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PRESS RELEASE

Brave New Deal? Key safeguards missing from Commission proposals

Brussels, 12 April 2018 – The American Chamber of Commerce to the European Union (AmCham EU) is concerned that some parts of the European Commission’s proposed “New Deal for Consumers” will fail to meet its overall objective of protecting consumer rights, and may in fact be detrimental to consumers and businesses.

AmCham EU supports the Commission’s efforts to facilitate access to justice and guarantee a high level of consumer protection, and where individuals have been harmed by illegal practices, collective redress mechanisms may be appropriate. However, we are disappointed that the Commission’s proposal to introduce such a mechanism fails to include the full range of safeguards it recommended to Member States in 2013. As American companies with first-hand experience of the damaging effects of frivolous litigation, we believe these safeguards are of utmost importance to ensure that collective redress is to the benefit of both businesses and consumers.

“The introduction of a US-style class action system would protect neither consumers nor businesses. We reiterate our commitment to being accountable to customers, but stress that access to justice should not become a business. The regulatory framework must maintain, strengthen and reinforce protection against abuses,” said Susan Danger, CEO of AmCham EU.

With regards to the proposed steps to modernise consumer protection, we appreciate the Commission’s move to allow traders to reimburse consumers after receiving a returned product, which we believe constitutes a more “common sense” approach than that which currently exists.

Nonetheless, while we share the Commission’s concerns about the insufficient and uneven enforcement of consumer protection rules in the EU, the introduction of harmonised maximum penalties is unlikely to remedy the issue. Instead, insufficient compliance and enforcement would be more effectively tackled by addressing lack of awareness of consumer rights and encouraging more coordination between Member States. Where appropriate, penalties should remain proportionate and be reserved for serious and deliberate violations of consumer rights.

We are also disappointed that the proposal to allow Member States to further restrict doorstep selling appears a step backwards from the maximum harmonisation achieved in the current legislation.

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About AmCham EU

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters.

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