

Paris – OECD

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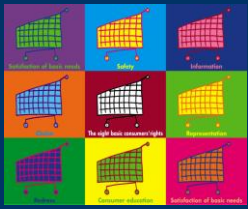
Current consumer challenges in e-commerce

The EU perspective

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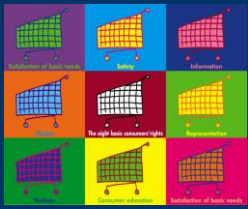


Are EU consumers into e-commerce ?

- ✓ Between 2006 and 2008 the proportion of EU consumers buying at least one item over the Internet **increased from 27% to 33%**.
- ✓ **Only 7% of consumers currently buy cross-border online.**

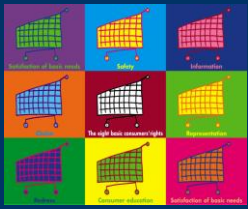


- 31% of EU consumers do not have access to Internet



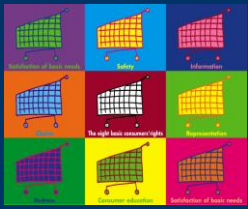
What changed since the 1999 guidelines ?

- ✓ More clarity about the law applicable (Rome I) and about jurisdiction (Brussels I)
- ✓ Pending Revision of the « consumer acquis », including the distance selling directive
- ✓ 2001 Directive on Copyright in the Information society
- ✓ 2000 Directive on e-commerce
- ✓ 2002 Directive on e-privacy
- ✓ Pending work on users' guide in the digital environment
- ✓ Today : conference hosted by EU Commissioner on consumer trust in the digital market place



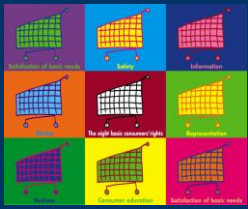
Current discussions in the EU : the proposal on consumer rights

- ✓ Objective of Proposal for a directive on consumer rights :
 - boost e-commerce
 - Boost crossborder trader
- ✓ Content :
 - Full harmonisation of regulatory framework applicable to all consumer contracts in order to make it easier for traders to engage into crossborder or e-commerce
 - Only limited response to barriers to e-commerce



Major barriers not addressed by the proposal

- ✓ Territorial discrimination
- ✓ No legal framework for digital content in e-contracts
- ✓ Legal uncertainty for e-platforms
- ✓ Privacy and data protection

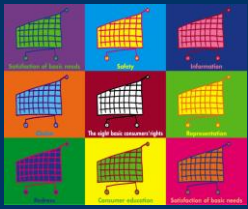


Territorial discrimination

- ✓ Refusal to sell to non residential consumers or application of different conditions
 - Abuse of copyright
 - Abuse of selective distribution systems

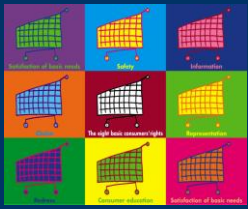


8% consumers have been refused crossborder purchase in the last 12 months



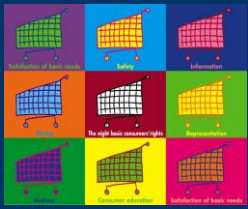
Digital content

- ✓ Transparency of use conditions
 - Information on restrictions
 - Accessibility of clear and understandable information
- ✓ Fairness in contracting
 - EULAs escape the fairness test
 - Limitation of free legal use of copyright material
 - Limitation of interoperability
 - Additional charges for updates in unreasonably short periods
 - Limitation of right to transfer legally acquired content
 - No right of withdrawal



E-platforms

- ✓ The major problem : non delivery
- ✓ Who is the seller ?
 - Identity only in the last stages
 - Nicknames
 - C2c in fact b2c, major legal implications
- ✓ No backstage management as in offline auctions
 - Sellers vanish
 - Business models, including insurance and liability regimes not corresponding to consumer demands
- ✓ The risks related to counterfeiting

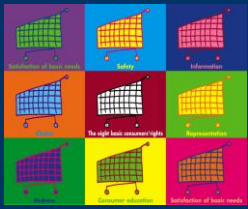


Privacy and security

- ✓ Lack of information on processing of data
- ✓ Lack of awareness on means to limit collection of personal data
- ✓ Lack of enforcement of data protection laws
- ✓ Non communicated breaches of security, identity theft

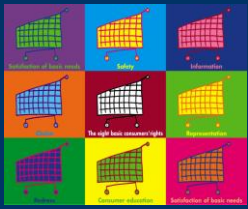


68 % of consumers feel there is a greater risk when purchasing from suppliers located in another country



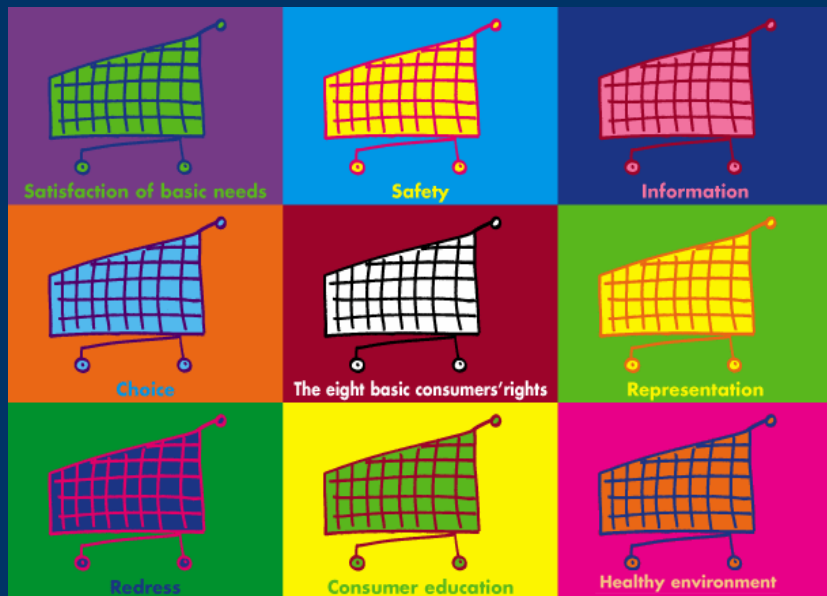
The way forward (1)

- #1 online consumers should have the same rights as offline consumers, namely with regard to right to withdraw
- #2 consumers should be free to buy everywhere in the Internal market, subject to objectively justified restrictions
- #3 existing information and fairness requirements should be adapted to digital content



The way forward (2)

- #4 technical solutions should be implemented to prevent consumer harm (security by design, privacy by design)
- #5 access to broadband should become a universal service obligation
- #6 enhanced enforcement of data protection provisions
- #7 access to better crossborder collective redress



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