










Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) 2023/0376(COD) Directive</p>	Awaiting Council's 1st reading position
<p>Amending ADR Directive and certain other consumer protection directives</p> <p>Amending Directive 2013/11 2011/0373(COD) Amending Directive 2015/2302 2013/0246(COD) Amending Directive 2020/1828 2018/0089(COD) Amending Directive 2019/2161 2018/0090(COD)</p> <p>Subject 3.45.05 Business policy, e-commerce, after-sales service, commercial distribution 4.50 Tourism 4.60.06 Consumers' economic and legal interests</p>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Internal Market and Consumer Protection	 BALLARÍN CEREZA Laura	10/11/2023
		Shadow rapporteur	
		 MANDERS Antonius	
		 CHARANZOVÁ Dita	
		 LANGENSIEPEN Katrin	
		 BIELAN Adam	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Transport and Tourism		09/11/2023
		 MONTEIRO DE AGUIAR Cláudia	
	 Legal Affairs	The committee decided not to give an opinion.	
Council of the European Union			
European Commission	Commission DG Justice and Consumers	Commissioner REYNDERS Didier	
European Economic and Social Committee			

Key events			
17/10/2023	Legislative proposal published	COM(2023)0649	Summary
20/11/2023	Committee referral announced in Parliament, 1st reading		
22/02/2024	Vote in committee, 1st reading		
26/02/2024	Committee report tabled for plenary, 1st reading	A9-0060/2024	Summary
11/03/2024	Debate in Parliament		
13/03/2024	Decision by Parliament, 1st reading	T9-0139/2024	Summary

Technical information	
Procedure reference	2023/0376(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 2013/11 2011/0373(COD) Amending Directive 2015/2302 2013/0246(COD) Amending Directive 2020/1828 2018/0089(COD) Amending Directive 2019/2161 2018/0090(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 114
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting Council's 1st reading position
Committee dossier	IMCO/9/13470

Documentation gateway					
Legislative proposal		COM(2023)0649	17/10/2023	EC	Summary
Document attached to the procedure		SEC(2023)0347	17/10/2023	EC	
Document attached to the procedure		SWD(2023)0334	17/10/2023	EC	
Document attached to the procedure		SWD(2023)0335	17/10/2023	EC	
Document attached to the procedure		SWD(2023)0337	17/10/2023	EC	
Committee draft report		PE757.840	20/12/2023	EP	
Amendments tabled in committee		PE758.715	29/01/2024	EP	
Economic and Social Committee: opinion, report		CES4939/2023	14/02/2024	ESC	
Committee report tabled for plenary, 1st reading/single reading		A9-0060/2024	26/02/2024	EP	Summary
Committee opinion	TRAN	PE758.110	28/02/2024	EP	

Text adopted by Parliament, 1st reading/single reading	T9-0139/2024	13/03/2024	EP	Summary
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Additional information				
Research document	Briefing	06/02/2024		

Amending ADR Directive and certain other consumer protection directives

PURPOSE: to offer all consumers and professionals better access to high-quality, cost-effective out-of-court dispute resolution adapted to digital markets.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Directive 2013/11/EU of the European Parliament and of the Council on consumer Alternative Dispute Resolution (ADR Directive) gives EU consumers the possibility to resolve their disputes stemming from contractual obligations against traders established in the EU using quality out-of-court procedures.

The Directive, however, was drafted more than 10 years ago and does not cater well for disputes resulting from new consumer market trends. Indeed, EU consumers are purchasing much more online including from non-EU traders. This means that consumers need efficient procedures to handle disputes which are becoming more and more complex.

The 2023 Commission evaluation of the implementation of the ADR Directive across the EU concluded that ADR, notably cross-border ADR, is still under-used in many Member States. The scope of the ADR Directive, which is narrowly defined, is not fit to resolve a wide range of disputes that arise, notably in digital markets.

The evaluation conclusions triggered the Commission to reflect on a legislative proposal to amend the current ADR Directive to make it better fit notably for digital markets.

CONTENT: this proposal aims to amend the ADR Directive to make it better fit to modern consumer markets.

Scope

The ADR Directive current scope is limited to disputes which stem from contractual obligations for the sale of goods or services.

Through this revision, the Commission is proposing to extend the scope to voluntary ADR processes against any traders selling goods or services, including digital content and digital services, to consumers residing in the EU and to disputes related to pre-contractual stages during which consumer rights exist irrespective of whether the consumer ultimately concludes a contract. This, for example, relates to misleading advertising, missing, unclear or misleading information, unfair terms or guarantee rights.

Moreover, the extended scope aims to cover disputes related to other key statutory rights of consumers such as the right not to be subjected to geo-blocking practices, to switch telecommunication providers or to access to basic financial services.

Definitions

The Commission proposes to amend the definitions of domestic disputes and cross border disputes in order to cover all disputes related to key statutory rights of consumers. Moreover, the new definition of a cross-border dispute aims to also cover cases where the trader is established outside of the Union.

Access to ADR entities and ADR procedures

With the proposed extension of the scope, professionals established outside the EU will also be able to participate (on a voluntary basis) in ADR procedures. Therefore, the Commission proposes to create an obligation for Member States to establish ADR entities which will be competent to deal with such disputes between consumers and professionals from third countries.

The proposal:

- refers to the possibility for vulnerable consumers to send and access documents in a non-digital format;
- accentuates the needs of vulnerable consumers to have an easy access to ADR procedures by means of inclusive tools;
- ensures the right for the revision of an automated procedure by a natural person;
- strengthens the possibility already existing in certain Member States for ADR entities to bundle similar cases against one specific trader to save ADR resources and time for the trader and consumers concerned, giving the right to the consumers concerned to object to such bundling;
- introduces the duty to reply on traders with the objective to incentivise them to participate more in ADR. Although they are not obliged to participate in ADR, unless specifically provided for in national legislation or EU sector-specific legislation, it is proposed that they are obliged to reply to a request by an ADR entity, within a period not exceeding 20 working days, as to whether they plan to participate in an ADR process against them, or not.

Information obligations

The proposal provides for the removal of the obligation on traders to provide consumers with information about ADR entities if they do not intend to take part in a procedure. In order to reduce the administrative burden on ADR entities, the Commission proposes to remove the obligation for ADR entities to inform competent ADR authorities regarding: (a) an assessment of the effectiveness of ADR networks, b)

information on the training provided to staff and c) an assessment of how they intend to improve their performance.

Consumer assistance

Relevant bodies, and in particular the European Consumer Centres (ECCs), would be given a new role in assisting consumers in cross-border disputes, while the Commission should put in place user-friendly digital tools to help consumers be signposted to a competent body to resolve their disputes.

Amending ADR Directive and certain other consumer protection directives

The Committee on the Internal Market and Consumer Protection adopted the report by Laura BALLARÍN CEREZA (S&D, ES) on the proposal for a directive of the European Parliament and of the Council amending Directive 2013/11/EU on alternative dispute resolution for consumer disputes, as well as Directives (EU) 2015/2302, (EU) 2019/2161 and (EU) 2020/1828.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Scope

The report stated that in order to reach its full potential and deliver for consumers, the proposed Directive should require participation to be mandatory for air carriers falling under the scope of Regulation (EC) No 261/2004, provided that it does not prevent the parties from exercising their right of access to the judicial system. This is the case, given that several studies have highlighted the high number of consumer complaints in the transport and tourism sector, especially in the field of air passenger rights.

Access to ADR entities and ADR procedures

The report stressed that Member States may facilitate access by self-employed or micro enterprises to ADR procedures. Member States should ensure that ADR entities:

- maintain an up-to-date website which provides the parties with easy access to information concerning the ADR procedure;
- ensure that consumers can submit complaints in the Member State in which they reside;
- ensure that parties to the dispute have access to review by a natural person, who is independent and impartial.

Member States should ensure that traders established in their territories that are contacted by an ADR entity from their own Member State or from another Member State, inform that ADR entity whether, or not, they accept to participate in the proposed procedure and reply within a reasonable period of time that should not exceed 15 working days. However, an extension to this deadline up to a maximum of 20 working days may be granted in the case of complex disputes or as a result of exceptional circumstances, such as a period of high activity or an external crisis.

Assistance for consumers

Consumers and traders engaged in cross-border disputes should use the ADR contact point assigned on the basis of the consumers place of residence and the ADR entity of the Member State in which he or she is resident.

Cooperation between ADR entities and national authorities enforcing Union legal acts on consumer protection

This cooperation should include mutual exchange of information on practices in specific business sectors about which consumers have repeatedly lodged complaints. It should also, where appropriate, include an obligation for ADR entities to direct consumers to the national authorities whenever they report unfair commercial practices. In addition, it should also, where appropriate, include an obligation on ADR entities to report unfair commercial practices and terms and conditions to those national authorities whenever they become aware of them.

When an unfair commercial practice is brought to the attention of the ADR entity by a consumer, the principle of confidentiality should not apply. If there are credible reasons to suspect that such a practice has occurred, the ADR entity should inform the national competent authority thereof, and, if appropriate, should keep it informed about the outcome of the dispute.

Designation of competent authorities

Each Member State should designate a competent authority which should carry out the relevant functions. Member States should ensure that their competent authorities have the necessary resources, including sufficient budgetary and other resources, such as a sufficient number of competent personnel, expertise, procedures and other arrangements for the proper performance of their duties. The natural persons working for competent authorities should be impartial and independent from the ADR entities that they supervise.

Role of the competent authorities and of the Commission

The report stated that the competent Authorities should conduct regular checks into the functioning and activities of the ADR entities to monitor compliance with the requirements of this Directive. The Commission should develop and maintain a user-friendly digital interactive tool that provides general information on consumer redress, practical information about how consumers can avail themselves of ADR procedures in a cross-border context and links to the webpages of the ADR entities notified to it, directing consumers to a competent body to resolve their disputes.

Amending ADR Directive and certain other consumer protection directives

The European Parliament adopted by 605 votes to 7, with 13 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directive 2013/11/EU on alternative dispute resolution for consumer disputes, as well as Directives (EU) 2015/2302, (EU) 2019/2161 and (EU) 2020/1828.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal as follows:

Scope

Members consider that in order to reach its full potential and deliver for consumers, the proposed Directive should require participation to be mandatory for air carriers falling under the scope of Regulation (EC) No 261/2004, provided that it does not prevent the parties from exercising their right of access to the judicial system. This is the case, given that several studies have highlighted the high number of consumer complaints in the transport and tourism sector, especially in the field of air passenger rights.

The Directive should apply to out-of-court dispute settlement procedures between consumers residing in the EU and traders offering goods or services, including digital content and services, to those consumers, which involve an ADR entity with a view to facilitating an amicable solution concerning:

(1) contractual obligations stemming from sales contracts, including for the supply of digital content, or service contracts, including pre-contractual and post-contractual obligations and in particular in relation to:

- unfair commercial practices and terms;
- compulsory pre-contractual information;
- passenger and travellers rights;
- remedies in the event of nonconformity of products and digital content; and
- access to deliveries.

(2) consumer rights applicable to noncontractual situations and provided in Union law concerning:

- non-discrimination on the basis of nationality or place of residence;
- access to services;
- right to switch providers;
- unfair commercial practices provided that the ADR entity is a sectorial coverage entity with the necessary knowledge about unfair commercial practices.

Access to ADR entities and ADR procedures

The resolution stressed that Member States may facilitate access by self-employed or micro enterprises to ADR procedures. Member States should ensure that ADR entities:

- maintain an up-to-date website which provides the parties with easy access to information concerning the ADR procedure;
- ensure that consumers can submit complaints in the Member State in which they reside;
- ensure that parties to the dispute have access to review by a natural person, who is independent and impartial.

Member States should ensure that traders established in their territories that are contacted by an ADR entity from their own Member State or from another Member State, inform that ADR entity whether, or not, they accept to participate in the proposed procedure and reply within a reasonable period of time that should not exceed 15 working days. However, an extension to this deadline up to a maximum of 20 working days may be granted in the case of complex disputes or as a result of exceptional circumstances, such as a period of high activity or an external crisis.

Free of charge

ADR procedures should preferably be free of charge to the consumer. If charges apply, they should not exceed a nominal fee. In addition, in order to make ADR procedures more accessible and attractive to consumers, such fees should be reimbursable.

Reasons for refusing to comply with ADR procedures

ADR entities should provide the competent authorities with a list of traders who systematically and unduly refuse to comply with ADR procedures. In addition, Member States should ensure that, where they do not comply with the outcome of an ADR procedure, traders are required to provide the other parties to the ADR procedure with a written explanation.

Assistance for consumers

Consumers and traders engaged in cross-border disputes should use the ADR contact point assigned on the basis of the consumers place of residence and the ADR entity of the Member State in which he or she is resident.

Cooperation between ADR entities and national authorities enforcing Union legal acts on consumer protection

This cooperation should include an obligation for ADR entities to direct consumers to the national authorities whenever they report unfair commercial practices. In addition, it should also, where appropriate, include an obligation on ADR entities to report unfair commercial practices and terms and conditions to those national authorities whenever they become aware of them.

When an unfair commercial practice is brought to the attention of the ADR entity by a consumer, the principle of confidentiality should not apply. If there are credible reasons to suspect that such a practice has occurred, the ADR entity should inform the national competent authority thereof, and, if appropriate, should keep it informed about the outcome of the dispute.

Competent authorities

Member States should ensure that their competent authorities have the necessary resources, including sufficient budgetary and other resources, such as a sufficient number of competent personnel, expertise, procedures and other arrangements for the proper performance of their duties. The natural persons working for competent authorities should be impartial and independent from the ADR entities that they supervise.

Role of the competent authorities and of the Commission

The competent Authorities should conduct regular checks into the functioning and activities of the ADR entities to monitor compliance with the requirements of this Directive. The Commission should develop and maintain a user-friendly digital interactive tool that provides general information on consumer redress, practical information about how consumers can avail themselves of ADR procedures in a cross-border context and links to the webpages of the ADR entities notified to it, directing consumers to a competent body to resolve their disputes.

Transparency				
BALLARÍN CEREZA Laura	Rapporteur	IMCO	07/02/2024	Adigital
BALLARÍN CEREZA Laura	Rapporteur	IMCO	16/01/2024	EuroCommerce
BALLARÍN CEREZA Laura	Rapporteur	IMCO	05/12/2023	European Consumer Center Germany
BALLARÍN CEREZA Laura	Rapporteur	IMCO	05/12/2023	Centro Europeu do Consumidor Portugal
BALLARÍN CEREZA Laura	Rapporteur	IMCO	05/12/2023	facua - consumidores en accion
BALLARÍN CEREZA Laura	Rapporteur	IMCO	05/12/2023	European Consumer Center Sweden
BALLARÍN CEREZA Laura	Rapporteur	IMCO	05/12/2023	Agencia Catalana de Consum
BALLARÍN CEREZA Laura	Rapporteur	IMCO	05/12/2023	Business Europe
BALLARÍN CEREZA Laura	Rapporteur	IMCO	05/12/2023	European Advertising Standards Alliance
BALLARÍN CEREZA Laura	Rapporteur	IMCO	05/12/2023	BEUC