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**NOTE**

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From: Presidency  
On: 15 September 2014  
To: Delegations

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Subject: Information from the Presidency on the outcome of the Conference "The European Union Cooperation for Consumer Rights" (Rome, 7-8 July 2014)

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Delegations will find in Annex an Information Note from the Presidency concerning an any other business point **Consumer Protection Cooperation**, at the COMPET Council on 25 September 2014.

**International Conference****“The European Union Cooperation for Consumer Rights”****(Rome, 7-8 July 2014)*****Information from the Presidency***

The Italian Presidency of the Council of the Ministers of the European Union dedicated its main event on consumer policy to the role of the European cooperation system established by the Regulation (CE) No. 2006/2004, also known as “Enforcement system for consumer protection”, and to the perspectives of its development in view of the incoming proposals to improve the current legislation that the European Commission is expected to present early in 2015. The Ministry of Economic Development, in collaboration with the European Commission and the Italian Competition Authority, hosted in Rome, on 7th-8th July 2014, the International Conference “The European Union Cooperation for Consumer Rights”. The Conference gathered high representatives of the European Commission, national Governments and Competent Authorities in charge of the Enforcement system, consumer organizations, European networks (CPC, CPN, ECC-Net, CMEG, ECCG), relevant stakeholders, scholars, and Non-Governmental advisors. The participants were welcomed by the President of the Italian Competition Authority, Giovanni Pitruzzella. He introduced the working sessions opened by a political panel including the Italian Secretary of State of Economic development, Senator Simona Vicari, the European Commissioner in charge of consumer protection, Neven Mimica and the Latvian Deputy Secretary of State of Economics, Zaiga Liepina. The sessions and the discussions were focused on the European and national political perspectives, the possibilities and opportunities arising from the Consumer Protection Cooperation Regulation and on e-commerce issues and challenges. The Conference was held back-to-back with two other events - the launch in Italy of the information and communication campaign set up by the European Commission dedicated to the Consumer Rights Directive 2011/83/EU (CRD Directive), and the annual ECC-Net Cooperation Day - highlighting the complementarity among three pillars of the European consumer policy: information, enforcement and redress.

The political session of the Conference acknowledged the fundamental role of the European Enforcement system in ensuring a proper and effective implementation of all the rights of consumers, based not only on horizontal, but also on sectoral legislation. The participants agreed that such cooperation system is crucial to boost the confidence both of consumers and business in the single market and can effectively face the challenges of the fast growing digital economy. In this respect, the integration between consumer policy and competition policy has to be considered key in pursuing common political goals where consumers and business meet the same interests. The speakers also pointed out the crucial relevance of the enforcement system in providing to all European citizens tangible evidences of the benefits stemming from the consumer protection legislation.

Commissioner Mimica presented the final Report on the functioning of Regulation 2006/2004. While highlighting the tangible positive results reached since the establishment of the enforcement system, Mimica pointed out the existing challenges and difficulties, confirming the commitment of the Commission to study the need to revise the rules in 2015 on the basis of a specific impact assessment. The future legislative proposal may aim to strengthen the effectiveness of the enforcement system, in particular for the increasing number of cases having a cross-border dimension, in order to ensure that for the same infringement consumer may be granted the same level of protection throughout the European Union. Secretary of State Vicari stressed the commitment of the Italian Presidency to make the enforcement for consumer protection a priority in the political agenda of Member States. She underlined how this commitment will go beyond the Conference itself, by putting the topic in the agenda of the Competitiveness Council meeting of the 25<sup>th</sup> of September.

The political session was followed by two roundtables especially devoted to e-commerce and online transactions which contribute to the spreading of the same infringements across borders in the EU. In detail, it was noted that the consumer protection cooperation network helps in solving cross border and/or EU-wide collective consumer problems through mutual assistance requests and common activities to foster a common approach to enforcement. Additional key benefits of such cooperation include taking part into sweeps actions in which Member State authorities simultaneously inspect a certain number of websites to verify their compliance with the consumer laws. Moreover, it was pointed out that the recent common enforcement approach, hold by national enforcement authorities, with the help of the Commission, on in-app purchases against the major market players and games developers' associations, was a concrete example of how CPC-led

enforcement can deal with present consumer problems occurring in a number of Member States; it also turned to be a way to promote compliance. Indeed, on the one hand the negotiating approach proved that European credibility and influence is remarkable when spoken with one voice and, on the other hand, it revealed to be promising. From the legal experts' point of view it was highlighted that subscription traps, drip pricing, fake reviews and abuse of technology represent the most recurrent "sticky" business practices and that rogue traders tend to exploit jurisdictional boundaries to put in place fraudulent scams. As far as online scams and counterfeiting concerns, it was appreciated that the role of the Italian Competition Authority, in addition to remarkable sanctioning powers, can issue – when pursuing the most serious infringements – orders to block the activity of rogue traders and can issue, in close cooperation with the Italian Tax Police, take downs, operated by online hosts, with regard to websites displaying illegal contents. In particular, more than a hundred take downs were issued against website selling counterfeit goods which may have an adverse impact not only on the economic interests of consumers, but also on their health and safety. The business representatives claimed that, despite their positive assessment of the efficiency of enforcement coordinated actions, which a single authority simply cannot achieve, such cooperation is still seriously hindered by the fact that the current investigative and enforcement powers of each Competent Authorities differ substantially and, therefore, do not ensure the same impact throughout the EU. Furthermore, it was ascertained the persistence of unequal consumer conditions across countries as recorded by the consumer scoreboard data and the European Consumer Centres' reports. It was argued that all European consumers need strong and fast remedies and that common standards must be granted.

The Conference made it possible to clearly outline the high relevance of enforcement actions that need to be speeded up in a digital era in which the "smart consumer" acts not only making online purchases, but also sharing reviews and comments on products or services offered by traders. Indeed, the Conference provided very large support to the future initiatives aimed at further strengthening the EU cooperation, making communication among authorities faster and smoother in order to tackle EU-level relevant infringements in a most efficient manner, thus providing more effective protection of economic interests of all EU consumers. Same support was expressed to future actions aiming at improving the exchange of information helping to early detect widespread cross-border infringements, in cooperation with consumers' associations and the ECC-Net.