

Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

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The Regulation on Consumer Protection Cooperation (CPC Regulation) establishes an EU-wide network of public authorities responsible for enforcing consumer laws in the Member States (CPC Network). Within its scope, the CPC Regulation partially harmonises the authorities' investigative and enforcement powers and lays down the mechanisms for exchanging relevant information and/or taking enforcement action to stop infringements in cross-border situations. It obliges Member States to act upon mutual assistance requests addressed to them through the CPC Network and to ensure that adequate resources are allocated to the network's authorities to meet those obligations. It further provides a broader framework for the development of administrative cooperation initiatives for which the Commission provides funding.

This report complies with the Commission's obligation to report every two years on the application of Regulation No 2006/2004/EC. It covers the first two years of operations of the CPC Network, i.e. 2007 and 2008.

Following a relatively slow start, Network activity quickly accelerated to reach a total of 719 mutual assistance requests in two years, of which 327 requests were created in 2007 and 392 in 2008. 40% of the information requests and 30% of the enforcement requests created were closed by the authorities during the same period.

In addition, the CPC Network has carried out two joint market surveillance and enforcement exercises ("sweeps") which took the form of internet inquiries: one on websites selling airline tickets in 2007 and one on websites offering ring tones for mobile phones in 2008. Enforcement work is still ongoing for the 2008 sweep.

The majority of infringements in the CPCs concerned misleading advertising provisions (close to a third of the total number of cases) and online commercial practices (internet and mailings).

The report notes that the CPC Regulation has proved to be a powerful enforcement tool increasing the level of consumer protection throughout the EU. It has closed a gap by providing national enforcers with a means of effectively putting an end to commercial practices harming consumers in cross-border situations and making it easier for them to join forces to create a credible enforcement environment in the EU.

Moreover, the Network is producing tangible results for consumers. Nevertheless, the assessment of the Network's first two years of operation shows that it has not yet reached its full potential and reveals a series of shortcomings. The Commission's priority is to work in close partnership with the Member States to address these issues within the existing legal framework.

In particular, the Commission highlights the need to:

- consolidate the CPC Network by ensuring that all authorities designated by the Member States actively use the IT-system;
- improve the Network's efficiency and effectiveness through a series of measures which could in due course also include a review of the CPC Regulation;
- strengthen the framework for administrative cooperation, including Commission projects to improve the collection of data on consumer issues and to develop a common complaints classification.