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**ON KNOWLEDGE-ENHANCING ASPECTS OF CONSUMER EMPOWERMENT
2012 - 2014**

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1 INTRODUCTION

The Europe 2020 Strategy calls for smart, sustainable and inclusive growth. The Communication ‘A European Consumer Agenda — Boosting confidence and growth’¹ highlights the role of consumer policy in achieving this objective. In particular, it stresses the importance of consumer empowerment in driving a smart, sustainable and inclusive economy.

The Consumer Agenda identified four pillars for consumer empowerment: improving consumer safety, **enhancing knowledge**, stepping up enforcement and redress, and aligning rights and key policies to economic and societal change. This document addresses the challenges and actions for the knowledge-enhancing aspects of consumer empowerment: *‘improving information and raising awareness of consumer rights and interests among both consumers and traders’* and *‘building knowledge and capacity for more effective consumer participation in the market’*.

To this end, this document examines the effectiveness of awareness-raising efforts for consumer rights and redress, and how best to ensure the transparency and reliability of information to consumers about price, quality and sustainability comparisons. It also examines ways to strengthen consumer associations and various ways to define and address the issue of vulnerable consumers. It builds on: 1) data about consumer confidence and skills that demonstrate significant national diversities in consumer empowerment², in particular the Consumer Empowerment Index analysis (CEI)³; 2) behavioural studies showing that efforts to enhance consumer knowledge and skills may, if not based on proper needs analysis, have only a limited impact; 3) evaluations of consumer information, education and capacity-building actions and 4) contributions from stakeholders, at the hearing held on 9 February 2012 on the Consumer Agenda and at the 2011 Consumer Summit. The actions to be taken by the Commission as listed at the end of each section are in line with existing financing decisions or included in the Consumer Agenda, the proposed Regulation for a Consumer Programme 2014-2020⁴ or other relevant Commission policy documents as indicated.

2 EMPOWERMENT — STATE OF PLAY

2.1 Gaps in knowledge and skills: a mixed picture

The data from the Empowerment Survey Eurobarometer on consumer confidence and skills show that consumers are often less informed and assertive than policymakers assume, and prove that there are significant national differences in consumer empowerment throughout the EU.

¹ A European Consumer Agenda - Boosting confidence and growth COM(2012) 225 final.

² The Consumer Empowerment Survey (Special Eurobarometer 342), see http://ec.europa.eu/consumers/consumer_empowerment/index_en.htm.

³ The Consumer Empowerment Index, JRC 2011 see

http://ec.europa.eu/consumers/consumer_empowerment/docs/JRC_report_consumer_empowerment_en.pdf.

⁴ Proposal for a Regulation on a consumer programme 2014-2020, COM(2011) 707 final.

- European consumers perceive themselves as reasonably empowered and knowledgeable, but are not aware of crucial details of their rights under consumer legislation⁵.
- Although a large majority of consumers see themselves as empowered, 26% do not feel confident and 36% do not feel knowledgeable as consumers. Moreover, 40% do not feel protected by consumer law. In 11 Member States more than 50% of consumers do not feel protected, and in four of them this share is greater than 70%: Bulgaria (81%), Greece (74%), Latvia (72%) and Lithuania (71%).
- Consumers' purchasing behaviour when buying durable goods shows that they use a variety of information sources: they visit different shops (58%), ask family and friends (31%) and search information on the internet by consulting price comparison websites (27%), or visiting online shops (18%) or other websites (14%)⁶.
- Consumers simply do not take the time to read terms and conditions, or read them only partly (60% when signing a services contract, 57% when buying on the internet), because they are too long, the print size is too small, or because they trust the provider⁷.
- Consumers are ill-informed about the institutions designed to help them: 51% of respondents could not name any consumer organisation, and 75% could not name any public authority that protects consumers. But 'word of mouth' is a powerful tool for consumer empowerment.
- Redress systems are mostly used by those least likely to suffer detriment; the most disadvantaged in society who need to improve their skills or need help are less likely to do so, even if they are aware of their weakness.

The results of this survey were summarised in the Consumer Empowerment Index (CEI)⁸. The CEI captures in a single index the multidimensional aspects of consumer empowerment, including consumer skills, knowledge of consumer rights, and assertiveness. Analysis of the CEI shows that the most empowered consumers are found in northern European countries, with Norway ranking first, followed by Finland, the Netherlands, Germany and Denmark. The eastern European countries, in particular Bulgaria, Lithuania, Poland and Romania, are at the bottom end. Some southern European countries (Italy, Spain and Portugal) show comparatively low levels of consumer empowerment, especially in terms of consumer skills.

⁵ Seven questions on basic consumer rights (e.g. unfair practices, cooling-off and guarantee periods) were asked to test awareness of consumer legislation. 30% of respondents could not answer more than two questions correctly, and only 2% answered all the questions correctly; 61% were not aware of the 2-year product guarantee.

⁶ Multiple answers were possible.

⁷ SWD Consumer Empowerment in the EU, p. 10.

⁸ The Consumer Empowerment Index, JRC 2011.

Further econometric analysis of the CEI data⁹ shows that poor living conditions and low educational levels are key factors contributing to low empowerment. Educational attainment is essential for ensuring consumer literacy. Findings also suggest that younger and older individuals are less empowered. Internet access seems strongly related to self-perceived consumer empowerment; language barriers have (within the national context) a major negative impact on empowerment.

2.2 Trends: disempowered or highly empowered consumers?

On the one hand, analysis of current trends as perceived by stakeholders points to ‘disempowerment’, a weakening of the position of consumers in the market. The European Consumer Association BEUC underlines sub-optimal choices by consumers due to information overload, the increasing (sometimes artificial) complexity of markets, or the overly (often artificially) complex ways in which essential information is delivered. In BEUC’s view *‘This increase in disempowerment, the reverse of what official strategies aim for, is compounded by the fact that current policy initiatives do not necessarily take into account the different information needs of people according to their particular conditions or vulnerabilities. Ultimately, this ‘confuseopoly’ makes choices difficult, as there are so many dimensions to consider for each product and service. The ‘right’ choice is not an easy one. Searching for the necessary information - if it’s available - is not only complicated, but demands a great deal of time, which most consumers in their hectic daily lives cannot and do not want to spend’*¹⁰. The multiplication of consumer information intermediaries makes it more complicated for consumers to distinguish between trustworthy and potentially biased sources of information. Moreover, the economic crisis has brought to light new vulnerabilities in the financial and energy sector.

On the other hand, new collaborative efforts by consumers are developing on line. A Consumer Focus analysis of UK consumers in 2010 identified the emergence of a new kind of consumer awareness, with consumers making a greater effort to obtain the best deal, and many people using the internet to tell others about their experiences¹¹. Authors like Clay Shirky¹² present a picture of a future where market failures are addressed by (spontaneous) *collective action by highly empowered on-line citizens*. He underlines the role of social media in allowing the formation of groups and group action, without the time and cost restrictions that limit more traditional organisations and institutions.

Social media allow connected consumers to share experiences and feedback about brands and force them to live up to their promises; to aggregate and synchronise their buying power to achieve better value and/or social and environmental goals; and even to set up peer-to-peer marketplaces for lending¹³. Many of these innovative intermediary platforms are set up by civic-minded entrepreneurs and developers. These developments challenge the role of consumer associations as representatives of the consumer voice, while at the same time

⁹ d’Hombres, Loi, Nardo, Pappalardo, *Consumer empowerment in Europe: its determinants and the challenges met in measuring it*, to be published in: *Making sense of Consumption — proceeding of the 2nd Nordic Conference on Consumer Research*.

¹⁰ BEUC, The European Consumer Organisation, EU Consumers 2020 Vision (May 2012)

¹¹ Consumer Focus, *Unleashing the new consumer power*, 2010.

¹² Clay Shirky, *Here comes everybody, the power of organizing without organizations* (Penguin Press, 2008).

¹³ See for example www.vodafail.com or www.zopa.com.

creating new functions for those organisations¹⁴. Collective purchasing initiatives launched by consumer associations are but one example of this¹⁵.

Information sources on the web have multiplied and diversified. Eurobarometer survey data and focus group research conducted since 2005 in the central and eastern European countries confirm that throughout the EU the internet is becoming a key channel for consumer information. The internet empowers people by giving them fast access to information when they need it, and the power to act collectively when they want to. The spread of mobile internet access will further reinforce this. The multiplication of sources of information and the growing quantity of information mean that **reliability and trust** are becoming the key issue for the future of web-based consumer information.

Consumers who do not benefit as much from digital services often appear to coincide with low-income and low-education groups. These groups are among those considered ‘*vulnerable*’ consumers, and need particular attention. Every consumer can, however, be or become vulnerable in certain circumstances, or in certain markets. Appropriate solutions to vulnerability will therefore require further research.

Links between consumer confidence and economic growth

- There is a need to distinguish between two types of **consumer confidence**: confidence in future spending power as measured by economists and confidence in the fairness of traders and business operators and in the effectiveness of mainly national/EU governance systems to safeguard consumer interests such as safety, rights, enforcement and redress options.
- The direct impact of consumer policy on future spending power and on prices is limited. These are determined in a wider economic context, including business climate, employment, economic policies, prices of raw materials, etc. as addressed in the Europe 2020 Strategy.
- Empowered consumer choices will have a positive impact on economic growth insofar as well-informed consumers can contribute to furthering competition and innovation in consumer markets. **Consumers who are prepared to change provider of goods and services are a prerequisite for effective competition between market players.** Competition keeps businesses under pressure and makes them more effective. Consumers who are active in the market and act consciously foster competition, save money, and receive better goods and services¹⁶.
- But the findings of behavioural economics also show that rational, informed decisions cannot be taken for granted: people often do not choose the most convenient financial services products, incur fines for late payments on credit cards, fail to switch when there are better offers on the market, or switch to a more expensive provider, etc. This may be due to an overload of choices or information, inertia or the result of behavioural biases or status-quo influences.

¹⁴ See Richard Bates, Three social media challenges for the consumer rights movement, at consumersinternational.blogspot.com, 2011

¹⁵ For example Consumentenbond (NL) energie collectief got together more than 100000 households in March 2012 to purchase gas and electricity — obtaining a price reduction of almost 20% on average per household; Which? (UK) signed up more than 225000 households for a similar initiative, <http://www.whichbigswitch.co.uk>.

¹⁶ Swedish Consumer Agency, In-depth analysis of the market for mobile telephony, broadband and integrated telecom services, 2011:18.

- There are also indications that competition is driven increasingly by the sophistication of marketing strategies, rather than by the fundamentals of price and quality. Notwithstanding the importance of individual preferences and product value going beyond price-quality considerations, this may give rise to consumer detriment. Biased consumer choices based solely on sophisticated marketing can therefore also fail to reward the most innovative and economically efficient firms, and negatively affect the whole economy.

2.3 In search of new approaches

Non-legislative consumer policy actions to empower consumers with knowledge and skills have since 2002/2003 focused on *education, information and capacity-building efforts*. The EU role in these areas is to contribute to and complement the efforts of national authorities and other national actors, and to deliver added value by fostering cross-border shopping with a view to completing the Single Market and bringing benefits for consumers.

Evaluation of the core consumer education actions¹⁷ has demonstrated that the approach developed ten years ago is in need of revision. Internet access, also from mobile phones, is changing consumer habits, and the consumer information and education environment in the Member States. A rethinking and refocusing of actions is therefore imperative.

Behavioural studies warn that policy efforts in information/education do not always have the desired effect in terms of applied consumer skills. *Behaviour is influenced by multiple factors, and is not only a function of the intensity of information or education efforts*. Innovative approaches, such as social marketing¹⁸, strategies based on social norms, or behaviourally informed new forms of smart regulation may have a better chance of success than traditional information and education efforts. If behaviour is primarily due to lack of knowledge or information, then conventional education or information campaigns may constitute an appropriate remedy. But if, on the contrary, people's behaviour reflects fundamental aspects of human nature (such as default bias, present bias, loss aversion, overconfidence, etc.), these biases need to be taken into account when designing policy.

In order to better define the role of EU consumer policy in enhancing consumer knowledge and skills, it should be recognised that *national contexts are a major determining factor in consumer empowerment*. The index of national consumer environments as compiled in the Consumer Conditions Scoreboards since 2008 points to significant national differences, for example in trust in national authorities and consumer organisations. Improving empowerment therefore may also require, in addition to EU action, addressing *national governance issues* such as enforcement, or the (perceived) effectiveness of authorities and NGOs.

Numeracy and literacy have a significant impact on consumer empowerment. Low numeracy and low literacy are strongly related to education level, and are a potential source of consumer

¹⁷ Ecorys, Evaluation of Consumer Education, Information and Capacity building actions, October 2011.

¹⁸ Social marketing is the systematic application of marketing, along with other concepts and techniques, to achieve specific behavioural goals for a social good.

vulnerability. Basic *mathematical and literacy skills* are therefore as important as learning about consumer rights¹⁹.

Traditional media retain significant influence on consumers (55% of European consumers regularly watch/listen TV or radio programmes on consumer issues, and 41% report having changed their behaviour as a result of a media story²⁰), which highlights the importance of providing high quality information and analysis on consumer issues through these channels as emphasised in the Consumer Agenda.

Is it consumer education or consumer information?

- Consumer education in the strict sense implies a teaching context, an interaction between a student and a teacher in a school or other teaching environment. Its focus is on developing (lasting) skills, beyond the mere transmission of knowledge²¹.
- Consumer information includes all efforts to transmit knowledge to consumers (for individual use, without a teacher), as undertaken by authorities, consumer associations businesses, private intermediaries and, increasingly, consumers themselves. Efforts to inform about rights and redress are often referred to as raising awareness.
- Solving specific individual cases of conflict between a consumer and a trader most frequently requires personalised advice from intermediaries – such as consumer associations, national, regional or local institutions, consumer fora or groups, consumer media, mediators, European Consumer Centres, etc.
- Specialised support services may be essential in order to get through to vulnerable consumers who are not reached by regular information and education channels, and for whom a relationship of trust is essential to gain their attention.
- Producers and retailers inform about their products and services through advertising, packaging, accompanying documentation before or at the time of purchase such as contracts, instruction booklets etc, and increasingly also via websites and social media. Where appropriate, legislation requires traders to give specific information to enable consumers to make an informed purchasing decision.

3 IMPROVING CONSUMER INFORMATION AND RAISING AWARENESS OF CONSUMER RIGHTS AND INTERESTS AMONG BOTH CONSUMER AND TRADERS

3.1 The consumer information challenge: information overload vs knowledge deficit

Consumers need clear, simple and transparent information at the right time and place to make optimal purchasing decisions. The traditional economic approach assumes that more consumer information leads to better consumer empowerment. Each new piece of information improves consumer welfare as it enables consumers to make better informed choices. But today's society is characterised by a dense-message environment, and our cognitive capacities

¹⁹ The Empowerment Survey shows that only 45% of European consumers were able to answer correctly questions on numerical skills, and 6% gave no correct answer. The latter share was greater than 10% in four Member States: Romania (21%), Italy (12%), Portugal (11%) and Bulgaria (10%).

²⁰ EB 332.

²¹ **E-learning** — electronically supported learning and teaching is education insofar as new technology allows for interactivity on-line.

are limited. Most consumption decisions are subject to time constraints that make this cognitive effort even more difficult²².

In practice, behavioural researchers have found that consumers often adopt relatively simple ‘rules of thumb’ in making choices and decisions. They do not make full use of information and may decide to ignore certain information or choice options to make decisions quickly. Too much information, or information given in an unappealing or not very useful way, may even desensitise or confuse people²³. A large amount of information may distract consumers from focusing on the most important aspects, and cause them to make decisions with less reflection, rather than more.

In short, *there is a limit to how much information a consumer can or wants to absorb* at the various steps of the purchasing process, and more information is not always better for consumers. There is a clear trade-off between information completeness and simplicity, and also a potential crowding-out effect. However, if designed properly, regulatory information requirements (in either general consumer law or legislation on specific products or services) can contribute to consumer empowerment.

Given the importance of contextual factors (temporal, spatial, and social) for consumers decision-making, behavioural research also shows that consumer policy should use the full range of policy instruments to change the choice architecture or context in which choices are made: to nudge consumers towards more responsible choices²⁴ rather than rely on information or education efforts outside the purchasing context to influence consumer choice. In particular, the use of randomised controlled trials in designing regulatory information requirements will be necessary to ensure that information requirements respect smart regulation principles and have the desired impact on consumer behaviour.

Empirical evidence from the UK on the impact of information intended to change financial behaviour among consumers further suggests that only those who want to change their behaviour act on such information²⁵. The *key challenge* therefore seems to be *how to give consumers information about purchasing options, and their rights and redress options, in such a way that they will be able to use it at the moment when they become receptive to information, at the moment they decide they need it.*

3.2 The benefits and challenges of the internet

The (consumer) information environment has changed significantly over the past ten years. Access to information about products and services, consumer issues, rights and redress at national level has improved significantly as national authorities, consumer associations,

²² Maule and Svenson, *Time Pressure and Stress in Human Judgment and Decision-Making* (Plenum Press, 1993).

²³ Warning: too much information can harm, Better Regulation Executive/National Consumer Council, 2007.

²⁴ R.Thaler & C.Sunstein, *Nudge: Improving decisions about health, wealth and happiness* (YUP, 2008).

²⁵ Elliott et al., *Transforming financial behaviour — Developing interventions that build financial capability*. Report for the Consumer Financial Education Body, UK (see: <http://www.moneyadviceservice.org.uk>).

institutions, single-issue consumer groups and organisations, as well as businesses have developed a substantial presence on the web, and internet access has spread to wider population groups.

New sources of consumer information are developing rapidly. Consumers directly share feedback on products and services in blogs, through community sites and on social media, and organise to form collaborative purchasing communities. Entrepreneurs and organisations are capitalising on opportunities for publishing price and test comparison sites. Mobile web applications offering consumer information are expected to spread and multiply rapidly, and may even become the main consumer information source of the future²⁶. Consumers also search websites for contact information on organisations and institutions that provide personalised information and advice to solve their consumer problems. The impact of all this online activity spills over into offline markets, because people check online before buying in shops, or visit shops before buying online²⁷.

The numbers of those still outside the web access revolution are rapidly decreasing. Even in Romania, the country with the lowest internet penetration and consumer empowerment index, an overwhelming majority of the inhabitants of the main cities are online²⁸. The internet, including the applications used by mobile devices, is therefore becoming the key channel for consumer information in all the Member States. These national information sources are, in particular in areas where rules are not fully harmonised, better adapted to specific national circumstances and are more easily and frequently updated than a parallel EU effort can possibly achieve.

The focus of EU efforts has therefore in recent years shifted away from providing information about the broad spectrum of consumer rights in all national languages and contexts towards specific areas where the EU added value is higher or complements national offers. This means in particular a focus on fully harmonised consumer rights, facilitating cross-border and online purchasing, and on transferring best practices in consumer information from countries with a high level of consumer empowerment to those with lower levels of empowerment.

3.3 Informing about rights and redress

Traditional consumer education and information efforts assumed that giving people easily understandable information about consumer rights is always a valid approach as this reduces the transaction cost of information gathering and processing. But surveys, focus group research and national studies confirm that consumers are at the time of purchase mostly interested in information about product quality and price. They usually only get interested in

²⁶ Worldwide mobile applications store downloads will, according to the marketing research firm In-Stat, reach **48 billion** in 2015.

²⁷ See for example Consumer market study on the functioning of e-commerce and internet marketing and selling techniques in the retail of goods, EAHC 2011.

²⁸ Flash Eurobarometer 333, 2012. In addition, in 2011 44% of Romanian households had internet access, 8% expected to get access at home within the next 6 months and another 7% had internet access elsewhere (Eurobarometer 362 — E-communications household survey, 2011).

information about their rights when they cannot sort out a problem with a trader directly²⁹. Only at that stage do they resort to their social network or their virtual network to find leads for solving their problem.

Research³⁰ from the Netherlands — one of the highest ranking countries in the empowerment index — underlines that consumers consider finding out about their rights before a purchase too much work, with the exception of high-cost acquisitions such as a kitchen or a bathroom; they feel they need to know their rights only if problems arise³¹. In the Netherlands 77% would seek that information on the internet.

Alternative dispute resolution – shortcomings and remedies

In 2010, about 20% of EU consumers encountered problems when buying goods and services. The losses incurred by consumers because of these problems were estimated to amount to *0.4% of EU GDP in 2010*³². In some Member States consumers submit their complaints to alternative dispute resolution (ADR) entities, which solve disputes out-of-court in a fast, inexpensive and effective way with the help of an arbitrator, conciliator, mediator, ombudsman, or complaints board. However, a recent analysis of ADR in the EU³³ has identified several shortcomings: gaps in coverage, lack of consumer and business awareness and uneven quality of ADR procedures.

The proposed Framework Directive on ADR³⁴ aims to ensure that all consumer complaints can be submitted to an ADR entity that complies with a minimum set of quality principles, and that traders **inform consumers about their participation in an ADR scheme**. The proposed Regulation on Online Dispute Resolution³⁵ (ODR) will facilitate the resolution of cross-border disputes concerning online transactions by setting up an EU-wide ODR platform, which will be based on national ADR entities.

In countries that have joined the EU since 2004, focus group research also shows that consumers become receptive to information about rights when confronted with a problem they cannot solve with the seller. Related Eurobarometer surveys have shown that people will

²⁹ For example, 65% of those who had a problem complained to the retailer/provider and 13% to the manufacturer, while 71% of those who did not report a problem said they would complain if they had a problem, SWD Consumer Empowerment in the EU, p. 4.

³⁰ Do consumers know their rights and obligations? Report for the Ministry of Economic Affairs, 2008.

³¹ Less attention given to the future has been found in behavioural economics research. This is referred to as 'hyperbolic discounting' (Laibson, 1997) and has significant implications: consumers may make decisions today that they will regret in the future.

³² http://ec.europa.eu/consumers/consumer_empowerment/docs/swd_consumer_empowerment_eu_en.pdf.

³³ Study on the use of alternative dispute resolution in the European Union, 16 October 2009, http://ec.europa.eu/consumers/redress_cons/adr_study.pdf, pp. 56-63; 112-115; 120-121.

³⁴ Proposal for a Directive on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC, COM(2011) 793 final.

³⁵ Proposal for a Regulation on online dispute resolution for consumer disputes, COM(2011) 794 final.

seek information or advice mostly via the telephone or the internet. Elderly people are more likely to visit local information and advice bodies, where these exist. Who people turn to for information and advice depends on the visibility, accessibility and reputation of authorities and associations, and above all whom they trust. The MINDSPACE framework developed in the UK for influencing behaviour through public policy³⁶ also underlines the need to identify the right messenger. *Trusted intermediaries for consumer information are different depending on the country, the sector, and the target group.* In a significant number of national contexts the most trusted messengers will be national actors, and EU education and information efforts should take this into account.

Knowledge of relevant organisations or authorities varies significantly from one EU country to another: in the Netherlands 93% can name one or more, whereas in Poland 52% cannot name any consumer authority or organisation³⁷. In an increasing number of Member States newly set up regulators, in the banking and financial sector or in liberalised sectors such as energy or telecommunications, have started to play a role in advising consumers. Trust in public and NGO actors varies significantly between Member States, but is generally lower in countries that rank lower in the Empowerment Index. In this area, therefore, there is a clear need for action in certain Member States.

It should further be noted that a significant number of people rely, according to the survey data, on the advice of friends and family when confronted with consumer problems. This group may be less receptive to institutional information or education initiatives, but that does not necessarily imply they are helpless or vulnerable. Within families, generations of grandparents, parents and children share experience and advice. Social networking, whether in the local or virtual environment, can in many places or cases even provide faster and better solutions to consumer problems than formal complaints.

3.3.1 Awareness-raising campaigns

Raising consumer awareness about existing rights and redress options at national level is above all a task of the national authorities and other national actors, such as consumer associations, ombudsmen etc. Information on consumer rights and redress information is based to a large extent on the national legislative context and on national institutions and organisations and procedures, and is thus different in each Member State. The comparative data gathered by EU-wide empowerment and scoreboard surveys aim to give Member States input to help address gaps in these national efforts where they are apparent.

In recent years³⁸ a key part of the EU consumer rights information effort has focused on the Member States that have joined the EU recently. Awareness-raising campaigns have been developed and launched on a country by country basis, introducing citizens to their newly acquired rights. Based on quantitative and qualitative research, these campaigns have also helped to develop and promote national resources for consumer information and advice. This

³⁶ See <http://www.instituteforgovernment.org.uk/our-work/better-policy-making/mindspace-behavioural-economics>.

³⁷ Consumer Empowerment Eurobarometer 73, country fiches NL and PL.

³⁸ Up to 2006, grants were given to consumer associations and other non-profit initiatives for specific consumer information and education projects. An evaluation found these were not cost-effective and cost-efficient.

has been done through multi-media advertising and public and media relations activities, including the social media.

The impact of the information campaigns in these Member States is demonstrated by ex ante and ex post measurements, and by the extent to which these efforts are subsequently sustained by national actors³⁹. This cycle of information campaigns will be completed, in 2012/2013 in Romania. EU information campaigns could further focus on new consumer rights that are subject to harmonised rules, or sectors with significant cross-border trade or high consumer detriment.

Information efforts at EU level should focus on harmonised consumer rights, for example those in the Consumer Rights Directive, which will apply at national level by mid-2014. As announced in the Consumer Agenda, a campaign is planned as part of the European Year of Citizens 2013. Such efforts should be undertaken in close cooperation or as joint actions with national partners that are trusted sources of information and advice. They should, as much as possible, be based on needs analysis and best national practices.

Smartphone applications will be a key tool in the future of consumer information. They allow immediate access to information in purchasing or service provision contexts, including targeted information and online assistance or support. This summer, the Commission is launching a smartphone application for air and rail passenger rights. It will provide information on what to do when flights or trains are delayed or cancelled, the assistance airlines and train operators are obliged to provide, and the corresponding rights to rerouting, reimbursement etc. In 2013, this application will be extended to cover bus/coach and waterborne transport passenger rights as well.

Further EU action should primarily focus on identifying and facilitating the exchange of national awareness-raising and information practices and activities that are innovative and have proven to be effective. *Coordination with national authorities and national associations should help to avoid duplication and stimulate best-practice transfer.* Development of a community website for this purpose and other options should be explored, in cooperation with organisations that have similar objectives and activities, such as ICPEN⁴⁰, the Nordic Council and the OECD. The Consumer Policy Network could become a channel for identifying relevant consumer information activities of national authorities, and the European Consumer Consultative Group could be used for exchanging information about relevant activities of consumer associations.

- Complete the cycle of information campaigns on consumer rights in new Member States, in Romania in 2012/2013.

³⁹ See Flash Eurobarometer 333 (Romania 2012), 295 (Bulgaria 2011), 268 (Baltics, 2009), 209 (Cyprus, Hungary, Malta, 2008), Special Eurobarometer 256 (Czech Republic, Slovakia, Slovenia, 2007) and Eurobarometer 64.3 (Poland, 2006).

⁴⁰ The International Consumer Protection and Enforcement Network (ICPEN) comprises consumer protection authorities from almost 40 countries. One of its activities is to facilitate the exchange of best practices in consumer information and education.

- Launch information campaign on consumer rights as part of the European Year of Citizens 2013.
- Develop a framework for joint actions and options for best-practice exchange in raising awareness with the Member States, the OECD, the Nordic Council and ICPEN.
- Identify best practice in smartphone applications on consumer rights, and develop and disseminate applications relevant to cross-border consumer rights.
- Launch smartphone application on air, rail, (summer 2012), bus and waterborne transport (2013) passenger rights.

3.3.2 *European Consumer Centres and Enterprise Europe Networks*

European Consumer Centres (ECCs) are co-financed by the EU consumer programme and consumer protection authorities in the Member States, Iceland and Norway. Their role is to inform, advise and assist consumers who have a problem with cross-border trade involving a trader located in another country. The network succeeds in solving half of the complaints it receives in an amicable way, directly with the trader. When this is not possible, consumers are advised to seek redress, through ADR schemes first, but also via the courts, in particular through the European small claims procedures. Every year, the ECCs handle 70 000 contacts, almost one third of which relate to air, rail and road transport services. They also carry out awareness-raising activities and joint studies, for example on the enforcement of air passenger rights or online shopping problems.

Overall, the benefits for consumers in terms of the compensation obtained largely outweigh the operating costs of the network. A **2011 evaluation**⁴¹ of the network showed that it plays a key role in helping consumers get redress, and assists policy makers in identifying issues with cross-border trade. Stakeholders confirmed there was no equivalent service available and that the activities of the network should be strengthened. The evaluators recommended action to ensure higher visibility, more consistent working practices and quality of service across the network, increased cooperation with enforcement and ADR bodies, and greater emphasis on awareness and education activities. To increase financial security and continuity, the current system of annual grants could be replaced with medium-term framework partnership agreements.

As announced in the Consumer Agenda, the *European Consumer Centre Network* will be strengthened, in line with the recommendations of the ECC evaluation. The Commission will organise workshops with the Centres to identify best practices in addressing the most frequent types of complaints. The Centres' quarterly statistics on complaints will be published, and case data will become available for in-depth research. The objective, as proposed in the Consumer Programme for 2014-2020⁴², is to increase the number of contacts between consumers and the European Consumer Centres by at least 50% by 2020. In addition, the network will work with national authorities to identify the most problematic sectors in cross-border trade, and with intermediaries and traders in relevant sectors, such as air transport, car rental, online hotel booking sites and consumer credit, with a view to identifying and promoting *best practices*. The network will also boost its information actions targeting traders

⁴¹ Evaluation of the European Consumers Network, 2011
http://ec.europa.eu/consumers/ecc/docs/final_report_cpec_en.pdf.

⁴² Proposal for a **Regulation on a consumer programme 2014-2020**, COM(2011) 707 final.

and seek partnerships with businesses to improve respect for consumer rights. The network will play a key role in promoting ADR schemes, and consumer rights in cross-border trade through direct counselling, local press activities and participation in events such as tourism fairs or awareness days on air passenger rights. It will continue to develop guides for tourists, and information campaigns targeting major sports and tourism events⁴³.

ECCs also cooperate with the Consumer Protection Cooperation Network which brings together national enforcement authorities. This network can intervene directly to stop trading practices that breach EU laws. It carries out joint actions, such as ‘sweeps’ of websites selling airlines tickets to verify compliance with EU rules, and mystery shopping exercises to test respect for rights such as cooling-off periods.

These actions attract a lot of media attention and are good opportunities to raise consumer awareness. The ECC network will continue to support the sweeps with information actions on the specific rights at stake. In 2012, the final results of the sweep of websites offering consumer credit will be published⁴⁴, and a new sweep action will start.

The network will also continue its monitoring and promotion of the use of the European small claims procedure as a follow-up to its report, which showed that in practice it does not yet fulfil its promise of a free-of-charge, fast-track way to obtain redress from a trader in another country. The results of the network’s activities will continue to be made available online. The ECC website will be enhanced, together with search engine optimisation.

The **Enterprise Europe Network** helps small businesses to make the most of the European marketplace. Working through local business organisations, the network offers help with developing business in new markets, sourcing or licensing new technologies, and accessing EU funding. Its 600 member organisations across the EU and beyond include chambers of commerce and industry, technology centres, universities, and development agencies. The network has a strong regional presence⁴⁵ and aims to be a true one-stop shop for helping small businesses to increase their competitiveness in EU and international markets. More than 3 000 experienced staff give practical answers to specific questions, including questions about the obligations and rights of businesses and consumers under food safety and consumer protection rules.

In particular, the network plays an active role in improving knowledge of the rules governing e-commerce. Businesses often think that it is too complicated or too risky to sell online or across borders. The Enterprise Europe Network will supply small and medium enterprises who want to develop their online business with information on their obligations with respect to cross-border sales and on the opportunities offered by selling in other EU countries.

- Specific information actions by the ECC Network on the outcomes of sweeps and mystery shopping actions by the Consumer Protection Cooperation Network.
- Monitoring and promotion of the small claims procedure by the ECC Network.
- Study on the institutionalisation and multi-annual financing of the ECC network, and improvement of consistency and quality of service.

⁴³ See for example http://ec.europa.eu/dgs/health_consumer/uefa_euro_2012/index_en.htm.

⁴⁴ See http://ec.europa.eu/consumers/enforcement/sweep/consumer_credits/index_en.htm.

⁴⁵ EEN has 600 member organisations across the EU and beyond, including Chambers of Commerce and Industry, technology centres, business organisations, universities, and development agencies.

- ECC Network visibility promotion through information actions and local press work, targeting e.g. major sports events or tourism events.
- Identification of main problem sectors in cross-border trade and encouragement of best practices.

3.3.3 *Europa website*

Information for citizens⁴⁶ on EU consumer rights is currently published in various places on the Europa website, in particular on the ECC-Net, ‘Your Europe’ and ‘Your Europe Advice’⁴⁷ sites. ECC-Net focuses on cross-border purchasing while Your Europe covers a broad range of citizens’ rights with information and advice on rights in other Member States. There is a separate website on online purchasing, the ‘eYouGuide to your Rights Online’⁴⁸. As part of the Digital Agenda for Europe, a ‘Code on EU Online Rights’ will summarise in clear terms the existing rights of digital users⁴⁹. *Consolidation, coherence and coordination of these web resources* is essential, and is being addressed.

- Review of consumer rights information on various europa.eu sites in order to consolidate and to ensure consistency and accessibility;

3.4 Consumer education

Consumer education has traditionally focused on the transfer of skills in responsible (household) budget management and healthy eating habits. Understanding advertising and marketing, knowledge about consumer rights and redress, education in sustainable lifestyles and media literacy have over the past years become increasingly important. The growing emphasis in policy-making on the freedom and responsibility of consumers to make their own informed choices means that consumer education is seen as a key tool in ensuring the smooth operation of markets. However, the development of consumer education practices, in formal or non-formal education, appears in most countries not to reflect this shift in emphasis.

The 2011 evaluation of the EU consumer education, information and capacity-building actions⁵⁰, carried out under the Consumer Programme 2006-2013⁵¹, concluded that these actions need to be brought into line with the current teaching and internet environment, and be refocused on their key targets. Its main findings are:

- The consumer landscape in the EU is so dynamic and heterogeneous that it requires interventions with variable geometry as opposed to ‘*one-size-fits-all approaches*’.

⁴⁶The webpages of the Directorates General for Health and Consumers and Justice provide regular updates on policy development, legislation and other relevant documentation on consumer rights, mostly for professional users and in a limited number of languages.

⁴⁷See: ec.europa.eu/consumers/ecc, ec.europa.eu/youreurope and ec.europa.eu/citizensrights.

⁴⁸http://ec.europa.eu/information_society/eyouguides/index_en.htm.

⁴⁹Communication A Digital Agenda for Europe (COM(2010) 245 final/2, Action 16, Code of EU on-line rights.

⁵⁰Ecorys, Evaluation of Consumer Education, Information and Capacity building actions, October 2011.

⁵¹Decision 1926/2006/EC.

- Actions should be refocused on active resources, built through a community exchanging best practices between Member States, while investment in passive resources provided by the Commission for the Member States, such as www.dolceta.eu and the Europa Diary, should be discontinued.
- Consumer information and education resources provided by the Commission risk duplicating national resources and not being responsive enough to policy developments, so therefore need to be based on needs analysis.

The evaluators conclude that there is an overriding need to *make EU intervention much more synergetic with the highly divergent national consumer education contexts, and to take behavioural economics findings into account*. As behavioural economics studies question the effectiveness of education initiatives as a means of addressing deficits in consumer awareness and skills, expenditure on consumer education should be constantly and critically reviewed.

A recent extensive OECD study⁵² has made policy recommendations to national governments on consumer education. It advocates incorporating consumer education into school curricula and life-long learning programmes; basing policy on the results of research about the educational needs of consumers; and balancing regulatory and other policy options. In particular, the study underlines that *‘the ex-post examination of the effectiveness of consumer education programmes is rare, (...) critical and should be pursued.’* With regard to multinational institutions, like the EU, the study recommends a focus on improving cooperation and coordination, in particular cooperation between education ministries and consumer affairs ministries.

The March 2011 Consumer Summit Workshop on Consumer Education⁵³ provided policy orientations and suggestions for specific actions the EU could take along similar lines: to facilitate best-practice exchange; to research consumer education needs in Member States, what materials/actions exist already and ‘who does what’; to evaluate with experts the available materials and select the most useful to create a knowledge base; and to provide teachers and other experts in consumer education with a forum for communication and exchange.

3.4.1 *Compulsory education in schools*

Consumer education, like most education that aims to influence social attitudes, is most effective in school, at an adolescent/young adult age, when main attitudes are formed. The best way to ensure that consumer education reaches its target is thus through inclusion in regular school curricula. This is first and foremost the task and competence of national authorities.

There is *limited space* for consumer education in national secondary school curricula. This space should be used optimally. Qualitative feedback from teachers emphasises that in most

⁵² Promoting consumer education: Trends, Policies and Good Practices OECD 2009.

⁵³ http://ec.europa.eu/consumers/events/ecs_2011/docs/education_en.pdf.

countries consumer issues can only be taught in secondary schools if integrated within obligatory subjects. If consumer education materials are to be taken up in class, they have to be tailor-made for direct classroom use. There appears to be a link between a high level of consumer empowerment and inclusion of consumer education in school curricula, such as for example in the Nordic countries, which needs to be further researched.

EU-level action to further consumer education in schools has therefore been refocused on facilitating the exchange of best practices between teachers, heads of schools and national authorities. It will aim to reach out in particular to schools in areas with vulnerable consumer groups. As announced in the Consumer Agenda, a platform to facilitate dialogue and best-practice exchanges, covering both consumer education materials and teaching practices will be published online in 2013. A needs analysis among teachers in the Member States is guiding the development of this platform. The financial education materials compiled in the European Database for Financial Education will be integrated in this new community site for teachers, as will Europa Diary materials and materials on media literacy.

3.4.2 *Adult education*

Opportunities for educating adults in a real teaching context are limited. Eurostat data show that about 9% of the EU adult population (25-64) effectively took part in education and training in 2010. Most adult learning, about 80%, is job-related training and about 70% is provided by employers. University graduates are most likely to be in training or education, while low-skilled and low-qualified people receive considerably less training than others⁵⁴. The EU average rate for participation in adult learning slowly decreased from 2005 to 2010. The EU target is to have at least 15% adult participation in learning by 2020⁵⁵.

The adult education landscape in the Member States is highly divergent. The Eurostat data for 2010 show that adult participation rates in formal or non-formal education or training are substantially higher than average in the Nordic countries, and substantially lower in southern Europe. Participation in adult education decreases significantly with age: from 15.2% of 25 to 34 year-olds to 4.5% of the 55-64 age group. The effective participation of the elderly in adult education is about 1% or less in Bulgaria, Greece, Latvia, Lithuania, Hungary, Poland, Romania and Slovakia.

Barriers to participation in adult education range from institutional (e.g. lack of transparency in the sector), to situational (e.g. inability to pay course fees, distance to learning opportunities) and dispositional (bad experiences of previous education, language difficulties). Lack of time due to family responsibilities and work schedule, or lack of information about education opportunities, are also barriers to engaging in learning. In addition, certain countries do not have an active learning culture or policy⁵⁶.

⁵⁴ Labour Force Survey data on adult participation in lifelong learning 2011, Eurostat June 2012 — the data relate to a 4-week reference period; Research voor Beleid, Impact of ongoing reforms in education and training on the adult learning sector, 2009.

⁵⁵ Council Resolution on a renewed European agenda for adult learning, OJ 2011/C 372/01.

⁵⁶ Research voor Beleid, 2009 and European Guide/Strategies for improving participation in and awareness of adult learning, 2012. Three clusters of countries can be distinguished:

Adult education in a teaching environment *on consumer issues* appears to be a marginal activity. Even in the unlikely case that 10% of adult learning concerns consumer issues, this would reach less than 1% of EU adult citizens on average, and significantly less in countries ranking in the lower echelons of the consumer empowerment index. As indicated by the data on adult education, involving adults with lower skills in consumer education will be a major challenge, due to lack of access, incentives, time or interest. In addition, behavioural studies cast serious doubt on the effectiveness of adult consumer education initiatives. Adult education as a vehicle for consumer education can therefore probably at best be of marginal importance in raising levels of consumer empowerment.

Adult access to and interest in consumer education needs to be further researched. About 35% of adults had, according to the 2007 Adult Education Survey⁵⁷, access to some form of education or training at some point during the year. On the basis of exchanges with relevant stakeholders and updates of the above-mentioned studies in 2013, an inventory could be made of existing national adult education channels that would be relevant to consumer education. Best practices can be identified, in particular for lower educated targets, such as for example the ‘Skilled to go’ programme of the Office of Fair Trading in the UK⁵⁸. Reaching out to more vulnerable groups is probably best done via specialised advice services/institutions that enjoy access and trust, and on specific issues, such as financial literacy. Best practices are to be found in Sweden, where trade unions and social workers play a key role in reaching out to such population groups.

The online consumer education site Dolceta.eu in part aims to fulfil an adult education role, or rather a self-education role. Close monitoring of visits and visitor surveys as planned in 2012 will help identify the sections of the site that are used and appreciated, and will inform decision-making on the phasing-out of this resource and the use of relevant materials in the community website for teachers.

3.4.3 University education

University education in consumer policy aims to produce professionals that will find employment in relevant stakeholder contexts. The Consumer Programme 2007-2013⁵⁹ aimed to stimulate Masters Courses in Consumer Policy with a 3-year start-up subsidy of 85%. This approach resulted in three such Masters Courses in 2009-2012. However, in the current

- countries facing minor barriers in increasing participation (DK, FI, LU and SE) where cost is the main barrier individuals face;

- countries with a good infrastructure for adult learning but facing medium barriers (AT, BE, EE, FR, DE, IE, NL, PT, SI and UK) which can be overcome by targeted programmes and policies;

- a third group of countries facing severe barriers in increasing the participation of adults in learning (BG, CY, CZ, EL, HU, IT, LV, LT, MT, PL, RO, SK, ES), where extensive programmes would need to be developed to overcome barriers such as the lack of good structures for adult learning, lack of finance to boost participation, a large share of people with low literacy levels, lack of a learning culture etc.

⁵⁷ http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/adult_education_survey — These data further show similar differences between age groups and between education level within countries, and between countries as the above cited data for participation in adult education.

⁵⁸ www.offt.gov.uk/.../consumer-education/resources.

⁵⁹ Decision No 1926/2006/EC of the European Parliament and of the Council of 18 December 2006 establishing a programme of Community action in the field of consumer policy (2007-2013).

economic context, and within the highly competitive market for Masters courses, the prospects for sustaining these courses beyond the co-financing period are not positive⁶⁰.

- Set up an expert group on consumer education including both education and consumer affairs authorities, and coordinate with OECD and ICPEN
- Conduct a needs analysis among secondary school teachers in Member States and make an inventory of consumer education materials for the 12-18 age group.
- Set up in 2013 a dynamic, interactive community website for teachers to exchange experiences, views and consumer education materials⁶¹.
- Publish the editorial content of the Europa Diary 2011/2012 and the accompanying Teacher Guide in a new online version, and analyse user statistics as a basis for integration into the community website for teachers.
- Research potential channels for adult education on consumer issues in the Member States with a view to subsequent transfer of best practices, as appropriate.

4 BUILDING KNOWLEDGE AND CAPACITY FOR MORE EFFECTIVE CONSUMER PARTICIPATION IN THE MARKET

4.1 Strengthening financial advice

The financial crisis has highlighted consumers' low level of understanding of financial services. Surveys show that more than 50% of EU citizens would like to have simpler financial products and services⁶². Although financial education may help, many consumers cannot cope with the complexity of financial matters on their own and need advice⁶³. They usually seek such advice from financial services providers. The national and EU rules financial services providers need to respect when advising their customers are complex and vary between products. Consumers are not always aware of the varying scope of the advice they receive. And the financial crisis has revealed that financial services providers do not always respect the rules or recommend suitable products⁶⁴.

Non-profit entities can be an alternative source of advice for consumers. They explain the general characteristics of products and services, and their risks. They give personal advice, but do not recommend specific products or providers. In 2010 and 2011, training on financial

⁶⁰ Two of the three consortia that were co-financed have discontinued their course offer due to lack of support from the partners' home universities.

⁶¹ This site will also include materials on media literacy, including new media literacy, and could therefore meet at least part of the aim of Action 61 under the Digital Agenda for Europe and be linked with europa.eu Teachers Corner and other relevant portals.

⁶² Special Eurobarometer 282, Attitudes towards cross-border sales and consumer protection, 2010, p. 53.

⁶³ One of the goals set out in the 2007 Commission Communication on Financial Education is to assist stakeholders in the development of financial education schemes by: raising awareness of the need to address low financial education; encouraging and promoting the provision of high-quality financial education within the EU, including the sharing of best practice; and developing certain practical, facilitating tools to achieve these aims. In the Communication 'Driving European Recovery', the Commission proposed to further promote financial education throughout the EU.

⁶⁴ http://ec.europa.eu/consumers/rights/docs/investment_advice_study_en.pdf.

services was offered to 55 consumer organisations⁶⁵. A 2011 study identified 150 non-profit entities that provide general financial advice, and the majority expressed a need for additional training. In 2012 training courses that take national needs and realities into account will start in each EU country and language⁶⁶ to help non-profit entities give better and more extensive services to consumers.

- Special training programme for non-profit organisations that provide financial advice to consumers.
- Financial Literacy educational materials to be part of the new community site for teachers
- ECCs to give advice and assistance to consumers who have cross-border problems with credit and on-line payments

4.2 Capacity building and strengthening of consumer associations

Through its co-financing of European-level consumer associations, the Commission helps to ensure that the consumer voice is represented within the EU institutions and in EU policy-making. The capacity of **national** consumer associations to deliver useful services to consumers, and to act as a collective voice and force, is a key element in consumer empowerment. EU activities to reinforce national consumer associations over the past 10 to 20 years have led to positive outcomes in some countries, but have been relatively unsuccessful in others. Research reports confirm the variable level of development of consumer associations at national level. Major differences between Member States result from diverging historical backgrounds, the development of national civil society, policies of national governments towards consumer NGOs and the quality of the leadership of NGOs.

In order to be successful, consumer organisations need critical mass and a minimum of financial security and continuity. Experience shows that this has to be built up over time, with support from national authorities. Fragmentation and dependence on irregular project funding do not help to build up and deliver reliable services to consumers. Fragmentation also means that the limited financial support from authorities is divided over multiple NGO actors. Through the Consumer Policy Network, the network of national consumer policy authorities, the Commission emphasises the political importance of having a strong consumer voice at national level, and the need for national funding of the operational costs of consumer associations. In particular, exchanges of information on funding options, such as funding consumer associations from fines imposed on companies that breach consumer protection or competition rules, as for example in Italy and Hungary, are a useful tool to encourage Member States to develop sustainable funding solutions for the operational costs of national consumer associations.

⁶⁵ 2010 Commission Decision on a pilot project to promote consumer empowerment, and the efficiency and stability of European financial markets through training of consumer associations and similar organisations (2010/462/EU).

⁶⁶ Contract award notice: <http://ted.europa.eu/udl?uri=TED:NOTICE:206543-2011:TEXT:EN:HTML>.

Capacity building for consumer associations is a second line of action in this area. The 2011 evaluation of this action⁶⁷ concluded that the funding of training courses helps build strategic relationships, and offers EU added value by bringing national consumer organisations into contact with people from other Member States and stakeholders in Brussels. Course content delivery was evaluated as being of sufficient quality. The evaluation recommended that this action be refocused towards a wider, more active and participatory training community bringing together national organisations, with a more diversified and multilingual online and offline offer.

While training individual staff or volunteers of national organisations is definitely useful, its **impact in terms of actual and sustainable capacity building** of consumer organisations remains difficult to verify. It is often unclear to what extent the training of an individual staff member is further shared and passed on within the organisation, or disappears again when this person changes jobs or becomes inactive.

To improve the effectiveness of future training courses, the Commission is launching a survey in 2012 to establish the training needs of the potential beneficiaries, mainly consumer professionals working in non-governmental organisations or European Consumer Centres. The results will be summarised in the form of training maps. A web-based platform will be set up, offering e-learning, information and exchange of best practice for consumer associations. E-learning modules will be translated into other EU languages when there is sufficient demand⁶⁸. To deepen the competences acquired online, offline training sessions will be offered to selected groups. These will also give participants the skills to become multipliers of the course content in their own language, whether within their own organisation, or more widely in their country.

This approach will align capacity building better with needs, and open it up to a wider audience that does not speak English. It will aim to foster a community of skilled consumer professionals working inside effective non-governmental organisations from Member State and candidate countries, who are familiar with EU policies. Within this framework, further possibilities for training at tertiary education level will also be explored. This would enable some of the professional staff of national consumer organisations to acquire a high level of expertise in specific EU policy areas that require specialised input.

BEUC's Vision Paper on the 2020 consumer movement in central, eastern and south-eastern Europe (CESEE) points to the lack of funding and political support from national governments for consumer organisations and for research into consumer issues, and highlights the generally weak participation of civil society organisations in the decision-making process⁶⁹. Additional in-depth Commission studies of the consumer environment in these countries will be completed in 2012.

⁶⁷ Ecorys, Evaluation of Consumer Education, Information and Capacity Building Actions, October 2011.

⁶⁸ Synergy with a similar web platform targeting teachers will be sought where possible.

⁶⁹ BEUC, Strengthening the Consumer Movement in Central, Eastern and South Eastern Europe (CESEE), 2011.

Monitoring of national consumer movements will be based on performance indicators as identified in a report⁷⁰ by the European Consultative Consumer Group and linked to the Consumer Conditions Index.

- Continued monitoring of the funding for national consumer associations, the number of associations recognised by national authorities, and exchange of best funding practices through the Consumer Policy Network.
- Needs analysis of capacity-building/training needs of national consumer associations.
- Start on the redevelopment and diversification of training programmes into online and offline capacity building.
- Options for actions, at both national and EU level, to strengthen the consumer associations in the CESEE countries to be developed as a follow-up to ongoing studies.

4.3 Price, quality and sustainability comparison

Price and quality of goods and services are key concerns of consumers. Clear, credible and comparable information is a *sine qua non* for empowering consumers and increasing competition in the market. Information presented in a complex or opaque form may lead to distortion of competition and considerable consumer detriment. Comparable, reliable and easily understandable information about price and quality is essential to help consumers find the best value for money, and to make environmentally and socially responsible choices.

Information overload and time pressure are creating a need for new shortcuts and comparison tools, as shown by the multiplication of online consumer information intermediaries such as search engines, price comparison websites, product comparison sites and user-generated online reviews. A recent study⁷¹ on the state of the EU e-commerce retail goods market showed that around one in two European internet users use the web as a source of information before making a purchase. Most of this information is restricted to national markets. A large majority of price comparison websites (86%) examined in 2010 were available only in one language, and 83% did not provide any option to choose offers from other countries. A 2012 JRC report also confirms that the bulk of e-commerce transactions occur in national markets⁷². To widen the choice of EU citizens and to stimulate cross-border competition, it is essential to make accurate, comparable information available for cross-border offers.

This proliferation of information intermediaries has raised issues of reliability, both on the part of consumers and from businesses. While consumers to a large extent trust the information provided by price comparison websites, their data are in fact not always fully

⁷⁰ http://ec.europa.eu/consumers/empowerment/docs/eccg_report_indicators_012011_en.pdf.

⁷¹ Civic Consulting, Consumer market study on the functioning of e-commerce (2011) shows that 81% of internet users used a price comparison website at least once in 2010, and 48% of them used one once a month. See: http://ec.europa.eu/consumers/consumer_research/market_studies/docs/study_ecommerce_goods_en.pdf.

⁷² Pan-European Survey of Practices, Attitudes and Policy Preferences as regards Personal Identity Data Management, JRC Scientific and Policy Report EUR 25295 2012.

reliable. In most cases the offer displayed first is not the cheapest, and the prices displayed often exclude VAT or delivery costs. The business practices of price comparison sites often lack transparency⁷³. Websites hosting user-generated reviews have on a number of occasions been subject to criticism about reviews that appear to be based on a consumer's unbiased opinion, but are in fact advertising in disguise.

As digital technology becomes an ever bigger part of consumers' daily lives through the rapid take-up of mobile devices, the trend to turn to online information intermediaries before purchasing will get stronger. *This means there is a growing need to ensure that the information is accurate, complete and easily comparable*⁷⁴. As announced in the Consumer Agenda, the Commission will work with intermediaries and traders with a view to developing codes of good conduct, good practices or guidelines for price, quality and sustainability comparison. In particular, action will be taken to provide clarity and transparency about the business model of information intermediaries, the criteria applied for including, grouping and ranking products and services, the distinction between sponsored and spontaneous reviews and comparisons, the frequency with which the information is updated, and the period of validity of the various offers displayed. In addition, consumers should get complete information about the final price, including all taxes and delivery costs, availability and estimated delivery time.

The use of harmonised units of measurement and standardised summaries of product and service characteristics would facilitate the comparability of offers, in terms of environmental performance, social responsibility etc. As stated in the Consumer Agenda, the Commission will develop harmonised methodologies to assess the life-cycle environmental performance of products and companies as a basis for reliable information to consumers.

The take-up of e-commerce across EU countries remains highly uneven: in the northern and western European countries about three quarters of internet users shop on-line; in contrast, only 20 to 25 % of internet users in countries in the southern and eastern parts of the EU make purchases on-line⁷⁵. Focus group research in these countries confirms that lack of trust in internet suppliers and the security of payments and delivery plays a key role in the reluctance to shop on-line. For the on-line environment, the Commission is therefore exploring, together with stakeholders, the available options for promoting trustmarks. A study of the situation regarding trustmarks in the EU will be finalised in the autumn of 2012. A stakeholder platform on e-commerce trustmarks could be promoted in line with the Digital Agenda action on trustmarks.

⁷³ Idem: 53 % did not provide their full business address, only 20 % gave information about delivery time on their results page, only 52 % gave information on their business model, 73 % did not give clear information about how often the prices they quote are updated.

⁷⁴ The Commission Communication, A coherent framework for building trust in the Digital Single Market for e-commerce and online services, COM(2011) 942, announced a dialogue with stakeholders to identify and exchange best practices and develop codes of good conduct and/or EU-wide guidelines for giving consumers access to transparent and reliable information to the compare the prices, quality and sustainability of goods and services.

⁷⁵ Pan-European Survey of Practices, Attitudes and Policy Preferences as regards Personal Identity Data Management, JRC Scientific and Policy Report EUR 25295 2012.

When buying digital content products, consumers need transparent and comparable information on the characteristics of these products, such as system requirements and interoperability, as well as any contractual aspects related to this. EU consumer rights in the purchase of digital content are limited in comparison with the purchase of tangible products. For example, there is no clear right to remedies, and the right of withdrawal provided by the Consumer Rights Directive⁷⁶ is restricted. In consultation with stakeholders and industry in particular, the Commission will therefore assess the feasibility of a self-regulatory agreement to make consumer information for digital products more transparent and more easily comparable.

- A workshop with key actors in price and quality comparison of products and services at the 2012 Consumer Summit⁷⁷ to start a stakeholder dialogue to identify areas where transparency and reliability of information can or needs to be enhanced.
- As a follow-up in 2013, the feasibility of guidelines for price, quality and/or sustainability comparison sites to be explored.
- Through this dialogue with stakeholders, the potential added value and feasibility of EU-wide cross-border price and product comparison by existing comparison sites, and the feasibility of further action to encourage cross-border offers to be explored.
- Develop harmonised methodologies to assess the life-cycle environmental performance of products, companies and other organisations
- A 2012 study of trustmarks as a basis for discussions with stakeholders to explore options for promoting on-line trustmarks.
- The feasibility of a self-regulatory agreement on the transparency and comparability of digital content product information to be assessed

4.4 Logos, labels and product claims

Logos, labels and product claims are direct communication channels to consumers. They can help consumers assess and compare products on the market or guide them towards more sustainable, healthy and responsible choices. In the services sector, , in line with the 2010 Communication on Europe — the world's No 1 tourist destination, the Commission is envisaging the development of a European Tourism Quality Label, based on existing experiences. Its aim would be to enhance the competitiveness of European tourism by bringing clarity and consistency to the evaluation of the quality of tourism services, and thus increase consumer security and confidence in tourism products⁷⁸.

4.4.1 Consumer attention and understanding of labels and logos

Part of the information given with products and services about price and quality is mandatory and subject to EU-wide legal requirements, in particular where health and safety (food labels and claims, CE mark) are concerned, or when consumers need help in evaluating crucial characteristics of products (energy labels). Other mandatory information requirements aim to

⁷⁶ Directive 2011/83/EU.

⁷⁷ See: http://www.european-consumer-summit.eu/workshops2_en.asp.

⁷⁸ Communication Europe, the world's No 1 tourist destination — a new political framework for tourism in Europe, COM(2010) 352 final.

facilitate the transparency of transactions, as in the Consumer Rights Directive, and responsible purchasing decisions, as in the Consumer Credit Directive⁷⁹,

The empowerment survey has demonstrated that EU-wide logos on product packaging, such as the CE mark on electrical equipment and toys, are often misunderstood by consumers. An information campaign on the CE mark that started in 2010 aims to address mostly the business community, but has so far not had any measurable impact on consumers.

Research into the reading and understanding of labels on meat and (processed) meat products⁸⁰ shows that consumers look on average at 5 items of information on the packaging, and are mainly interested in the ‘use by/ best before date’, price per kilogram, overall price, country of origin and the producer. Understanding of ‘best before’ and ‘use by’ indications appears imperfect: only a third of consumers know that a product can still be consumed after expiry of a ‘best before’ date, while over 50% thought the product was not safe any more. This confusion about dates may contribute to food waste⁸¹. New food information legislation⁸² will help to clarify the difference for businesses, but not necessarily for consumers. A consumer behavioural study, covering various food information elements, will be undertaken to gather evidence to inform the implementation of the new food information legislation.

According to various studies, consumer motivation to read and understand nutritional information while shopping is low. For example, only 15-18% of consumers look for nutritional information when they buy meat or (processed) meat products. Experiments tracking eye movements have shown that the average attention given at the moment of purchase to nutrition labels on biscuits, breakfast cereals, chilled pre-packed ready meals, carbonated soft drinks and yoghurts varies from 25 to 100 milliseconds, which is insufficient to process the information on the label⁸³. Although consumers may pay more attention to the nutritional information after purchase, these data indicate the importance of clear and easily understandable food labels. Findings that knowledge about nutritional issues — which is a prerequisite to understanding nutritional information — appears to vary significantly between social groups further underline this.⁸⁴

4.4.2 Proliferation of voluntary labelling schemes

A much larger part of the information about the quality of products and services is of a voluntary nature. A multitude of logos, labelling schemes and claims address environmental and other concerns (organic, eco-friendly, fair trade, regional and local origin labelling, etc.). Producers and retailers use packaging as a means of conveying product characteristics and sales arguments.

⁷⁹ Directive 2008/48/EC and Directive 2011/83/EU.

⁸⁰ Study of the functioning of the meat market for EU consumers; to be published.

⁸¹ Food waste in the EU 27 has been estimated at 89 million tonnes per year or 179 kg per capita per year, with households possibly responsible for 42%, of which a considerable part is probably avoidable. *Preparatory study on food waste across EU 27*, BIO IS December 2009 — October 2010.

⁸² Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers.

⁸³ Food Labelling to Advance Better Education for Life project.

⁸⁴ Grunert et al., Socio-demographic and attitudinal determinants of nutrition knowledge of food shoppers in six European countries, (2012) *Food Quality and Preference* 26 (2), pp.166-177.

An inventory made in 2010 identified 441 certification schemes for agricultural products and foodstuffs marketed in the EU, most of which were established in the last decade⁸⁵. Among these, 424 schemes were set up in EU countries (107 in Germany). 229 concerned meat products, 158 were traceability schemes and 114 concerned geographical denominations. Scheme owners varied from farmers and producers to NGOs, interest groups and retailers, national public authorities and official EU labels. Requirements cover production standards, environmental protection, organic farming, animal welfare, fair trade, GMO-free, traceability, origin, traditional methods, etc. The majority of these logos and labels for food products appear to be essentially a national phenomenon, targeting national markets. The numbers of labelling schemes that operate EU-wide or cross-border (for example the Nordic Council) are limited.

*The proliferation of labels may create confusion rather than facilitate purchasing. Organisations, surveys and studies point to a risk of information overload and the need for clearer and more reliable labels*⁸⁶. Labels certify that a product meets a quality standard, but often it is not clear to the consumer what these standards are. The 2010 Guidelines for voluntary certification schemes for agricultural food products and foodstuffs⁸⁷ set out a detailed set of recommendations for managing a certification scheme, including third-party verification by accredited independent bodies, with a view to increasing transparency. Health and nutrition claims were made subject to strict rules in 2011.

In 2011, a report by the European Food Roundtable for Sustainable Consumption and Production assessed communication methods and tools concerning the environmental performance of food and drink products⁸⁸. It found that due to a lack of harmonised and practical environmental assessment methodologies and because of the proliferation of competing environmental labelling schemes, confusion still reigns in the market for sustainable food products. In November 2011, the High Level Forum for a Better Functioning Food Supply Chain endorsed a report on labelling practices. This report proposes options for actions to prevent risks associated with the proliferation of labelling schemes, such as the creation of a database of existing labelling legislation as well as voluntary labelling schemes⁸⁹.

To respond to the lack of a harmonised approach to sustainability schemes, food operators have mandated the European Committee for Standardisation (CEN) to develop a European

⁸⁵ See http://ec.europa.eu/agriculture/quality/certification/inventory/inventory-data-aggregations_en.pdf.

⁸⁶ BEUC, From a Common Agricultural Policy to a Common Food Policy, 2010. Rick Harbaug, John W. Maxwell, Beatrice Roussillon: Label Confusion, The Groucho Effect of uncertain Standards, 2010. Which?, Making sustainable food choices easier, 2010.

⁸⁷ EU best-practice guidelines for voluntary certification schemes for agricultural products and foodstuffs; see [http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52010XC1216\(02\):en:NOT](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52010XC1216(02):en:NOT).

⁸⁸ Report 'Communicating environmental performance along the food chain' http://www.food-scp.eu/files/ReportEnvComm_8Dec2011.pdf.

⁸⁹ High Level Forum for a Better Functioning Food Supply Chain, Report on Food Labelling practices, 2011, http://ec.europa.eu/enterprise/sectors/food/files/competitiveness/labelling_report_en.pdf.

standard (EN) on sustainable cocoa⁹⁰, for possible use by both private and public certification schemes. Similar mandates could be envisaged for other food product categories.

The Consumer Agenda therefore includes efforts to increase transparency in the market for sustainable food products. In particular, the ongoing work to develop harmonised assessment methodologies will yield its first results in 2012⁹¹. A study of voluntary food labelling schemes to establish if they respect the 2010 guidelines is to be launched in 2012. *Consumer understanding and behaviour* with respect to these schemes *also deserves investigation to help to establish best practices*.

4.4.3 Environmental claims

Consumers are confronted with an increasing number of environmental claims for products⁹². But while companies increasingly use green claims in advertising their products, consumers often believe they are not reliable or find them unclear or misleading. And for the majority of consumers, the most important hurdle to green shopping remains the price of green products⁹³. The guidance documents produced at international, European and national level⁹⁴ are, according to consumer organisations, environmental NGOs and some business operators, not effective enough to prevent misleading environmental claims. The upcoming report on the application of the Unfair Commercial Practices Directive, which aims to ensure that traders do not unduly distort consumer choices by making claims that are false or cannot be adequately substantiated, will outline new actions to tackle misleading environmental claims.

Further work and cooperation with Member States and relevant stakeholders is needed in order to identify best practices, to monitor the use of environmental claims in the different markets, to evaluate their impact on consumer behaviour and to examine if, and for which markets, additional measures are needed in order to avoid ‘green-washing’ and misleading environmental claims. As announced in the Consumer Agenda, the Commission will also revise the guidance given to Member States on misleading environmental claims in connection with the implementation of the Unfair Commercial Practices (UCP) Directive⁹⁵.

⁹⁰ CEN/TC 415 Project Committee — Traceable and Sustainable Cocoa.

<http://www.cen.eu/cen/sectors/technicalcommitteesworkshops/centtechnicalcommittees/pages/default.aspx>.

⁹¹ See <http://www.food-scp.eu/> and http://ec.europa.eu/environment/eussd/product_footprint.htm.

⁹² See for example OECD, Environmental Claims — Findings and Conclusions of the OECD Committee on Consumer Policy (2011); DEFRA, Assessment of Green Claims on Product Packaging (2010); DEFRA, An assessment of green claims in marketing (2010); BEUC/ANEC position papers X/2011/067 of 14/12/11 and X/022/2011 of 28/02/11.

⁹³ Interim report, Support for the Impact Assessment of the review of the 2008 Sustainable Production and Consumption Action Plan; BEUC/ANEC position papers X/2011/067 of 14/12/11 and X/022/2011 of 28/02/11.

⁹⁴ ISO 14021 (1999). European Commission Guidelines for Making and Assessing Environmental Claims (2000) http://ec.europa.eu/consumers/cons_safe/news/green/guidelines_en.pdf. 2009 Guidance on the implementation/application of Directive 2005/29/EC on unfair commercial practices, Chapter 2.5 Misleading environmental claims http://ec.europa.eu/consumers/rights/docs/Guidance_UCP_Directive_en.pdf. Green Claims Guidance, United Kingdom (2011), <http://www.defra.gov.uk/publications/2011/06/03/pb13453-green-claims-guidance/>.

⁹⁵ Directive 2005/29/EC.

- Study on the transparency and reliability of voluntary food labelling schemes, including consumer understanding and behaviour in relation to such schemes.
- Study of consumer understanding and behaviour in relation to various food information elements as in Regulation (EU) 1169/2011.
- Publication of a consumer fact sheet about food waste and explaining current date labelling.
- Workshop on green claims at the 2012 Consumer Summit⁹⁶ as a start-up for a possible stakeholder dialogue to exchange best practices.
- Study on green claims and advertising to evaluate their impact on consumer behaviour, to identify best practices and regulatory and self-regulatory tools in Member States, and examine the need for additional measures.
- Revision of the UCP guidance document on misleading environmental claims.

4.5 Consumer information and energy

In the energy sector, accurate and relevant information for consumers can help make cost and energy savings, and help activate markets. If energy prices are presented transparently, consumers can switch supplier when this is in their interest. Best-practice exchange at EU level between relevant national authorities, consumer organisations and other stakeholders is an effective way to improve the functioning of energy markets to the benefit of consumers.

To facilitate these exchanges, the Commission has set up the Citizens Energy Forum⁹⁷ and various stakeholder groups. The stakeholder working group on Billing in the Energy Area made recommendations highlighting good national practices⁹⁸, and produced a template for energy invoices setting out simple, accurate and useful information for households⁹⁹. A similar working group on Alternative Dispute Resolution (ADR) in the Energy Sector has developed proposals to improve dispute resolution, drawing on national best practices¹⁰⁰. Ongoing work with stakeholders focuses on price transparency in retail electricity and gas markets. Its aim is to identify the relevant elements in choosing a supplier, and how to present this information in a way that helps consumers take action¹⁰¹. Best practices in web-based information on energy are ‘one-stop energy shop’ examples. In France, www.energie-info.fr, a site run by the regulatory authority and the energy ombudsman, offers all the information an energy consumer may need¹⁰².

⁹⁶ See: http://www.european-consumer-summit.eu/workshops1_en.asp.

⁹⁷ See http://ec.europa.eu/energy/gas_electricity/forum_citizen_energy_en.htm.

⁹⁸ http://ec.europa.eu/energy/gas_electricity/doc/forum_citizen_energy/2009_09_29_citizens_energy_forum_reports_and_materials.zip.

⁹⁹ http://ec.europa.eu/consumers/citizen/my_rights/energy_en.htm.

¹⁰⁰ http://ec.europa.eu/consumers/citizen/my_rights/docs/energy_adr_report_en.pdf.

¹⁰¹ See the IV Citizens Energy Forum Conclusions at:

http://ec.europa.eu/energy/gas_electricity/doc/forum_citizen_energy/20111027_citizens_energy_forum_conclusions.pdf.

¹⁰² Notably information about rights, complaint handling, switching periods, ADR in the energy sector, market offers including an online price comparison tool, etc.

Best practices with respect to vulnerable consumers in the energy sector concern consumers that have problems paying their bills, or citizens with problems in understanding how the liberalised market works and how to reduce their energy bills¹⁰³. Specialised advice services for these purposes are found in Sweden, where the Consumer Electricity Advice Bureau offers advice free of charge to individual households, by phone and through local councillors, about suppliers, improving energy efficiency in the home, and complaint procedures¹⁰⁴. The Energy Ambassadors project, co-financed by the EU, trains long-term unemployed persons to act, alongside social workers, as advisers to households in low-income groups on reducing electricity, water and heating costs, and on better managing their debts to suppliers¹⁰⁵.

- Best-practice exchanges in multi-stakeholder working groups including ‘energy poverty’ and guidelines on price transparency.
- Behavioural study into consumer understanding of energy labels for household appliances with a view to reviewing the Energy Labelling Directive 2010/30/EC.

5 VULNERABILITY AND VULNERABLE CONSUMERS

The European Parliament resolution **on a strategy for strengthening the rights of vulnerable consumers** underlines the broad and complex meaning of the concept of vulnerability and calls on the Commission to adopt a broad and coherent political and legislative strategy¹⁰⁶. Parliament recognises that certain population groups are structurally more vulnerable, and highlights specific markets and contexts that may place individuals in vulnerable situations over the course of their lives.

Vulnerability can be defined as belonging to a socio-economic group likely to be less empowered (low income, low education), or lacking full capacity to operate as consumers (due to disabilities, diseases, allergies, or specific behaviours such as credulity, addictive behaviour, etc.). Areas where all consumers are potentially vulnerable are those where they are unable to verify the validity of their choices for themselves, for example for lack of technical expertise, time pressure or other unfavourable circumstances at the time of a purchasing decision, or when choices are influenced by sophisticated marketing methods¹⁰⁷.

Reaching vulnerable consumers as a group, notably low-income and low-education groups with information about consumer rights or consumer choice is a challenge in each national context. Literacy and numeracy are key issues among these groups, which therefore require special approaches, for example because of language barriers. Such groups are often best and most effectively addressed by local actors who are in direct contact with them and enjoy their trust. To reach vulnerable consumers with information and advice, it is important to energise and empower intermediaries. By **building and energising a community of practice** focused on consumer organisations and other relevant actors across Member States, there is a greater

¹⁰³ The Third Energy Package acknowledges the need for EU Member States to take action against vulnerability and fuel poverty by requiring the concept of energy vulnerability to be defined and appropriate action to be taken.

¹⁰⁴ <http://www.elradgivningsbyran.se/English/>.

¹⁰⁵ www.energyambassadors.eu/.

¹⁰⁶ 2011/2272 (INI).

¹⁰⁷ An often quoted example is an experiment in which men choose mortgage offers that were on average more expensive if the offers were presented with a picture of a smiling woman.

chance of having a variety of intermediaries to help address the information and education needs of vulnerable consumers¹⁰⁸. There are also examples of international initiatives to develop targeted tools for this kind of work at local level — for example a World Bank toolkit to help immigrant workers facing high money transfer costs¹⁰⁹.

Consumer behaviour studies can provide insights into social habits and circumstances that place certain groups or individuals in vulnerable situations. They can also help in understanding the dynamics of consumer practices in specific market situations, and show which stages in the decision-making process are experienced as problematic. This will help to develop targeted measures to protect vulnerable consumers. Such insights may help define which type of information to supply at various steps of the purchasing process, establish the right cognitive balance between quantity and simplicity of mandatory information, the most effective layout of internet pages, and when measures going beyond mere information provision are required. Behavioural research may also serve to investigate consumer vulnerability patterns across consumer markets.

Social media marketing — a new vulnerability?

Social media have become a standard element in promoting products and services, and the dividing line between genuine consumer experiences and items posted to further commercial purposes is increasingly blurred. The Nordic Consumer Ombudsmen for example have signalled questionable social media marketing practices, such as spreading commercial messages to social media users by other private users who obtain discounts, prizes and other advantages for doing so¹¹⁰; In particular, this kind of marketing targeting children and minors raises concern. The issue should be addressed through dialogue with relevant stakeholders¹¹¹.

Over-indebtedness is a marker of consumer vulnerability in the financial services area, and a contributor to poverty. A comparative analysis of households over-indebtedness in all EU Member States will explore its causes, and identify national measures for alleviating its impact and organisations active in this field. Monitoring and assessment of how rules *to protect minors in audiovisual media* are applied should continue in 2013, and their interpretation further clarified. In particular, national service providers should develop codes of conduct regarding inappropriate advertising in children's programmes for sweet, fatty or salty foods or drinks.

¹⁰⁸ Ecorys, Evaluation of Consumer Education, Information and Capacity building actions 2011 http://ec.europa.eu/consumers/strategy/docs/evaluation_consumer_education_report_en.pdf.

¹⁰⁹ An International Remittances Customer Charter: A Toolkit for National Action, the World Bank Global Remittances Working Group, 2010.

¹¹⁰ Position of the Nordic Consumer Ombudsmen on social media marketing, 3 May 2012. This paper raises the issue whether the rules governing unsolicited commercial communications should be updated to take social media contexts into account.

¹¹¹ In the United States, the Federal Trade Commission has revised its guidelines for the use of endorsements and testimonials, requiring bloggers, celebrities and other social media users to disclose material connections they may have with sellers of products or services, whether in the form of payments or free products.

Behaviourally based new forms of regulation, or smart regulation, often appear to have a better chance of success in resolving vulnerability issues than traditional information strategies. In certain cases, where vulnerability is clearly established, legislative requirements must take over the role of awareness-raising or education. The Unfair Commercial Practices Directive already contains provisions to protect consumers whose characteristics make them particularly vulnerable to unfair marketing practices, and may offer a good basis for further guidance in this respect¹¹².

- Exchange of best practices in addressing vulnerable consumers in Member States on specific issues (energy, financial advice, etc.).
- Inclusion of vulnerability issues in the regular monitoring of consumer conditions and consumer markets and in in-depth market studies.
- Preparatory steps towards defining research needs to map vulnerable groups and vulnerability patterns across key consumer markets.
- Comparative study of over-indebtedness.

6 CONCLUDING REMARKS

The activities outlined in this paper will be updated and adjusted as new data, surveys and studies provide new and better insights, and as **transfer** of best practice develops. They will also be subject to close monitoring and evaluation, so as to ensure EU added value and cost efficiency.

¹¹² Directive 2005/29/EC on Unfair Commercial Practices.