

EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 13 June 2014

Taking consumer rights into the digital age: over 507 million citizens will benefit as of today

[Embedded VPR video message/soundbyte]

Good news for Europe's more than 507 million consumers: as of today, new EU legislation will bolster their rights throughout the European Union. The new <u>EU Consumer Rights</u> <u>Directive</u>, which has now entered into force, strengthens consumers' rights wherever and whenever they shop in Europe – online or on the high street. Businesses will also benefit from these new rules which create a level-playing field, making it less costly for traders to offer their products and services to consumers across borders. The new rules will for example ensure that EU-wide, consumers have 14 days to change their minds and pull out of any online purchase or off-premises purchase (when a seller visits the consumer's home) – up from the previous minimum 7 days. The new rules also ban surcharges for the use of credit cards and hotlines, as well as pre-ticked boxes on websites for charging additional payments (for example when buying plane tickets online). To make sure these new rules are applied in a uniform manner across the EU, so that consumers benefit from them no matter in which Member State they are, the European Commission is also publishing a guidance document for national authorities, including an optional model for essential consumer information to be displayed on digital products.

"Today Europe is putting an end to consumer rip-offs online. As of today every consumer in the European Union can claim his or her rights under the Consumer Rights Directive meaning: no more pre-ticked boxes when you buy a plane ticket, no more extra charges for paying with your credit card online and no more traders telling you that you can't return a good you bought online," said Vice-President Viviane Reding, the EU's Justice Commissioner. "A confident consumer is the best possible news for our single market. Putting consumers in the driving seat by boosting their confidence is the cheapest stimulus package that Europe can put in place. The European Commission will now rigorously be checking if Member States stick to what they have previously agreed by implementing the rules correctly and grating consumers the rights they deserve."

The new <u>Consumer Rights Directive</u> harmonises national consumer rules in several important areas, such as the information consumers need before they purchase goods and services, and their right to cancel online purchases. Increased harmonisation means that consumers can now rely on the same rights, no matter where they shop in the EU. It also means simpler, more predictable rules for traders, who will now have more incentives to expand their business across borders.

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Under the new EU rules (see the <u>factsheet</u> on the new rules), EU consumers can now rely on (see Annex for more information):

- Enhanced price transparency;
- The end of unjustified surcharges for the use of credit cards and hotlines;
- A ban on pre-ticked boxes on the internet, as for example when they buy plane tickets;
- An extension of the period to change their minds from 7 days to a uniform 14 days across the EU;
- Stronger refund rights, within 14 days of the consumer's cancellation of a purchase;
- Rules banning online traps, like offers on the internet that advertise something as free when in reality it is not (for example horoscopes or recipes);
- Better protection in relation to digital content, especially regarding information on the software and hardware the products work with.

Background

The European Commission put forward the proposal for a new set of consumer rights in October 2008 (IP/08/1474). The final agreement between the European Parliament and the Council on the Consumer Rights Directive was brokered by EU Justice Commissioner Viviane Reding in June 2011, and the legislation was formally adopted on 10 October 2011 (MEMO/11/675). Governments had two years to implement the rules at national level by 13 December 2013, with a deadline for the rules to actually enter into force by 13 June 2014.

In March 2014 the European Commission <u>launched a consumer rights campaign</u>, informing citizens of their rights under EU law, and providing information on where they can get advice and help in case of questions or problems (<u>MEMO/14/191</u>). The campaign particularly targets consumers in 8 countries: Bulgaria, Cyprus, Greece, Italy, Latvia, Poland, Portugal and Spain.

[Embedded consumer rights campaign video]

For more information

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

http://ec.europa.eu/reding

Follow the Vice-President on Twitter: <u>@VivianeRedingEU</u>

European Commission – Consumer Rights Directive:

http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

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Annex: 10 main changes in the new EU consumer rules

1) The proposal will eliminate hidden charges and costs on the Internet

Consumers will be protected against **"cost traps"** on the internet. These include cases in which fraudsters try to trick people into paying for 'free' services, such as horoscopes or recipes. From now on, consumers must explicitly confirm that they understand that they have to pay.

2) Increased price transparency

Traders have to disclose the **total cost** of the product or service, as well as any extra fees. Online shoppers will not have to pay charges or other costs if they were not properly informed before they place an order.

3) Banning pre-ticked boxes on websites

When shopping online –for example when buying a plane ticket – you may be offered additional options during the purchase process, such as travel insurance or car rental. These additional services may be offered through so-called pre-ticked boxes. Consumers are currently often forced to untick those boxes if they do not want these extra services. With the new Directive, pre-ticked boxes will be banned across the European Union.

4) 14 Days to change your mind on a purchase

The **period under which consumers can withdraw from a sales contract** is extended to 14 calendar days (compared to the seven days that were legally prescribed by EU law until today). This means that consumers can return the goods for whatever reason if they change their minds.

- Extra protection for lack of information: When a seller has not **clearly informed** the customer about the withdrawal right, the return period will be extended to a year.
- Consumers will also be protected and enjoy a right of withdrawal for **solicited visits**, such as when a trader called beforehand and pressed the consumer to agree to a visit. In addition, a distinction no longer needs to be made between solicited and unsolicited visits; circumvention of the rules will thus be prevented.
- The right of withdrawal is extended to **online auctions**, for example on eBay though goods bought in auctions can only be returned when bought from a professional seller.
- The **withdrawal period** will start from the moment the consumer receives the goods, rather than at the time of conclusion of the contract, which is currently the case. The rules will apply to internet, phone and mail order sales, as well as to sales outside shops, for example on the consumer's doorstep, in the street, at a Tupperware party or during an excursion organised by the trader.

5) Stronger refund rights

Traders must **refund** consumers for the product **within 14 days of the withdrawal**. This includes **the costs of delivery**. In general, the **trader** will bear the **risk for any damage** to goods during transportation, until the consumer takes possession of the goods

6) Introduction of an EU-wide model withdrawal form

Consumers will be provided with a model withdrawal form which they can (but are not obliged to) use if they change their minds and wish to withdraw from a contract concluded at a distance or at the doorstep. This will make it easier and faster to withdraw, wherever you have concluded a contract in the EU.

7) Eliminating surcharges for the use of credit cards and hotlines

Traders will not be able to charge consumers more for paying by **credit card** (or other means of payment) than what it actually costs the trader to offer such means of payment. Traders who operate **telephone hotlines** allowing the consumer to contact them in relation to the contract will not be able charge more than the basic telephone rate for the telephone calls.

8) Clearer information on who pays for returning goods

If traders want the consumer to bear the cost of returning goods after they change their mind, they have to **clearly inform** consumers about that **beforehand**, otherwise they have to pay for the return themselves. Traders must clearly give at least an estimate of the maximum costs of returning bulky goods bought by internet or mail order, such as a sofa, before the purchase, so consumers can make an informed choice before deciding from whom to buy.

9) Strenghtened consumer protection in relation to digital products

Information on **digital content** will also have to be clearer, including details about its compatibility with hardware and software and the application of any technical protection measures, for example limiting the right for the consumers to make copies of the content.

Consumers will have a right to withdraw from purchases of digital content, such as music or video downloads, but only up until the moment the actual downloading process begins.

10) Common rules for businesses will make it easier for them to trade all over Europe.

These include:

- A single set of core rules for distance contracts (sales by phone, post or internet) and off-premises contracts (sales away from a company's premises, such as in the street or the doorstep) in the European Union, creating a **level playing field** and **reducing transaction costs** for cross-border traders, especially for sales by internet.
- **Standard forms** will make life easier for businesses: a form to comply with the information requirements on the right of withdrawal;
- **Specific rules will apply to small businesses and craftsmen**, such as plumbers. There will be no right of withdrawal for urgent repairs and maintenance work. Member States may also decide to exempt traders who are requested by consumers to carry out repair and maintenance work in their home of a value below €200 from some of the information requirements.