

Priorities - Consumer Affairs

New Deal for EU consumers and representative actions



ISSUE

AmCham EU is concerned by the proposed directive on representative actions. The December text adopted by the European Parliament legal affairs committee fails to sufficiently address the discussion of safeguards, exposing consumers to exploitation by profit-driven litigation. The text requires strong criteria for the types of entities that can represent consumers, preferably public bodies and consumer organisations; a requirement for consumers' consent before actions are launched on their behalf; and robust protections against third-party litigation funding and contingency fees.



RECOMMENDATION

- Support the EU efforts to **facilitate access to justice** and ensure a high-level of protection for consumers;
- Reinforce consumer protection via the implementation of effective safeguards such as the introduction of a **claim certification mechanism**, the **'loser-pays' principle**, an **opt-in/register system** and a **ban on third-party litigation funding and contingency fees** for both legal practitioners and funders;
- Clearly indicate **out-of-court settlements be the preferred solution** before legal action is initiated; and
- **Draw inspiration from Nordic Alternative Dispute Resolution** systems (Ombudsman) which have proved to be successful over the years.

Modernisation of EU Consumer Law



ISSUE

AmCham EU is concerned about the review of the Unfair Commercial Practices Directive and the Consumer Rights Directive. AmCham EU supports and shares the objectives of the Commission's proposal to modernise existing rules and enhance consumer protection. However, this should strike the right balance between consumers and traders while maintaining the existing level of harmonisation.



RECOMMENDATION

- Modernised legislation should not **stigmatise specific distribution methods** corresponding to consumer demand and creating job opportunities. Consumer preferences should be taken into account;
- **Online and off-line contracts** should provide for harmonised guarantees and remedies in alignment with the consumer protection acquis; and
- Promote the importance of **enforcement** and cooperation between consumer protection authorities.

Consumer product safety and market surveillance



ISSUE

AmCham EU supports and shares the objectives of the Commission's proposal to improve compliance and enforcement of Union harmonisation legislation. However, this should not introduce new disproportionate burdens for reputable companies who, operating in good faith, already make significant efforts to ensure their products are compliant with relevant legislation.



RECOMMENDATION

- **Legislation** should make a clear distinction between formal non-compliance and non-compliance which presents a safety risk to consumers. Only the manufacturer should be liable for non-compliance; and
- **Market surveillance authorities** should give prior notice to exercise their powers to remedy non-compliance.