. Such substances must be authorised by the European Commission following an independent scientific assessment of their safety.

- **COSMETICS.** The EU guarantees the safety of cosmetics through common rules on the composition, labelling and packaging of cosmetics products. These were extended in 2013, bringing an end to the testing of cosmetics on animals and the marketing of such products in the EU.

### Protecting your rights

EU legislation protects you from a wide range of dishonest commercial practices. It does this through the following measures.

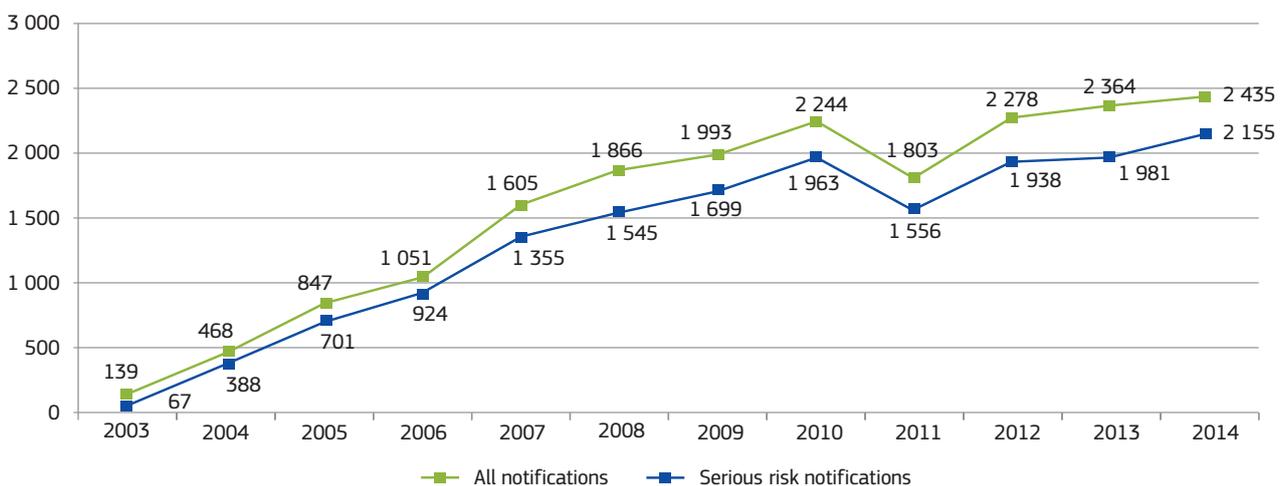
- **A BAN ON HARD-SELLING/AGGRESSIVE SALES TECHNIQUES.** Misleading advertising and unfair commercial practices such as aggressive sales techniques have been banned in the EU since 2005. This means no hidden costs, no tricks, no false claims, no misleading information and no advertising targeted at children. If it says it's free, it should be free.
- **DISTANCE CONTRACTS.** EU rules protect you when you buy a product or service by post or online. It also guarantees that you get enough information before you purchase, gives you the right to cancel the



During the period 2010-2014, the annual number of deaths in road traffic accidents decreased by 18 %.

- contract within 14 working days with no consequences or penalties and protects you from fraudulent use of your payment card. In the field of financial services, there are specific EU rules relating to the distance marketing of such services.
- **PRODUCT REPAIR.** EU rules provide legal protection for consumers if they purchase faulty goods or goods that are different to those advertised. Any product you buy is covered by a 2-year guarantee. If it stops working properly in this period due to a fault that was present at the time of delivery, you have the right to get it repaired. If this is not possible within

TOTAL NUMBER OF RAPEX NOTIFICATIONS (INCLUDING PROFESSIONAL PRODUCTS AND PRODUCTS POSING RISKS OTHER THAN HEALTH AND SAFETY): EVOLUTION 2003-2014



a reasonable time you are entitled to ask for a refund or a price reduction. Commercial guarantees provided by the seller do not replace the minimum 2-year, free-of-charge legal guarantee but may complement it.

- **DISPUTE RESOLUTION.** If you have a problem with a trader about a product or service you have bought, EU rules will allow you to settle your dispute out of court using alternative dispute resolution procedures. These are low-cost, fast procedures that are usually simpler than going to court. They can be used for both domestic and cross-border disputes. In 2016, a new **EU-wide online platform** was launched, allowing consumers and traders to resolve disputes over online purchases entirely online.
- **SMALL CLAIMS.** The **EU's small claims procedure** has been available since 2009 and applies to all civil and commercial cross-border lawsuits where the claim is less than € 2 000. No lawyers are necessary and judgements delivered under this procedure are recognised and enforceable in any EU Member State. From mid-2017, the ceiling will be raised to € 5 000.

Further information on citizens' rights can be found in the *Justice, fundamental rights and equality* publication in this *The European Union explained* series.

## Market surveillance and enforcement of consumer rights

Market surveillance and enforcement of the relevant consumer rules is an important part of EU consumer policy. Specific authorities in the Member States are



*EU food safety legislation controls food hygiene, animal health and welfare, plant health and risk of food contamination.*

responsible for this on the ground and employ several thousand inspectors to carry out checks and ensure that issues are addressed by traders.

The **Consumer Protection Cooperation network** links the national authorities of all EU Member States to detect, investigate and stop illegal cross-border commercial practices. It also makes it easier Member States to tackle together any breach of consumer legislation.

The network also carries out regular market monitoring and enforcement activities called 'sweeps', during which it checks selected websites in a given sector for compliance with EU consumer rules. During the period 2007-2015, national enforcers screened more than 4 400 websites offering consumer electronics, online tickets, consumer credit and downloads of music, games, videos and books. These wide-ranging actions, facilitated by the European Commission, make sure that traders across the EU comply with consumer legislation in their specific market sector. Most cases of malpractice brought to light during the screening phase are corrected within a year.

## Protecting your financial interests

Financial services have a very significant impact on consumers' lives. EU rules protect consumers' interests by ensuring a high degree of transparency in the financial services sector and clear and comprehensive information on competing financial products.

- **PAYMENT ACCOUNTS.** From September 2016, EU rules will provide all consumers with the right to open a bank account to perform essential operations such as receiving their salary. This also applies to consumers who are not resident in the country where the bank is located and irrespective of their financial situation. The rules will also create a simple and quick procedure for consumers who wish to switch their payment account to another bank within the same Member State or to open another account in a different Member State. By the end of 2017, it will be even easier for consumers to compare fees charged for payment accounts by banks in the EU as they will be provided with new information and have access to at least one independent comparison website.
- **CONSUMER CREDIT.** EU rules on consumer credit ensure that consumers have a set of rights when they take out credit agreements of between € 200 and € 75 000. They ensure that consumers receive clear information in a standardised EU form, in good time and before the contract is concluded and

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*In 2013 the EU brought to an end the marketing of any cosmetic product tested on animals in the EU.*

that the annual percentage rate and the whole standard information is always indicated when there is a borrowing rate in an advertisement.

- **MORTGAGE CREDIT.** New EU rules on mortgage credits came into force in March 2016. In particular, they ensure that consumers receive clear information in advertisements about mortgages and timely pre-contractual information before a contract is concluded. The rules also guarantee that the information consumers receive is standardised and contains full information about the credit and its costs, including the annual percentage rate charged, the borrowing rate and other fees.
- **INVESTMENT SERVICES.** Consumers' investments are protected at various levels. For instance, European rules ensure that investment products sold to consumers are appropriate for them; for example, the level of risk of these products must not be excessive for their particular circumstances. For typically 'retail' investment products, such as various types of investment funds, there are additional specific rules which regulate the way these products are sold; for example, the information on these products must be clear, concise and provided in a standardised format which allows consumers to compare products.
- **Insurance and pension schemes.** Rules on regulating insurance services already exist, but are being revised in order to improve the transparency of the information for consumers and the selling practices of insurance products. Moreover, the new rules on insurance products with an investment nature will be aligned to the rules on investment services. For example, the provider will have to assess if the products sold are suitable for consumers.

## Protecting you on holiday and abroad

Freedom of movement is one of the most important individual freedoms for EU citizens, and as a consumer, you are well protected when you travel.

- **PASSENGER RIGHTS.** The EU is the only part of the world where minimum standards for **passenger rights** have been set across all modes of transport: air, rail, waterborne and coach. Passengers enjoy a minimum set of rights which include information, assistance and compensation measures if cancellation or long delays occur. Disabled persons and persons with reduced mobility also benefit from EU legislation on passenger rights.
- **PACKAGE TRAVEL.** EU legislation protects the interests of consumers buying a package holiday by defining a range of obligations for organisers and retailers as well as some specific consumer rights. Examples include: having a single party responsible for the performance of all the services; receiving all necessary information before signing the contract; having a contact point to ask for prompt assistance; the right to transfer the booking to another person; the right to be refunded when essential elements of the package have been changed and the right to obtain alternative arrangements for free if the agreed services cannot be provided. The Package Travel Directive will ensure that an additional 120 million consumers who buy these customised travel arrangements will be protected.
- **TIMESHARES.** EU legislation ensures that those buying a timeshare (or similar products) have a right to detailed information in good time before they are bound by any contract. They can withdraw at least within a period of 14 days after signing the contract and no deposits or advance payments may be asked for until the end of this period.



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*EU rules provide legal protection for consumers in case they purchase faulty goods or goods that are different to those advertised.*

- ROAMING.** EU roaming rules have ensured that the cost of using a mobile phone abroad has gone down significantly since 2007. Compared to 2007 prices, costs have decreased by 80 % across a range of mobile roaming services (voice calls, text messages, mobile internet). The cost of data roaming has also gone down by 91 % over the same period. For a typical businessperson travelling in the EU this means savings of over € 1 000 per year. A family taking an annual holiday in another EU Member State can expect to save at least € 200. The first EU roaming rules adopted in 2007 — Eurotariff — introduced caps on roaming prices. Since 2010, consumers have been further protected by an automatic safeguard against the so-called data roaming bill shocks. Further cuts in prices were made later, and in 2015 EU institutions reached a landmark agreement to finally end mobile roaming charges altogether. From June 2017, provided that certain legal acts are adopted. From that date citizens will be able to travel throughout the EU without paying extra charges for using their mobile phone, smartphone or tablet.
- Car rental.** In 2014-2015 the Commission facilitated a dialogue between national consumer protection authorities and five major car rental companies representing more than 65 % of EU rentals. As a result, the companies agreed to reveal all elements of the price when booking a car online, to provide clearer information on key rental terms, coverage and exclusions of offered insurance and to make their fuel policies more convenient for consumers.

## Helping you when things go wrong

What happens if your new computer breaks down, a product ordered on the internet does not arrive or you want compensation for the night you stayed in a hotel



*Passengers in the EU enjoy a minimum set of rights which include information, assistance and compensation measures if cancellations or long delays occur.*



*EU roaming rules have ensured that the cost of using your mobile phone abroad has gone down significantly since 2007.*

when your flight was cancelled? You are entitled to certain guarantees and support under EU consumer policy.

If a trader refuses to recognise your rights you can always get in touch with one of the EU's consumer organisations. They have an important role to play in ensuring that consumer rights are correctly implemented.

The European consumer centres network (**ECC-net**) has centres in every EU Member State, as well as in Iceland and Norway. It provides free help and advice to consumers on their rights when buying goods and services from traders based in another EU Member State, Iceland or Norway. The ECC-net is in direct contact with some 100 000 consumers and handles about 40 000 consumer complaints every year. Thanks to this free service, more than two thirds of them are able to resolve their complaints amicably, directly with the trader concerned. In 2014, over 3 million consumers found the information they were looking for via this network. In 2015, the network celebrated its 10-year anniversary by organising awareness-raising activities in each of its countries.

The ECC-net is funded jointly by the European Commission and the participating countries.

## Consumer information

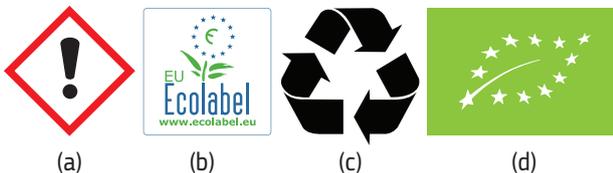
Giving consumers access to the information they need to make their choice is an essential part of consumer policy, influencing consumers' decisions and building confidence when buying goods and services in another EU Member State.

- **CLEAR SELLING PRICES.** EU rules require the selling price and the price per unit of measurement (when relevant: for example per kilo) to be clearly indicated and easily identifiable. This makes it possible for consumers to compare prices easily in the shops and online.
- **ACCURATE FOOD INFORMATION.** EU rules also guarantee you get accurate information on the composition and essential nutritional qualities of products so that you know what you are eating and drinking. Certain foodstuffs, such as foods intended for children under 3 years or for particular nutritional uses, and certain drinks, such as alcohol, are also subject to additional EU rules.

Labelling rules also make it easy for you to identify organic food, quality products or foods produced in a certain way.

Information on beneficial health advantages of certain substances in food for marketing purposes is only allowed after approval and scientific evaluation. Unsubstantiated and misleading claims will finally disappear from the shelves.

### Product labelling and packaging



Here are just a few examples of the types of labels you can find on EU products to indicate, for example, a safety risk or certain environmental credentials.

Symbol (a) indicates that the product is an irritant; (b) that it fulfils the EU's 'ecolabel' criteria, used for products and services that have a reduced environmental impact throughout their life cycle; (c) that its packaging can be recycled; and (d) that the product complies with the EU rules for organic farming. Other specific labels are used for textile products and to indicate energy consumption, emissions and product composition.

### Online advice resources

- **YOUR EUROPE AND YOUR EUROPE ADVICE**

The **Your Europe** website provides a wealth of practical help and advice to citizens and businesses in the EU, Iceland and Norway, ranging from information on travel, work and cross-border shopping to setting up a business in another country.

**Your Europe advice** caters for citizens and businesses looking for legal advice on their EU rights. This service is provided free of charge, within a week and in any official EU language.

- **Is it fair?** This website explains in simple terms and with vivid examples which marketing practices are not allowed in the EU.

### Monitoring and evaluation

The EU regularly monitors consumer markets to measure consumer perceptions and experiences in national markets. Evidence collected is used to assess policy outcomes for consumers and identify obstacles to the internal market that limit innovation and competition.

Two consumer scoreboards are published, each in alternating years. The *Consumer conditions scoreboard*, based on surveys with retailers and consumers and published in odd years, measures national consumer conditions and tracks the integration of the EU retail sector, in particular business to consumer e-commerce. The *Consumer markets scoreboard*, published in even years, measures market performance for consumers in over 50 sectors. In-depth studies are carried out on underperforming markets to identify where policy action is needed, and targeted behavioural studies are undertaken to test different policy options.

### International cooperation

Regulators and enforcers throughout the world have a common interest in detecting risks, unsafe products and illegal or unfair commercial practices. The growth in e-commerce means that cooperation with countries outside of the EU is more important than ever.

The EU has cooperation agreements for consumer product safety with the United States and China.

The RAPEX–China online system allows regular and rapid transmission of data between the EU and Chinese product safety administrations. Thousands of notifications are investigated and corrective actions are

taken where authorities are able to trace the manufacturer responsible. This means that it is possible to prevent or restrict further exports from China of the notified dangerous products to the EU.

## Further reading

- ▶ **Your Europe — help and advice for EU nationals:** [http://europa.eu/youreurope/citizens/index\\_en.htm](http://europa.eu/youreurope/citizens/index_en.htm)
- ▶ **Passenger rights:** [http://europa.eu/youreurope/citizens/travel/passenger-rights/index\\_en.htm](http://europa.eu/youreurope/citizens/travel/passenger-rights/index_en.htm)
- ▶ **Product labelling and packaging:** [http://europa.eu/legislation\\_summaries/consumers/product\\_labelling\\_and\\_packaging/index\\_en.htm](http://europa.eu/legislation_summaries/consumers/product_labelling_and_packaging/index_en.htm)
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