

## Collective Action Proceedings

Swedish experience to obtain  
redress for consumers

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### The electricity supplier ceased to deliver electricity

- Fixed price customers were forced to other suppliers at much higher costs
- The total damage for consumers estimated to 2 million Euro
- The Consumer Ombudsman negotiated a settlement for the consumers

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### No settlement was reached!

What are the options under the  
powers of the Consumer  
Ombudsman?

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## Swedish Consumer Agency with Consumer Ombudsman

- A state authority for consumer policy and enforcement of consumer legislation
- Consumer Ombudsman is there to take action to ensure a high level of consumer protection

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## Conduct remedie powers of CO

- Public injunction with a default fine to deter from repetition of conduct
- Market disturbance fee as a penalty for clear and severe violations
- Duty to pay damage at repetitive unfair conduct

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## Powers of CO to obtain redress to individual consumers

- Pilot case action
- Group action in a voluntary scheme at the state Consumer Complaints Board
- File a group action in court according to The Group Proceedings Act (since 2003)

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## Pilot case action

- File legal action in an individual dispute on behalf of a consumer
  - if a need for precedent or similar situation – pilot case
  - if a financial service is involved
- Rate of settlements is high with financial institutions!

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## Group action in ADR-board

- Ombudsman files a redress case at the Consumer Complaints Board as a representative for a group of consumers who have suffered similar harm from the same defendant
- Powers since 1991
- Successful in most cases and recommendations are widely respected

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## Group Proceedings Act

- Legal action filed in court by a representative for a group
- The issue addressed is the same or similar for all group members
- Judgements will have legal effect on all the members of the group
- Opt-in system

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## May be instituted by

- Private physical or legal persons
- Organisations
- Authorities – public group action by *either*  
Consumer Ombudsman *or*  
Environmental Authority

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## What about the electricity consumers?

Complaint Board recommendation was  
not complied with!

A lawsuit was filed by CO as a public  
group action in December 2004!

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## Advantages with group action?

- Redress might be obtained where  
redress is not otherwise realized!
- Public bodies must in some cases also  
help consumers to obtain redress!
- Powerful instrument for settlements!
- Consumers across borders may very  
well be included in the group action!

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## Disadvantages with group action act

- How to get consumers to opt-in?
- Complicated formal procedure – cases take time!

Finito!

Marianne Åbyhammar  
Swedish Consumer Agency  
[www.konsumentverket.se](http://www.konsumentverket.se)