

#### Raising standards for consumers















## **POSITION PAPER**

# on the proposal for a Regulation on cross-border parcel delivery services

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### Introduction

In this paper, ANEC addresses the key consumer requirements that need to be considered in improving EU cross-border parcel delivery services, noting the <u>EC proposal for a Regulation on cross-border parcel delivery services</u> 2016/0149(COD) and the findings of <u>ANEC research on consumer experiences with cross-border e-commerce</u>.

We have also based our observations and suggestions on requirements specific to consumer interests that are included in the Postal Services Directive but are omitted from the draft Regulation for parcel services. In addition, we make observations in relation to the importance that market rules are fair and proportioned for all service providers for consumers to have a reliable choice.

## What could the proposed regulation do for consumers?

Key consumer issues in cross-border parcel delivery that the regulation can tackle:

- 1. Lack of transparency around pricing
- 2. Affordability and accessibility of the services
- 3. Damage to goods in transit
- 4. Problems with third-party courier services
- 5. Poor communications (on notice of delivery)
- 6. Irresponsible delivery
- 7. Clarity and transparency of consumer information
- 8. Effective tracking and tracing of parcels
- 9. Quality of the delivery service (timely and efficient, to the correct address and without damage to the product)
- 10. Inability to choose delivery date and time (to be addressed in standards)
- 11. Raising awareness on consumer rights and European Consumer Centres.

The responses from consumers to the ANEC study on cross-border online shopping within the EU¹, and the European Commission's 2015 Public Consultation on Cross-Border Parcel Delivery, found that the high prices for buying items cross-border are a disincentive. These high prices were confirmed in research for the Commission by the University St Louis, Brussels in December 2015 which found cross-border prices for universal postal operators to be 471% higher on average than their domestic counterparts for parcels.

A study by PostEurop<sup>2</sup> confirms this concern. Their mystery shopping exercise found a low correlation between the prices operators charge e-retailers and the prices the

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<sup>&</sup>lt;sup>1</sup> http://bit.ly/1RpYuhz and http://bit.ly/1OMQOGp

<sup>&</sup>lt;sup>2</sup> http://bit.ly/2pqqFXs



e-retailers charge consumers. They rarely charge consumers the list rate, and consumers can be charged up to 5 times the actual list price.

ANEC is not certain the proposals address this issue sufficiently but any measure to ensure fairer prices in the costs of cross-border parcels is to be welcomed. We recognise that it is not possible to control the prices e-retailers charge and can only hope that **greater transparency of prices charged by e-retailers** can address this issue.

We have been concerned for some time that there has been no attempt to **revise** the Postal Directive (Directive 97/67/EC as amended by Directive 2002/39/EC and 2008/6/EC). The Directive was originally aimed at addressing the monopoly position of the Universal Service Providers (USPs) and to ensure a universal service in the letters market. However, the postal market has changed considerably since 1997. Letters are of increasingly less importance compared with the parcels service due to increased use of internet and e-commerce by consumers.

We have some concern that the proposed Regulation puts a lot of burdens on the USPs to provide information but not other private postal operators. We are not convinced USPs have the same monopoly situation in the cross-border market and would have welcomed similar requirements being placed on (other) private parcel operators.

We also support proposals to improve cross-border regulatory oversight. At the moment, the regulators are concerned with national oversight. However, if cross border e-commerce is to succeed, national regulators need to co-operate and have identical powers of enforcement.

The proposed Regulation needs to be seen against the background of consumer protection legislation, including the **accompanying measures** in the digital agenda (further harmonising consumer contract rules for online and other distance sales of goods and supply of digital content, and a review of the Regulation on Consumer Protection Cooperation). Nevertheless, the Regulation could include some additions to **encourage e-retailers and postal operators to provide clear information on their parcel delivery and complaints handling procedures** with a view to enhancing enforcement.

#### Role of standards and consumer trust

We recognise that certain consumer concerns cannot be dealt with by regulation. However, we consider that e-commerce, particularly with regard to cross-border, will not flourish unless there is **consumer trust in the system**. This is why ANEC strongly supports the **need for standards to address those issues of consumer concern that are not suitable for regulation**. However, having participated in the work of CEN TC 331 'Postal Services' for many years, it is disappointing that **private operators other than USPs**, **do not contribute to this process**. We think this is due to the original emphasis on the provision of the USPs.



There are many private postal operators in the parcels market and they should be encouraged to participate in the standardisation process. So, for example, the requirement of the current mandate for CEN TC 331 to review the complaints standard in the light of e-commerce would benefit from participation of private operators who should be encouraged to follow the standard. This would address other concerns raised in our survey as to whether complaints should be made to the e-retailer or postal operator with regard to loss, damage, and returns policies.

We consider that the other major consumer concern identified by our survey was the inability to choose delivery date and time. This is not an issue for regulation but could be addressed by standards. Although **availability of track and trace** means consumers at least know the day of delivery, it does not allow them (in most cases) to **intervene in the process**. It is not helpful for consumers to know the parcel will be delivered on a day they will not be at home, for example.

Moreover, our survey showed 77.7% of online shoppers are influenced by online reviews. We are aware of the perils of online reviews and would welcome development of a European Trustmark, underpinned by standards. Similarly, a standard could be developed for all parcel operators, whether operating nationally or internationally, that could deal with the consumer concern of leaving parcels in insecure places.

Another disincentive to consumers participating in cross-border e-commerce is their **uncertainty on their rights.** Although we know this is a problem in the national context, it is particularly difficult in the case of cross-border for consumers to know to whom they should complain. Our survey showed only 3% complained to their local European Consumer Centre. We think this demonstrates a need to raise public awareness.

#### **Conclusions**

We also draw attention to the need to keep three objectives announced in the <u>2013</u> <u>Parcel Roadmap</u> <u>at the heart of this proposal</u>.

Article 8 of the proposed Regulation envisages review of the progress on initiatives for completing the single market for parcel delivery services. Requirements in this Regulation could meet the aim of increased **transparency and information for all actors along the e-commerce value chain** if its scope were less restricted.



#### **About ANEC**

ANEC is the European consumer voice in standardisation, defending consumer interests in the processes of technical standardisation and conformity assessment, as well as related legislation and public policies.

ANEC was established in 1995 as an international non-profit association under Belgian law and is open to the representation of national consumer organisations in 34 countries.

ANEC is funded by the European Union and EFTA, with national consumer organisations contributing in kind. Its Secretariat is based in Brussels.



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