

Position Paper

ANEC position on the new EU Consumer Policy Strategy

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European Association for the Co-ordination of Consumer Representation in Standardisation Av. de Tervueren 32, box 27 – B-1040 Brussels, Belgium - phone +32-2-743 24 70 - fax +32-2-706 54 30; e-mail: anec@anec.eu - internet: www.anec.eu

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1. Executive Summary

ANEC welcomes the proposed Regulation on "A Consumer Programme 2014-2020", presented by the European Commission on 9 November 2011, as it is important to maintain continuity with previous programmes and actions in the domain of consumer protection.

We also welcome the Communication on the European Consumer Agenda, issued on 22 May 2012, as we think consumers should be at the centre of the Single Market.

Both initiatives are important measures to enhance consumer policy and consumer protection throughout the European Union.

We support the continuation of the objectives of the "2007-2013 Programme of Community Action in the field of consumer policy", and the aim to mainstream and integrate consumer interests in other policies. This is extremely important for ANEC as our activities and priorities span across many areas that are not the usual remit of DG SANCO. Beyond general product safety, the use of standards as a tools for consumer protection is to be found in legislation on specific product safety, the accessibility of products, the environment and services.

The mainstreaming of consumer interests in these policies, and the increased participation of consumers in European standardisation, requires:

• Improved enforcement of legislation and standards aimed at the protection of consumers of all ages and abilities, as well as strengthened market surveillance;

• Better consumer protection in the field of services through the creation of a legislative framework at European level on the safety of services, underpinned by service specific standards;

• Actions needed to build accessibility to the digital environment, and the trust of consumers in the privacy and security of their personal data;

• Proper enforcement of compliance with various environmental standards and labelling schemes, and the setting of mandatory targets;

• Promotion of the interests of vulnerable consumers (children, elderly people, and people with disabilities) within EU policies;

• Establishing a pan-European accident statistics database to help set priorities for standardisation and legislation, and to assess their effectiveness;

• Evolution of the European Standardisation System, particularly to develop the European Standards needed for consumer protection and confidence in the services sector;

• Ensuring the effective participation of all stakeholders within the European Standardisation System.

We believe that the future EU Consumer Policy Strategy is an opportunity to bring forward or reinforce these issues.

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2. Background

On 9 November 2011, the European Commission issued a proposal for a Regulation on "A Consumer Programme 2014-2020"¹. This Programme is expected to enter into force in 2014 until 2020 with a \in 197 million budget.

Compared with the previous Consumer Programme², the Commission's proposal is for a Regulation, and not Decision, as it has a direct link to a beneficiary in the use of EU funding (EU Multiannual Financial Framework). It should therefore follow the ordinary legislative procedure, with the European Parliament and the Council of Ministers adopting the Regulation by the end of 2013.

The new Programme is intended to have the same broad objectives as the present Programme, and its specific objectives focus on the following priorities:

- 1. Safety
- 2. Consumer information and education
- 3. Consumer rights and effective redress
- 4. Strengthening enforcement.

This Programme will succeed the "2007-2013 Programme of Community Action in the field of consumer policy", which runs until the end of 2013. The budget of the proposed Programme forms part of Commission's proposal for the overall EU budget, (Multiannual Financial Framework). This means the budget proposed for the new Consumer Programme depends on the agreement of EU legislators to the future EU budget, expected to be finalised in part by mid-2012.

Article 8 of the new Programme does not identify funding for the representation of the consumer voice in standardisation. This is not unexpected, with the funding of ANEC (and similar organisations in standardisation) identified under other budget headings associated with the Standardisation Regulation (which is now expected to be adopted by the Council and Parliament towards the end of 2012).

Nevertheless, the proposed Programme features a key interest for ANEC: consumer safety and enhanced market surveillance. We shall limit our comments on the parts of the Programme intended to address this interest (section 3).

As the aim of the proposed Programme is to provide only the financial framework for the future Consumer Policy, the Commission issued on 22 May 2012 a European Consumer Agenda Communication³ which is meant to provide a more political and

¹ http://tinyurl.com/cp9qflk

² http://tinyurl.com/bp7ggnk

³ http://tinyurl.com/d38ehq5

strategic framework. It is understood that it will enter into force already in 2013, one year before the Regulation on the Consumer Programme 2014-2020.

ANEC believes the Consumer Agenda represents an opportunity to bring forward or reinforce key issues (section 4). These include the initiative report of the European Parliament of 15 November 2011 on a New Strategy for Consumer Policy, to which ANEC contributed.⁴

ANEC will be developing its own Strategy for the period 2014 to 2020 over the next months. We trust this will give us opportunity to reflect further on issues during the drafting and adoption of the new Consumer Policy Strategy.

⁴ http://tinyurl.com/d8ccesv

3. ANEC position on EC proposal for a Regulation on "A Consumer Programme 2014-2020"

This section sets out ANEC's views on the European Commission's proposal for a Regulation on "A Consumer Programme 2014-2020", bearing in mind our mission to represent consumer interests in standardisation, and our wish to see the highest levels of health, safety and well-being for consumers, with goods and services that are accessible, fit for purpose and in compliance with legislation and standards⁵.

Our position reiterates and reproduces the views expressed in the BEUC Position Paper on the European Commission's proposal for a Regulation on "A Consumer Programme 2014-2020", which we endorse⁶.

Objective I- Safety

ANEC welcomes the Commission's proposal to set up a European body for the coordination of market surveillance and enforcement actions on product safety under Directive 2001/95/EC on General Product Safety (GPSD). This meets our long-term call for a European framework to achieve a more effective system of surveillance and enforcement in Europe⁷.

It is however important to note that coordination with other Commission Services is essential for effective market surveillance, as other Services are in charge of market surveillance tasks for other consumers products. For example, DG ENTR is in charge of the implementation of the Low Voltage Directive⁸ dealing with the safety of household appliances (such as white goods and luminaries), and the Toy Safety Directive⁹.

We urge the creation of an EU-funded system to collate statistics on accidents and injuries across all Member States. Member States should be required to contribute to the creation of the database and its regular updating. Stakeholders - such as consumer organisations - should have access to the database¹⁰. The continued absence of such a database makes it difficult to determine the need for a legislative or standardisation measure, and to assess the effectiveness of measures.

We also believe that traceability of nanomaterials in consumer products needs to be improved. With BEUC, we call for the introduction of a mandatory scheme, requiring manufacturers to report on use of nanomaterials in consumer products. Information

⁵ ANEC Vision Statement & Mission Statement (ANEC-GA-2012-G-001)

⁶ http://tinyurl.com/bvaqpsj

⁷ ANEC press release for International Consumer Day "Cashing in the consumer protection dividend", 15 March 2012 (ANEC-PR-2012-PRL-002)

⁸ Directive 2006/95/EC

⁹ Directive 2009/48/EC

¹⁰ Revision of the General Product Safety Directive - Key issues from a consumer perspective (ANEC-GA-2010-G-001final)

about consumer products that contain nanomaterials should be made publicly available in a product inventory. Public funding would be necessary to facilitate this task and the use of the data¹¹. We believe consumer acceptance of the innovations and benefits that nanotechnologies can bring should be facilitated by such action¹².

Objective II – education and information

ANEC believes the trend towards the empowerment of individual consumers needs to be complemented by a real empowerment of the public authorities and consumer associations entrusted with the task of consumer protection. In addition, having adequate knowledge about the characteristics of products - such as safety and environmental performance - is a prerequisite to the empowerment of consumers. However, adequate knowledge can be achieved only if the information provided to consumers is coherent, reliable, understandable and transparent

Warnings should be only complementary to strict safety measures (including safety by design) and should not exonerate manufacturers from ensuring that products do not present a risk to consumers, especially when those consumers are children, persons with disabilities, or the elderly.

The empowerment of consumers must not avoid or replace the protection of all consumers, vulnerable or not^{13} .

General Comments

We also agree with BEUC's General Comment about the need to have an overview of all EU programmes that include the promotion of consumer interests¹⁴. This is relevant to ANEC's activities, which span several Commission Directorates-General. Moreover, it is an embodiment of a target of the present Consumer Programme: the mainstreaming and integration of consumer interests in other policies.

¹¹ http://tinyurl.com/cluafty

¹² BEUC Position Paper on the European Commission's proposal for a Regulation on "A Consumer Programme 2014-2020"

¹³ ANEC Position paper: How to protect vulnerable consumers?, December 2011, http://tinyurl.com/bvc8532

¹⁴ BEUC Position Paper on the European Commission's proposal for a Regulation on "A Consumer Programme 2014-2020"

4. ANEC views on the new EU Consumer Policy (Consumer Agenda)

Standardisation has a prominent role in the 2020 Europe Strategy of the European Commission. Indeed, standardisation is considered a key factor in enhancing Europe's competitiveness and growth. Hence the Commission is keen to extend the use of standardisation - for instance, to services - as a means of strengthening the Internal Market. It is vital that the consumer view is an integral part of this concept and the representation of consumer positions through ANEC is taken into account.

On 15 November 2011, the European Parliament adopted a Resolution endorsing an initiative report of the IMCO Committee on a new strategy for Consumer Policy¹⁵.

In its Resolution, the Parliament calls on the Commission, amongst other issues, to "highlight the importance of standardisation in the Consumer Agenda, with a view to simplifying complex processes and complex consumer information on services, for example, and to ensure that both consumer organisations and national authorities are involved in this important task"¹⁶.

Moreover, the Parliament emphasised "the need to design consumer policies that take specific characteristics of vulnerable consumers groups into account" and "the urgent need to increase the general safety of consumer products in the EU"¹⁷.

ANEC championed the inclusion of these perspectives in the report and welcomes their reflection in the Parliament's Resolution.

We believe that the future EU Consumer Policy Strategy might be an opportunity to bring forward or reinforce issues of relevance to ANEC, in parallel to the review of the European Standardisation System, and other sectoral policy initiatives¹⁸.

> The safety of products and services

- *no compromise on the safety of products and services*: consumers expect the products and services they use to be safe regardless of origin or price, regardless of the marks they bear, and regardless under which Directive or other law they fall.

- achieving safe services: in contrast to the European system of product safety, based on two pillars of legislation (the New Approach and the GPSD) supported by European Standards, there is no legal framework for services. Hence, ANEC considers there is need for a legislative framework at EU level on the safety of services, underpinned by service-specific standards. We look forward to the

¹⁵ 2011/2149(INI), Rapporteur: Kyriacos Triantaphyllides, GUE/NGL, CY

¹⁶ Paragraph 44

¹⁷ Paragraphs 30 and 32

¹⁸ ANEC initial response to the ECCG consultation on the future Consumer Policy Strategy, June 2011

revision of Council Recommendation on fire safety in existing hotels¹⁹ and the development of a Green Paper on Services Safety in the coming months to aid this debate. We expect the Green Paper to be based on a sound assessment of the situation for consumer services on the Internal Market.

- strengthened market surveillance and enforcement: ANEC supports creation of a European framework for market surveillance, both in order to make efficient and effective use of the resources available to national authorities through the undertaking of common enforcement activities, and to ensure Member States commit the resources needed at national level (in line with Regulation 765/2008 of the New Legislative Framework). Initiatives should be taken to introduce sanctions that punish and deter in all Member States.

- *legislative framework for chemicals*: ANEC considers the present legislative framework does not protect consumers enough from hazardous chemicals. We therefore call the introduction of a European horizontal legislative framework for chemicals in consumer products. This should allow for the introduction of chemical provisions that are best adapted to the risks to health. These could be a generic ban (e.g. CMR substances); restrictions on use; positive lists (the better option from a consumer perspective) or negative lists. In addition, a systematic evaluation of chemicals in products ought to be performed, declaration of content envisaged and enforcement ensured.

- The digital environment: ANEC believes more must be done to ensure universal access of consumers to broadband internet, with the guarantee of privacy and data protection. More and more services both private and public are offered either exclusively through the internet or at preferential rates (e.g. discounts on tax returns submitted electronically). It should also be noted that many consumers still distrust transactions online. Hence the next Consumer Policy Strategy must place emphasis on actions needed to build the accessibility, trust and safety of the digital environment, in concert with DG INFSO and their Digital Agenda initiative.
- Sustainable production and consumption (SCP): ANEC stresses there an urgent need for concrete and ambitious actions at all levels of public policy towards sustainability. It is important that existing and new policies of the Commission in this field are consistent and exploit synergies. Proper enforcement and further enhancement of the various environmental standards and labelling schemes that have been successful (such as Ecodesign and the Ecolabel) should be a priority, if levels of environment and consumer welfare are to be increased and effective contribution to the Europe 2020 targets made. Although this is a traditional area of other DGs, DG SANCO has a crucial role to play in SCP policy. In particular,

¹⁹ 86/666/EEC

its contribution is key on the issue of consumer information and labelling, with a view to ensure that environmental labelling schemes are truly meaningful and helpful for consumers. In this context, we deplore the way the Energy Label is being developed today and want to see it reconsidered. Another key area we still wish to see tackled under the auspices of DG SANCO is misleading claims. With this goal in mind, we are keen on seeing DG SANCO further investigate how to best apply behavioural economics to consumer-related policy.

- Social inclusion and vulnerable consumers: ANEC advocates the need to promote the interests of vulnerable consumers (children, elderly people and people with disabilities) more strongly within EU policies. This is particularly so bearing in mind the impact Europe's ageing population will have on our society, and the need for inclusiveness. ANEC believes it is crucial to design products and services for as many people as possible, so as to take into account the needs of older persons and persons with disabilities. Vulnerable road users represent a further category. The safety of those who travel by car or other vehicles (especially children) must be ensured in an increasingly-congested transport network, as does the safety of other road users from motorised vehicles (including the new risk from hybrid or all-electric 'silent cars').
- Evolution of the European Standardisation System: Ensuring the effective participation of all stakeholders in European Standardisation. ANEC believes the freedom allowed to industry to self-regulate through standardisation needs to be accompanied by an obligation to provide the highest level of protection and accessibility to consumers that is economically and reasonably possible. This is why we seek a more inclusive standardisation process and effective membership of societal stakeholders in the European Standardisation Bodies²⁰. The traditional process of standards development is voluntary. The decision of stakeholders to participate is made based on their own resources and priorities. If the European Institutions believe it important to guarantee participation in the development of a particular standard, the standardisation process needs to provide for all the checks and balances necessary to allow all stakeholders to express their views.

²⁰ Draft IMCO Report on the future of European standardization (2010/20515(INI)), ANEC summary and four proposals for amendments http://tinyurl.com/cdn3p37

Acknowledgements

This position paper has been prepared in consultation with the ANEC membership.

ANEC wishes to thank those who have actively contributed to the drafting of this position paper.

APPENDIX – About ANEC and other documentation

A.1 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 represents consumer organisations from 31 European countries. ANEC is funded by the European Union and EFTA, with national consumer organisations contributing in kind. Its Secretariat is based in Brussels.

ANEC has signed the European Commission's Register of Interest Representatives and accepted its Code of Conduct: Identification Number 507800799-30.

A.2 Contact person at the ANEC Secretariat

Chiara Giovannini, Senior Manager, Policy & Innovation

More information about ANEC and its activities is available at <u>www.anec.eu</u>

Should you have any problems in accessing the documentation, please contact the ANEC Secretariat.

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