# Consumers: Commission sets out 5 priorities for consumer policy in a digital age

EU Consumer Commissioner Meglena Kuneva, in a speech today in London set out five priority areas for action for consumer policy in the digital age. These include: a single, simple set of consumer contract laws, the need to reconsider restrictions imposed by suppliers on distribution over the internet, a critical assessment of the use of business models based on geographical discrimination online, clamping down on the "next generation" of unfair commercial practices that are emerging online; and addressing critical privacy issues, in particular the conditions under which consumers give informed consent for the use of their personal data. The overall aim is to open up the Internal Market through e-commerce to deliver the full benefits to consumers.

Commissioner Kuneva said, "The Retail Single Market for consumers will happen online. The Internet presents an enormous opportunity for consumers. It expands the size of the market they operate in it gives them access to more providers and more choice. It makes it possible to compare products suppliers and prices on an unprecedented scale. We must see to it that the adoption of the internet platform will not be unnecessarily slowed down by our failure to remove important regulatory barriers, to keep the market clean from rapidly evolving scams and misleading practices and to address key consumer issues of privacy and trust."

### The 5 priority measures

#### 1. A single, simple set of consumer contract laws

"This Autumn, the Commission will bring forward proposals for a single framework consumer contract law for Europe's Internal Market. Currently, we have a jungle of complex laws which have evolved piecemeal over the last 20 years. The result in practice is a maze of different rights and practices, from cooling off periods to guarantees that are as unclear to consumers as they are confusing for business."

### 2. The need to reconsider internet restrictions as part of the revision of the regulation on vertical restrictions under EU competition law

"We must reflect on the pertinence of restrictions imposed by suppliers to distribution over the internet. I believe that the revision of the regulation on vertical restrictions under EU competition law in the next couple of years is the right time to reconsider the appropriateness of such internet restrictions. I want to signal now that as a Consumer Commissioner I will play an active role in the Commission's discussion on how consumer choice can be reconciled with other imperatives in online commerce."

# 3. The need to critically examine the legitimacy of artificial geographical restrictions which hold consumers back within national borders

"It is particularly important for consumers to challenge the acceptability of business models based on geographical discrimination. In the world we live in, we are not obliged to shop in the supermarkets and stores of our postal code. We are not constrained to buy in our municipalities. We should also not be forced to shop within our national borders. Yet we cannot buy computers, train tickets or play-stations freely across the EU. We are forced to buy domestic. Let me be clear, there is no place in Europe's Single Market for artificial geographical restrictions which hold consumers back within national borders. I am in the process of carrying out a study on e-commerce, which I hope will start to launch the debate."

# 4. Eliminating the next generation of unfair commercial practices rapidly arising online

"The European Commission will publish this year a Digital User Guide to clarify how existing consumer rights apply in the digital space. The real challenge comes with the emergence of new practices against which the legislation still needs to be tested, including the widespread use of pre-checked boxes, viral advertisements and the blurring of commercial and non-commercial communication. I intend to draw up detailed interpretative guidelines setting out how current EU rules on Unfair Commercial Practices should apply online and in the digital world."

## 5. Ensuring that important issues of personal privacy - data collection and profiling practices - do not damage trust in the digital space.

"I want to ensure that in the heated debates surrounding privacy, the voice of the consumers is clearly heard. I want to step up our work to develop core consumer principles on privacy that feed into policy across sectors and technologies delivering a more consistent approach the conditions surrounding tracking and profiling. I will invite my fellow Commissioners to work with me on process leading to a consistent framework for issues of data collection and profiling that would be applicable across platforms.

I believe that informed consent is the central privacy issue that consumer policy must next address. The European Data Protection Supervisor has stated that our current legislation requires explicit consent each time personal data is collected. The reality on internet is far removed from these principles. And if we are to require consent, how should this consent be given? Currently many websites offer to click for 'enhanced services'. I question if this an informed consent? How many people actually know that this amounts to consent to having their behaviour tracked, to have that data stored and then used commercially?"

For more information: <u>SPEECH/08/347</u>