



EUROPEAN COMMISSION

PRESS RELEASE

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Putting a stop to marketing scams: European Commission takes action to strengthen enforcement against unfair commercial practices

Brussels, 14 March 2013 – Today, the European Commission outlined a series of actions to tackle aggressive commercial practices across the EU such as fake 'free' offers, 'bait and switch' advertising for products which cannot be supplied, and exhortation of children. Five years after it entered into force, the Commission reviewed the application of the [Unfair Commercial Practices Directive](#) and announced plans to step up enforcement of the rules to increase citizens' trust when shopping in Europe's internal market.

The initiative is part of the Commission's action to boost consumer confidence under the European Consumer Agenda ([IP/12/491](#)). By shopping online across EU borders, consumers can benefit from up to 16 times more products from which to choose, but 60% of consumers are still not taking advantage of this. As a result, consumers do not fully benefit from the variety of choice and lower prices available in the Single Market. Improving consumer confidence by better enforcing the rules can provide a major boost to economic growth in Europe. Indeed, surveys show that more consumers are now interested in making cross-border purchases and are willing to spend more money cross-border than in 2006, when the EU rules had not yet come into force.

"Consumer spending accounts for 56% of EU GDP, but a lack of consumer confidence in shopping across EU borders means we are still not tapping into the full potential of the Single Market," said Vice-President Reding, the EU's Justice Commissioner. *"We have good rules in place to protect consumers, but we need to make sure they are better enforced, especially in cross-border cases. I want to see zero tolerance for rogue traders so consumers know exactly what they are buying and are not getting ripped off. That also means a coherent approach to enforcing the same set of rules."*

Thanks to the Unfair Commercial Practices Directive, national consumer protection watchdogs have been able to curb a broad range of unfair business practices, such as providing untruthful information to consumers or using aggressive techniques to influence their choices. By replacing 27 national regimes with one set of rules, the Directive has simplified rules on unfair commercial practices, making it easier for consumers to know what their rights are, no matter where in the EU they are shopping. But both consumers and traders are still faced with uncertainty in knowing how these rules will be enforced by the different national enforcement bodies.

Four out of five EU online consumers (81%) used a price comparison website in 2010. However, such tools can only help to boost consumer confidence if they provide clear and accurate information – which is not necessarily the case today. Various stakeholders have signalled problems with price comparison websites, particularly in relation to transparency and incompleteness of the information given.

What's more, recurring issues or emerging commercial practices, such as those taking place in the on-line environment, often have a cross-border dimension and raise common questions for national enforcers. This calls for a more coherent approach to enforcement.

By way of example, a leading market player in electronic devices was fined by a national enforcer for offering consumers a 2 year warranty on their products for a charge, despite consumers already having a right to this service for free under EU law. Given that similar concerns had arisen in other Member States, Vice-President Viviane Reding wrote to all Consumer Affairs Ministers to draw attention to the case and enquire as to the enforcement action taken nationally. The responses received highlight a lack of consistency in interpreting and enforcing the Directive by national authorities.

The Commission will therefore seek to play a more prominent role in reinforcing cooperation between national enforcement bodies by:

- Strengthening the efficiency of the **European consumer protection network** and further promoting coordinated **enforcement actions ("sweeps")**;
- Assisting Member States in effectively applying the Directive with **guidance** and sharing best practices;
- Developing **enforcement indicators** to detect shortcomings and failures that require further investigative and/or corrective action;
- Establishing regular thematic **workshops** between national enforcers and organising **training** for enforcers and the judiciary.

The travel and transport, digital, financial services and property markets have been identified as the major sectors where consumers continue to lose out and where more efforts are required. In addition, enforcers need to take a closer look at environmental 'green' claims by retailers, which are often very general, vague and not always used responsibly.

Background

[Directive 2005/29/EC on Unfair Commercial Practices](#), adopted in 2005, lays down harmonised rules to tackle unfair commercial practices. It ensures that consumers are neither misled nor exposed to aggressive marketing and that any claim made by traders in the EU is clear, accurate and substantiated, enabling consumers to make informed and meaningful choices. The Directive also aims to ensure, promote and protect fair competition in the area of commercial practices. It has a broad scope and applies to all economic sectors.

Specific provisions prevent exploitation of vulnerable consumers, such as children. The Directive also contains a "Black List" of practices, such as "bait advertising" "fake free offers", which are prohibited under all circumstances.

In today's report, Member States and stakeholders have signalled that a lack of resources, complexity of internal procedures and lack of deterrent sanctions threaten to undermine the proper application of the legislation.

The [European Consumer Summit of 18-19 March 2013](#) organised by the Commission will provide an opportunity to discuss with all stakeholders concrete solutions to improve enforcement of consumer rights, within and across national borders and to explore ways of providing effective responses to cases of EU relevance in the Single Market.

For more information

Press pack - Unfair consumer practices:

http://ec.europa.eu/justice/newsroom/consumer-marketing/news/130314_en.htm

Communication "Achieving a high level of consumer protection - Building trust in the Internal Market"

http://ec.europa.eu/justice/consumer-marketing/files/ucpd_communication_en.pdf

Report on the application of Directive 2005/29/EC on unfair commercial practices

http://ec.europa.eu/justice/consumer-marketing/files/ucpd_report_en.pdf

Study on the application of Directive 2005/29/EC in the fields of financial services and immovable property

http://ec.europa.eu/justice/newsroom/consumer-marketing/news/130108_en.htm

EU legislation on unfair commercial practices :

http://ec.europa.eu/justice/consumer-marketing/unfair-trade/index_en.htm

Homepage of Vice-President Viviane Reding, EU Justice Commissioner:

<http://ec.europa.eu/reding>

Contacts :

[Mina Andreeva](#) (+32 2 299 13 82)

[Natasha Bertaud](#) (+32 2 296 74 56)