

Procedure file

Basic information		
INI - Own-initiative procedure	2006/2048(INI)	Procedure completed
Consumer confidence in the digital environment		
Subject		
3.30.06 Information and communication technologies, digital technologies		
3.30.25 International information networks and society, internet		
4.60 Consumers' protection in general		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	IMCO Internal Market and Consumer Protection		21/02/2006
		PPE-DE ROITHOVÁ Zuzana	
	Committee for opinion	Rapporteur for opinion	Appointed
	ITRE Industry, Research and Energy		25/04/2006
		Verts/ALE HAMMERSTEIN David	
European Commission	Commission DG	Commissioner	
	Communications Networks, Content and Technology	REDING Viviane	

Key events			
16/03/2006	Committee referral announced in Parliament		
08/05/2007	Vote in committee		Summary
16/05/2007	Committee report tabled for plenary	A6-0191/2007	
21/06/2007	Debate in Parliament		
21/06/2007	Decision by Parliament	T6-0287/2007	Summary
21/06/2007	End of procedure in Parliament		

Technical information	
Procedure reference	2006/2048(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54

Stage reached in procedure	Procedure completed
Committee dossier	IMCO/6/34528

Documentation gateway					
Committee draft report		PE386.317	12/03/2007	EP	
Committee opinion	ITRE	PE378.602	20/03/2007	EP	
Amendments tabled in committee		PE388.370	16/04/2007	EP	
Committee report tabled for plenary, single reading		A6-0191/2007	16/05/2007	EP	
Text adopted by Parliament, single reading		T6-0287/2007	21/06/2007	EP	Summary

Consumer confidence in the digital environment

The committee adopted the own-initiative report drawn up by Zuzana ROITHOVÁ (EPP-ED, CZ) on consumer confidence in the digital environment. The report called on the Commission to back the development of an e-commerce regulatory framework that would boost the "current low level" of consumer confidence, reinforce consumer rights and the position of small business operators and stop the fragmentation of the internal market in the digital environment. As well as seeking to improve the quality of consumer legislation, the Commission should focus on developing appropriate rules for cross-border e-commerce in the form of voluntary standards.

The committee wanted to see a new e-confidence strategy which should include:

- educational and information campaigns and projects verifying online services in practice and supporting small and medium-sized businesses' awareness of their obligations when they supply or provide goods, services or content across a border in the digital environment;
- standardisation of EU rules on cross-border electronic invoicing (e-invoicing);
- strengthening traditional consumer protection instruments;
- supporting the mandatory use of the securest kinds of technology for online payments;
- creating a European early-warning system, including a database, to combat fraudulent activities in the digital environment;
- the launch of a European information campaign stressing the dangers of counterfeit medicines sold on the internet.

On the question of voluntary standards, the Commission was urged to come up with European standards designed to bridge language differences and variations between national laws, thus facilitating cross-border e-commerce. MEPs in the committee also wanted the Commission to define the conditions and a logo for a European trustmark to guarantee greater certainty in the area of cross-border e-commerce and in this connection to ensure a general legal framework for voluntary trustmarks, as it was called on to do in the e-Commerce Directive. This system should be inexpensive, be based on the self-regulatory principle and involve penalties for improper use. The committee warned, however, that effective trustmark schemes could be difficult to implement, inter alia because of the dangers of fraudulent use, and stressed that the most effective ways of encouraging consumer confidence were sector-specific schemes and codes of conduct, as well as independent consumer references posted on websites to assist new consumers when making choices.

Other recommendations in the report included drawing up a European charter of users' rights to clarify the rights and obligations of information society players, including consumers, notably users' rights relating to digital content, those guaranteeing basic interoperability standards and the rights of particularly vulnerable users. The Commission, along with the Member States and organisations concerned, should disseminate this charter widely to all internet users, so that they know their rights and have the means to assert them.

The committee also called on the Commission to propose measures to stop the fragmentation of the internal market in the digital environment, "which significantly affects consumers mainly in new and small Member States solely on the basis of their nationality, place of residence or whether they own a payment card issued in a particular Member State". It added that the Commission should propose a provision for access to products delivered cross-border in line with Article 20 of the Services Directive. The report also called for the harmonisation of certain aspects of consumer contract law and urged the Commission to propose that the rules governing distance contracts be extended to cover contracts between consumers and professional traders in online auctions and contracts for tourist services ordered individually over the internet.

Lastly, MEPs called for the creation of a European e-consumer information system which would offer all European e-consumers detailed guidance and information about consumer and business rights and obligations in the digital environment as well as practical orientation regarding alternative dispute resolution (ADR) opportunities.

Consumer confidence in the digital environment

The European Parliament adopted a resolution based on the own-initiative report drafted by Zuzana ROITHOVÁ (PPE-DE, CZ) on consumer

confidence in the digital environment. It pointed out that, despite the potential of digital communication, only 6 % of consumers engage in cross-border e-commerce in goods, services and content, although this figure is rising. Furthermore, one single electronic transaction is subject to many legal provisions setting divergent requirements, which did not provide either business operators or consumers with clear and easily enforceable rules. The report called on the Commission to support a suitable framework for the development of e-commerce that would boost the current low level of consumer confidence, create a more attractive business environment, improve the quality of legislation, reinforce consumer rights and the position of small business operators on the market, and stop the fragmentation of the internal market in the digital environment.

It considered that a new e-confidence strategy would contribute to raising consumer confidence, particularly by means of progress in the following areas:

- creating a grant programme and making use of existing financial programmes for projects aimed at increasing consumer confidence in the digital environment, including educational and information campaigns and projects verifying online services in practice (such as "mystery shopping");
- creating an electronic learning module relating directly to consumer protection and the rights of users in the digital environment in connection with the Dolceta project (Development of On-Line Consumer Education Tools for Adults);
- removing obstacles faced by entrepreneurs operating across borders in the digital environment, for example by standardising EU rules governing cross-border electronic invoicing ('e-invoicing')
- creating a pan-European forum of experts to exchange best national practice;
- carrying out impact studies on all legislative proposals relating to the internal market in order to assess the effects which those proposals would have on consumers in the digital environment;
- coordination of, and support for, European self-regulatory codices in accordance with best practice;
- introducing the requirement for an external audit to be carried out in respect of certain specific types of electronic services where there is a greater need to ensure that those services are fully secure, to protect personal information and data (in the case, for example, of internet banking);
- supporting the mandatory use of the most secure kinds of technology for online payments;

creating a European early-warning system, including a database, to combat fraudulent activities in the digital environment;

- calling for the launch of a European information campaign on the counterfeiting of medicines sold on the internet.

Parliament called on the Commission to begin formulating voluntary European standards designed to facilitate cross-border e-commerce, namely European standards designed to bridge language differences and variations between the laws in force within the various Member States - this being a factor which constitutes a serious obstacle preventing both consumers and small and medium-sized enterprises from fully exploiting the internal market's potential in the digital environment.

Parliament also wanted the Commission to assess the possibilities for establishing a definition of conditions and a logo for a European trustmark and to ensure a general legal framework for voluntary trustmarks. This should involve: an inexpensive system; non-competition with existing trust or quality marks; costs being borne only in the event of dispute; the self-regulatory principle (the mark is not awarded institutionally, but traders use it if they publicly demonstrate that they have provided compulsory information within a defined timescale, used recommended contracts, dealt with complaints without delay, used ADR systems or conformed to other European standards); and penalties for improper use.

After consulting consumers' organisations, the Commission was asked to present a European charter of users' rights that would clarify the rights and obligations of information society players, including consumers. This includes users' rights relating to digital content (i.e. users' rights and obligations when using digital content), users' rights guaranteeing basic interoperability standards, and the rights of particularly vulnerable users (i.e. improving the accessibility of internet pages for disabled persons). In the event of it being temporarily impossible to prepare the charter due to the dynamic development of this area, Parliament called on the Commission to present a guide explaining the rights and obligations of information society players under the current acquis.

Furthermore, the Commission was asked to propose measures to stop the fragmentation of the internal market in the digital environment (i.e. refusal of access to goods, services and content offered in a cross-border context). This significantly affects consumers mainly in new and small Member States solely on the basis of nationality, place of residence or whether they own a payment card issued in a particular Member State. It was unacceptable that certain entrepreneurs who supply goods or provide services and content via the internet should deny consumers access to their websites in certain Member States and force consumers to use their websites in the State in which the consumer is resident or whose nationality he or she holds.

Parliament recommended that the Commission do the following :

- propose that the rules regulating distance contracts be extended to cover contracts concluded between consumers and professional traders in online auctions and contracts for tourist services (airline tickets, hotel accommodation, car rental, leisure time services and so on) ordered individually over the internet;
- make the supply chain in the digital environment more transparent in such a way as to ensure that the consumer always knows the identity of the supplier and whether the supplier is an intermediary or an end supplier;
- strengthen consumer protection in cases where the consumer assumes all contractual risks, for example by paying in advance, and particularly in electronic contracts;
- speed up its consideration of action on collective redress mechanisms for cross border business-to-consumers (B2C) disputes in the digital environment.