

The provisional agreement of the European Parliament and Council forecasts improvements in consumer protection

On 2 April 2019 European Commission announced that the European Parliament and the Council have reached a provisional agreement on improvements of consumer protection rules. The new rules were proposed in April 2018 by the European Commission as a part of the “New Deal for Consumers”.

The deal mainly concentrates on **improving transparency for consumers when buying online, effectiveness of penalties for violations of EU consumer law and clear rules to tackle the issue of dual quality of products in the EU**. Under the newly proposed legislation, national consumer authorities will have the power to impose effective, proportionate and dissuasive penalties, with the available maximum fine for certain infringements in each Member State of at least 4% of the trader's annual turnover.

One of the main objectives of the agreement is **tackling dual quality of consumer goods**. The proposal of the latter mostly originates from various studies confirming that many products sold across Member States, which are advertised as the same brand and the same product, are in fact different in composition. The differences are most evident when comparing products for Western and products for Eastern Europe and are often explained by the traders as a result of different preferences of the consumers in these markets. The new rules will clarify that **marketing a product as being identical to the same product in other Member States, when in reality those goods have significantly unjustified different composition or characteristics, would be considered a misleading practice**. By implementation of this rule, double standards for the same products will (supposedly) be removed from the Single Market.

With regard to improvement of consumers’ rights online, the agreement envisages that consumers will now have to be clearly informed on whether they are buying goods or services from a trader or from a private person and whether a search result is being paid for by a trader. They will also be informed about the main parameters determining the ranking of search results.

Since this agreement is currently only of provisional nature, it now has to be formally adopted by both the European Parliament and the Council.



For more information on New Deal for Consumers, please see:
https://ec.europa.eu/info/law/law-topic/consumers/review-eu-consumer-law-new-deal-consumers_en

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