

Consumer protection in the digital age: Council agrees to strengthen EU-wide cooperation

The Council agreed on a general approach to strengthen cooperation between national authorities responsible for the enforcement of consumer protection laws.

The objective of the proposal is to modernise cooperation mechanisms to further reduce the harm caused to consumers by cross-border infringements to EU consumer law.

In particular, effective consumer protection has to respond to the challenges of the digital economy and the development of cross-border retail trade in the EU.

Chairing the Council meeting, the Maltese Minister for the Economy, Investment and Small Business, Dr. Chris Cardona, stressed that consumer authorities must be equipped with the right tools to generate and preserve confidence in the internal market. "This proposal is about trust, trade and innovation. Trust in e-commerce by consumers and companies is essential if the European economy is to grow", he added.

This revision of the existing Consumer Protection Cooperation framework will give more powers to national authorities which may for example check if websites geo-block consumers, order the immediate take-down of websites hosting scams or request information from domain registrars and banks to detect the identity of the responsible trader.

In case of EU-wide breaches of consumer rights, national enforcement authorities and the Commission will coordinate common actions to stop these practices, in particular in cases of widespread infringements with Union-dimension which are likely to harm consumers in a large part of the EU.

Consumer trust in e-commerce

Ineffective enforcement of cross-border infringements, in particular in the digital environment, enables traders to evade enforcement by relocating within the Union, giving rise to a distortion of competition for law-abiding traders operating either domestically or cross-border, and thus directly harming consumers and undermining consumer confidence in the single market.

An increased level of harmonisation setting effective and efficient enforcement cooperation among public enforcement authorities is therefore necessary to detect, investigate and order the cessation of intra-Union infringements and widespread infringements.

In order to further harmonise practices across the EU, the future regulation will set out a number of minimum investigation and enforcement powers that every national competent authority will have to be able to exercise in order to coordinate properly in the fight against infringements.

These powers will strike a balance between the interests protected by fundamental rights such as a high level of consumer protection, the freedom to conduct business and freedom of information.

The mutual assistance mechanism between administrations will be strengthened to establish whether an intra-EU infringement has occurred and to bring about the cessation of that infringement.

An improved alert mechanism will allow a competent authority to notify without delay the Commission and other competent authorities of any reasonable suspicion that an intra-Union infringement or widespread infringement is taking place on its territory that may affect consumers' interests in other member states.

Competent authorities will also be able to open investigations on their own initiative if they become aware of intra-Union infringements or widespread infringements by means other than individual consumer complaints.

Catching up with the digital economy

On 25 May, the Commission presented the [proposal on the review of the consumer protection cooperation](#) as part of a broader package including proposals on cross-border parcel deliveries and on tackling unjustified geo-blocking.

Currently, [regulation 2006/2004](#) provides for harmonised rules and procedures to facilitate cooperation between national authorities responsible for the enforcement of cross-border consumer protection laws.

The scope of the 2004 regulation covers 18 pieces of consumer legislation, including: provisions to protect consumers from unfair and misleading commercial communication; ensuring that consumers are adequately informed before making purchasing decisions; providing appropriate protection when entering contracts with businesses; as well as complaint and redress mechanisms and access to justice.

However, following a [review](#) on the effectiveness of regulation 2006/2004, the Commission concluded it no longer effectively addresses the enforcement challenges of the digital single market.

The 2015 digital single market strategy identified the need to enhance consumer trust through more rapid, agile and consistent enforcement of consumer rules as one of its priorities.

Next steps

The general approach enables the Council to start discussions with the European Parliament under the EU's ordinary legislative procedure.

The internal market and consumer protection committee of the European Parliament (IMCO) has announced a vote on its position on 21 March 2017.

[Draft regulation on cooperation between national authorities responsible for the enforcement of consumer protection laws - General approach](#)

Press office - General Secretariat of the Council

Rue de la Loi 175 - B-1048 BRUSSELS - Tel.: +32 (0)2 281 6319

press.office@consilium.europa.eu - www.consilium.europa.eu/press