

FINLAND

Annual Report on Consumer Issues 2001

Institutional developments

Clearing Houses opened in EU Member States

The Commission's project for a European network of out-of-court dispute resolution bodies was implemented in most EU Member States, including Finland, in October. The Finnish Consumer Agency acts as Finland's Clearing House. By the end of the year, the Finnish Consumer Agency had received six disputes to be submitted to an out-of-court dispute resolution body. The cases varied a great deal in nature: from the suitability of hotel accommodation for a traveller using a wheelchair to a fault in a caravan.

Agreement on cooperation signed between the Nordic Consumer Ombudsmen

The Nordic Consumer Ombudsmen have signed an agreement on a closer cooperation in legal proceedings. The agreement requires a Nordic Consumer Ombudsman to conduct a lawsuit on behalf of another Nordic Consumer Ombudsman and to disclose information regarding unfair marketing methods. The Nordic agreement is the first attempt to apply the Injunctions Act that came into force at the beginning of the year. The Act entitles authorities and organizations in the EU Member States to attend to the interests of their citizens in another Member State. Under the Act, the Swedish Consumer Ombudsman, for example, may file a suit against a Finnish company for an act against consumer laws. The EU is following this cooperation with great interest. If the project proves successful, the agreement may serve as a model for similar agreements between other Member States.

Financial and debt counselling

The Act on financial and debt counselling entered into force in Autumn 2000. The Act calls for the close monitoring of counselling at the initial stage. Since the Act entered into force the Consumer Agency has been responsible for the general control, direction and supervision of debt counselling. The provincial state offices are responsible in their areas for ensuring adequate availability of counselling services and they conclude assignment agreements with the municipalities. The municipalities receive compensation for organising the services in accordance with a Decree signed by the Minister of Trade and Industry. The Consumer Agency pays the compensation.

Study on the state of financial and debt counselling

An interim report on the organisation of financial and debt counselling was drawn up. Information on the personnel, area and financing of the 73 reporting units operating in Finland are included in the report. The municipalities' proportion of financing was ascertained on the basis of the budget information of the units. The report also examined the content and focal areas of the financial and debt counselling.

State subsidies have enabled the creation of a nation-wide network: each municipality in Finland can provide financial and debt counselling services, either within the municipality itself or in the main town of the area. This network comprises 73 financing and debt counselling units, of which 48 only have one employee. 85 full-time and 36 part-time advisors work in these units.

During the seven-month monitoring period, 1,529 debt restructuring applications have been made through the financial and debt counselling service to the district courts, 901 applications to the Guarantee Foundation, 214 applications to the municipality for municipal social credit, and 1,114 mediation proposals direct to creditors.

Essential and financial services

Essential services

New terms for water and natural gas

The new terms for the connection and supply of natural were finalised in January. In revising their terms the Finnish Natural Gas Association took into account the comments made by the Consumer Ombudsman in the previous year. The aim of the Consumer Ombudsman in commenting on the terms was that the terms would largely follow the same consumer protection principles for essential services that have also been adopted in the terms for electricity and district heating.

The Water Supply Act entered into force on 1.3.2001. The new Act harmonises the pricing and contracting systems. The point of departure in the Act was that water supply is one of the "essential services", which must be accessible to all. The preparation of the new terms concerning connections and supply were started in cooperation with the Association of Water Supply and Sewage in spring. The Water Supply Department's general terms of supply and the related contractual terms concerning individual water supply contracts were finalised in July. In autumn the Association of Water Supply and Sewage organised training sessions for water department personnel in seven localities on the new Water Supply Act and terms. A representative of the Consumer Ombudsman participated in the said training.

Terms of delivery for the postal company examined and problem areas of postal services analysed

In 2001 the Consumer Ombudsman examined the terms of delivery of the Finland Post Corporation. The new Postal Services Act entered into force on 1.1.2002. According to the proposal for the Act the Finnish Communications Regulatory Authority approves the terms of delivery, and approval of the terms requires the approval of the Consumer Ombudsman. The Consumer Ombudsman has had some cases concerning the Finland Post Corporation pending, among other things, the problem areas of the postal services were reviewed on the basis of these. The reports concerned the pricing and the price increases made for the postal services, the changes in the terms and service faults of additional services subject to payment such as the forwarding service, the disappearance and damage of posted items, compensation for damage, and other matters. The review

was sent to the Finnish Post Corporation together with the comments on the terms of delivery.

The Consumer Agency gave a statement to the Ministry of Transport and Communication on the draft of the government proposal concerning the change in the Postal Services Act. Under the change the duties for checking postal items, that is to say the clarification of the sender or receiver of a postal item in cases where the addresses are incomplete, would be transferred from the Finnish Post Corporation to the Finnish Communications Regulatory Authority. According to the draft of the government proposal the clarification services in their current form are carried out efficiently and in a customer-friendly manner. The Agency required that also in the future the efficiency of the services should remain at least at the current level.

Clear information on new electrical products

The Consumer Agency has given a statement to the Energy Market Authority about market-priced electricity products. It concerns the tariff determined on the basis of electricity exchange quotations, in which the price variations can be large. Among other things the statement emphasised that prior to making a contract the consumer should be given clear and understandable information on the determination of the price within the scope of the contract. Steps should also be taken to ensure that the price information given during the period of validity of the contract is sufficient.

Large number of complaints about the Finnish Railways ticket reform

The Finnish Railways' ticket reform was a topic for travellers and the media all through summer and autumn. The Consumer Ombudsman received dozens of complaints from customers about the rail ticket reform during the summer. These drew attention to a wide range of deficiencies. From the ticket reform it could be seen that VR had not given proper consideration to its responsibility as a supplier of essential services. Rail transport is an essential service for the citizens. Suppliers of essential services must ensure that that service is available to customers and at a reasonable price. In his statement the Consumer Ombudsman stressed that changes in services should be planned with users' needs in mind and special attention should be paid to information.

One deficiency in the reform was that train tickets cost the same price, even when it was impossible to reserve a seat in advance because of there being no ticket office at the station. Based on discussions the Finnish Railways announced that the conductors would be allocated a certain number of seats on each train for these customers. If the quota was filled, passengers would be sold a cheaper ticket.

The Consumer Ombudsman called for Finnish Railways to report to him by the end of May 2002 on how well the quota system works from the passengers' point of view, whether enough seats were allocated for this purpose, how many discount tickets had been sold and what kinds of complaints about the system had been received from passengers.

Financial services

Payment transfer an essential service – basic banking services for all

The availability of basic banking services for all citizen groups should be secured by legislation. The Consumer Ombudsman emphasised the matter in his statement in March to the Ministry of Finance on the report of the bank services working group. According to the Agency, the measures proposed by the working group, such as the use of a representative in banking business, and for other businesses, such as shops, to be given the right to provide accounts with cash withdrawal rights, could improve the physical availability of banking services to some extent, but these would not have any effect on, for example, the right of citizens in weaker positions to basic banking services such as the payment transfer services in connection with a bank account. The Consumer Ombudsman's principle, which he has emphasised for many years, for securing the availability of basic banking services was seen to become a matter for public and social discussion, particularly in the year under review.

Insurance and investment offered to aged persons instead of a bank account

The Act on Credit Institutions has already for several years allowed credit institutions to disclose strictly confidential information to another company, for example to an insurance company belonging to the same group of companies or the same consolidation group. This right has also been used actively. During the year under review, the Finnish Consumer Agency was informed of several cases in which a bank investment adviser, who was also an ombudsman for an insurance company belonging to the same bank group, had on his/her own initiative started to sell life insurance policies to aged persons who had plenty of money in their bank accounts. Asserting that a bank account was a less profitable form of investment, the adviser had encouraged the client to take out a life insurance policy or to place money in a mutual fund. The offers were usually made by phone or during a personal visit.

Life insurance policies and mutual funds are complicated products because they differ from bank accounts in several respects. An investor cannot, for example, withdraw funds for his/her own use without incurring considerable financial losses. Unlike in the case of bank accounts, the yield on life insurance is influenced by the costs charged by the insurance company for the management of the insurance policy. As regards aged persons, their ability to evaluate the profitability of an investment offer may be questioned. When handling these cases the Consumer Ombudsman has been compelled to consider whether the investment adviser has paid sufficient attention to his/her obligation to be loyal to the client. If this manner of offering investment services to aged persons becomes more common, the authorities will be obliged to consider how to ensure the clarity of offers and the limitation of liability in each case.

Insurance

Releasing of customer data within financial groups should be considered carefully

In its statement the Consumer Agency considered the part of the legislative proposal for the supervision of finance and insurance groups concerning the release of customer data as too loose. According to the proposal, information about a consumer's financial status and personal circumstances could be released for marketing purposes and customer relations management, for example, practically without limitation. The Consumer Agency's view is that the consumer should have the right to purchase a good without the information given in connection with the purchase automatically being available for marketing purposes. The Consumer Agency feels that a better point of departure for the use of personal data in the marketing activities of financial and insurance groups would be that the release of data within the group should always be with the consumer's specific consent. In the other Nordic countries personal data may only be released within a group of companies with the consumer's specific consent.

The Consumer Agency also regards the use of customer data in customer relations management without the consumer's prior notification of consent as a matter for concern. It is probable that the use of such data in the selection of customers, for instance, would make the position more difficult for those consumers who already have difficulties in getting, for example, basic banking services. The weaker consumer groups would also have to pay more for the use of financial services than other consumers, when the providers of financing services divide their customers into different groups on the basis of customer data. Even this trend for the release of data in the manner proposed would probably become stronger.

Percentage-based fee for termination unreasonable

An insurance company reserved the right to charge a consumer a 10% advance payment of insurance charges as handling fees for a consumer terminating an insurance in the middle of the insurance period. The Consumer Ombudsman pointed out to the company that using a termination fee of 10% is unreasonable in cases where the insurance premiums are large. A percentage proportion should be applied in a restrained manner in termination fees. The use of a termination fee should not make it not worthwhile for consumers to exercise their right to terminate an insurance in the middle of the insurance period.

A delinquent payer should get essential insurance

A debt collection agency inquired from the Consumer Ombudsman whether it could make an agreement with the debtor, with the debtor's consent, for a payment plan, the duration of which would extend beyond the absolute final period of limitation prescribed for the debtor. The insured wanted to get the insurance payment debt paid off, since being registered as a delinquent payer would have prevented that person from getting a voluntary insurance.

Some insurances are formulated to concentrate so much in terms of the consumer's financial security, that a registration for payment delinquency may automatically prevent the customer from obtaining the insurance. This can be, for example, a home insurance, whereby the consumer can safeguard the purchase of their basic commodities in case of theft or fire.

Owing to their status in society, insurance companies are obliged to treat their clients with impartiality and equality. A customer should therefore be granted home insurance, for example, unless there are acceptable grounds for refusal. Currently the insurance sector has no ratified regulations regarding acceptable grounds for refusal and the obligation of the insurance companies for informing the customer of the reasons for refusal.

Electronic commerce and payments

Unreasonable terms of smart cards

The Consumer Ombudsman again received several complaints about the conditions of use for smart serial journey cards. It had come as a surprise to many passengers that the card was only valid for a certain period and that the company would not reimburse the passenger for journeys that remained unused after the period of validity had expired, or for when the card was broken.

According to the Consumer Ombudsman clear information about the card's period of validity is important, since the company does not reimburse for journeys remaining unused after the period of validity has expired. For this reason the Consumer Ombudsman had already previously regarded the terms of the agreement as unreasonable, especially if the restrictions concerning the validity of the card had not been stated sufficiently clearly prior to making the decision to purchase. After the first caution the company changed its information practice, but not sufficiently.

The Consumer Ombudsman emphasised that the card's entire validity and repayment restrictions were very problematic terms of agreement. To enable such surprising and stringent terms to be held as binding the company must ensure that the customer is told sufficiently clearly about the ticket's restrictions prior to purchasing the card. It is unreasonable, in unclear cases at least, if the consumer loses a journey that has already been paid for.

The Consumer Ombudsman also cautioned the company about its procedure in cases where the smart card is lost or broken. According to the terms of the agreement the company does not reimburse for a lost card or for the loss of a card through negligence. This is unreasonable, however, as far as consumers are concerned, since the technical solutions of the smart card enable the contents of a lost or broken card to be ascertained. An enterprise has a duty to ensure that the systems relating to the products it offers work sufficiently well. According to reports received by the Consumer Ombudsman a consumer may have thousands of mark's worth of journeys paid for on the smart card. It is unreasonable that customers are not entitled to any kind of compensation for journeys already paid for, if the card is lost or breaks, irrespective of whether the customers themselves are or are not responsible for losing the card. The Consumer Ombudsman called for the company to change the terms in such a way that harm caused by the loss or breakage of a card is not the responsibility of the customer alone, as the smart card system is able to cancel the card.

A survey of shopping over the Internet

The purpose of this distance-selling project, carried out by the Finnish Consumer Agency, was to investigate from different perspectives what kind of problems consumers face in electronic cross-border commerce. The first part of the project consisted of investigating how easy, or difficult, it was to find a suitable and reliable marketplace on the Internet when the consumer knew what he/she wanted to buy. The seller's business practices were examined with regard to the legality and adequacy of contract terms, compliance with product safety requirements and the existence of payment and return systems. If deficiencies were observed, the business in question was sent a letter in which its attention was drawn to distance-selling regulations and the OECD guidelines for electronic commerce. The project will be completed at the beginning of 2002 when the Consumer Ombudsman issues his guidelines for electronic commerce.

The project continued by testing three products purchased over the Internet for compliance with product safety regulations. The purchases included one skin cream product, one fancy dress for children and one home exerciser. The first two products met all safety requirements, but the home exerciser (an elliptic one) did not comply with the requirements of the relevant draft standard in all respects. Both the manufacturer in the U.S.A. and CEN TC 136 were informed of the matter, the latter in order to be able to take it into consideration when preparing the standard. Products bought from abroad also lacked labelling in Finnish and Swedish, which is an obligatory requirement for products offered for sale in Finland.

Information to businesses

The Finnish Consumer Agency's Current Matters Group, which handles all incoming mail, enclosed information on electronic commerce with letters to such businesses that had approached the Agency with a complaint or an inquiry relating to electronic commerce. The businesses received either the OECD guidelines for electronic commerce or the Nordic Consumer Ombudsmen's recommendation regarding electronic commerce. If neither of these documents was enclosed, at least a reference to them was made in the letter.

The Consumer Ombudsman as a provider of legal assistance

The Consumer Ombudsman may assist a consumer before a court in private disputes which either may constitute a legal precedent or are otherwise important from the point of view of consumers' general interest. The Consumer Ombudsman may also assist a consumer in cases where a business does not obey a ruling made by the Consumer Complaints Board. The Consumer Ombudsman will reserve time for the businesses to settle the matter before it is taken to court. Individual disputes are generally settled before the matter is dealt with in court. In 2001 11 cases where the Consumer Ombudsman provided assistance were submitted to court trial. Cases have been dealt with at all the court levels.

The Consumer Ombudsman may rule that the consumer's trial costs, or the trial costs of the other party that the consumer has been ordered to pay, be paid partly or in full out of the Consumer Agency's operational expenditure.

In 2001 the Consumer Ombudsman provided assistance to consumers particularly in disputes concerning apartment rental brokerage. There have been several cases where the agency has charged apartment seekers an agency fee in contravention of the new law concerning apartment rental agencies. As a rule the agencies have voluntarily returned the agency fee, but three cases have been taken to court.

Current issues

It can be noted with pleasure that so many of the EU's projects and decisions bearing on the Finnish Consumer Agency's core of activities reached a state of completion or were implemented during the year under review: a revised directive on product safety was approved, a proposal for a regulation to remove restrictions on sales promotions was taken up for discussion and a Green Paper on consumer protection was published. A closer look at these measures from a Finnish perspective confirms that the product safety directive provides a good basis for the reform of national legislation in spite of the fact that consumer services were still left outside the scope of the directive. The national reform work has already commenced, and we can look forward to its outcome with great confidence.

Unfortunately, however, the situation for the two other projects looks less promising. Seen from a Finnish perspective, especially the proposal for a regulation to remove restrictions on sales promotions is problematic. This applies to both the choice of the legislative level and the wording of the proposal, and partly to its contents as well. It is therefore most desirable that certain amendments should be made to the proposal already before it is approved.

The Green Paper on consumer protection, on the other hand, can be regarded as a welcome initiative, although the whole project is still in the initial stage and has not yet been discussed officially. It is to be hoped that the so-called combined approach outlined in the Green Paper will be accepted as a basis for further discussions. The approach would place businesses under an obligation to observe not only good marketing practices but also the specific instructions and codes of conduct that have been issued for various sectors. If adopted, the approach will make part of the present sector-specific directives useless. Judging from the first rounds of hearing, the handling of the Green Paper will be no easy and uncomplicated task.

The extensive information campaign preceding the introduction of the euro can also be regarded as one of the projects aimed at promoting the future enlargement of the European Union. The campaign, in which the Finnish Consumer Agency was one of the executors, was naturally the Agency's biggest consumer information campaign in 2001. This massive campaign was carried out in cooperation with the Ministry of Finance, the Bank of Finland and the European Commission Representation in Finland. The Finnish Consumer Agency was responsible for producing information on the euro for certain special groups of consumers. The manner in which the campaign was carried out and the close cooperation with some civic organizations proved successful. Measurements

and a follow-up of the campaign in the media showed that hardly anyone in Finland was unprepared for the introduction of the euro at the end of the year. The information reached citizens remarkably well.

Consumers ask questions and express their views

Judging from the number of inquiries, complaints and reports received by the Finnish Consumer Agency and the Consumer Ombudsman, both of these authorities are now much better known among consumers than before. The number of matters submitted to the Agency for consideration has increased sharply in recent years. At the same time the distribution of matters has changed. The number of matters concerning marketing has remained virtually unchanged. Today consumers seem to be more interested in knowing if they have been treated fairly in a certain situation.

Product safety and Collaboration with the Customs Laboratory

In product safety control, the focus for product control has been transferred to the Finnish Consumer Agency, while the provincial and local authorities concentrate on locally supervised consumer services. The Consumer Agency has produced supervisory instructions and checklists and has also organised training for the supervision of the safety of services for the supervisory authorities of provinces and municipalities. Various programme services such as those providing adventures and experiences have been particularly in evidence this year.

In 2001 the Finnish Consumer Agency commissioned 26 test projects in all, in which approximately 475 products were tested. The product groups under research were winding tackle, disposable respirators, softair guns, scooters, ignitable anti-mosquito products, skin piercing equipment, hair lacquer, formaldehyde in baby textiles, talcum powders, and a large amount of different types of toys. Tradition cooperation with the Customs Laboratory in matters of supervision and testing continued. During summer several firms voluntarily took certain candle products that were found to be dangerous off the market.

Express projects are those where there is a fast response to a product safety problem discovered in the market. Two such were carried out, concerning anti-mosquito candles and scooters.

Market surveillance projects have been carried out in collaboration with provincial state offices, local authorities, the Safety Technology Authority (TUKES), the Department for Occupational Safety and Health of the Ministry of Social Affairs and Health, and the Police Department of the Ministry of the Interior. The laboratories used for testing have been the Customs Laboratory, the Police Technical Centre, the Turku Regional Institute of Occupational Health, and VTT Technical Research Centre of Finland.

In the supervision of the safety of services the Finnish Consumer Agency intervened in certain consumer services that gave rise to hazardous situations and official help was provided to the police in the form of two statements on situations leading to fatal accidents.

142 reports about dangerous products have been received from consumers. 6 reports relating to the safety of services have been dealt with.

Ban on Kalpalinna skicenter

In December the Finnish Consumer Agency prohibited Kalpalinna Skicenter from offering downhill skiing services owing to continued safety deficiencies. This is the first time a ban of this kind has been imposed on a Finnish downhill ski centre. Based on the Product Safety Act, the prohibition was reinforced by a conditional fine of FIM 148,643.25 or EUR 25,000. The bans took effect immediately. The bans were nullified after two days as Kalpalinna rectified the safety deficiencies.

To supplement the Product Safety Act, guidelines have been prepared for the promotion of safety on downhill ski slopes by the Consumer Agency in collaboration with the Finnish Ski Area Association. These guidelines define the minimum requirements for safety on downhill ski slopes.

Quality tests

The Finnish Consumer Agency commissions comparison tests that help consumers form a picture of the products available on the market and to choose the one that suits their needs. The tests are commissioned for the needs of the Kuluttaja magazine and information purposes as well as to support the other work of the Consumer Agency.

The products chosen for testing are generally part of the consumer's everyday life. This involves primarily the testing of the most important domestic appliances and equipment, tools, child-care articles, and articles related to leisure time and the home. The selection criteria of the product sectors chosen for testing are, above all, the quality of the product, the importance of the product in the household, the generality of its use and the significance of the financial outlay to the household. Also tested are new products which do not have an established market and are for this reason problematic for the consumers, as well as products that are seldom purchased and for which the consumer does not have an up-to-date concept of the product's characteristics, the market, and the most important factors in terms of purchasing the product. The requests received from consumers and from the readers of the Kuluttaja magazine also play an important role in the selection of products for testing.

Along with 25 other consumer authorities or organisations, the Finnish Consumer Agency is a co-owner of International Consumer Research and Testing Ltd (ICRT), a worldwide testing organisation.

The Finnish Consumer Agency commissioned 29 tests in 2001, of which 17 were joint ICRT tests and 12 were national ones. The findings were published in the Kuluttaja magazine.

Price comparisons

A close watch on euro prices

The purpose of monitoring euro prices is to prevent unfounded price increases in connection with the changeover and to ensure that euro prices are well displayed in shops.

For its euro price monitoring in 2001, the Finnish Consumer Agency collected information about prices in the following groups of products and services:

- everyday goods (food baskets and bags)
- non-food products, two comparisons
- branded articles and consumer durables
- organic products
- dentists' charges
- barbers' and hairdressers' prices
- other services

The prices were collected and published in cooperation with the Provincial State Offices.

Price comparisons are based on a food basket

Prices for the 2001 food basket comparisons were collected in the spring and in the autumn. A food basket contains about 200 different articles. The prices collected were those of the best selling branded products and the cheapest articles in each of the commodity groups covered by the comparison. As similar food basket surveys have been carried out in previous years, data from the preceding year's comparison could be used as a basis for the 2001 survey.

Cooperation with the National Consumer Research Centre

The National Consumer Research Centre launched a research project entitled Consumers, Markets And the Euro, covering the period 2000-2003. The aim of the project is to study how the introduction of the euro will affect consumers' everyday lives, what direct changes and problems it will give rise to and how it will influence the functioning of the market. The National Consumer Research Centre's analyses of the effects of the euro will largely be based on the Finnish Consumer Agency's price material, including data from the Agency's food basket comparisons as well as on the prices of non-food products, branded articles, consumer durables and other services, with the exception of prices charged by dentists and hairdressers.

Businesses' preparation for the introduction of the euro did not raise the price level but led to changes in pricing

The first food basket comparison in euros, carried out by the Finnish Consumer Agency in cooperation with the National Consumer Research Centre, was published in August. Prices collected in May were compared to the prices of articles in a corresponding food basket in the 2000 comparison. The survey indicated that the conversion of markkas into euros at the beginning of 2002 will change the pricing of products and services. Prices beginning with or ending in nine are more common than other prices. It is obvious that prices will not be converted into euros using the official conversion rate; they will change. Part of them will go up and part will fall.

The results of the autumn's euro price monitoring were published by the Ministry of Trade and Industry in November. According to an inquiry conducted by the National Consumer Research Centre, 76 % of Finns believe that the introduction of the euro will raise the price level. The price material collected in October also established that the euro had clearly influenced pricing, but had not raised the price level. The survey included foodstuffs, consumer durables, non-food products for everyday use, services and new cars. There was a great difference between the sectors surveyed with regard to the impact of the euro. Food prices were already in May clearly influenced by euro prices, but this influence weakened towards the end of the year. Food prices rose in 2001 by nearly 6 %, mainly as a result of considerable price increases in certain product groups. In the majority of cases, however, the increase in food prices was relatively moderate and was caused by individual factors as well as by factors that had no connection with the introduction of the euro. The meat crisis in Europe and the concentration of the milk industry are examples of the last-mentioned factors.

No major changes were recorded in the prices of consumer durables, non-food products and services, all of which were still predominantly priced in markkas.

As regards prices in the different sectors of business covered by the survey, it could be noted that the prices of new cars were most clearly influenced by the introduction of the euro. By October 2001, nearly 70 % of the prices of new cars had been converted into euros. The conversion was, however, carried out without price increases.

The prices of organic products were not rounded off

A separate comparison of the prices of organically grown products was conducted in autumn 2001. Price material from earlier comparisons served as a basis in this survey, too. During the year under review, a number of new organic products were placed on the market. No significant changes had taken place in the prices or price level of organic products compared to the previous year's results, nor were any roundings of euro prices observed.

Food bag pricing remained unchanged

The prices of articles in the so-called food bag were compared in the autumn. A food bag contains fewer products than a food basket. Price data from the previous years' comparisons could be made use of in this survey as well, because the first food bag comparison was conducted in 1999. No switch to pricing in one, two or three euros could be observed in the prices of products covered by the 2001 comparison.

Service prices in euros monitored

Besides monitoring the euro pricing of consumer goods, the Finnish Consumer Agency also monitors the euro prices of services. The National Consumer Research Centre, in the framework of its above-mentioned research project, conducts part of this monitoring; the other part is carried out by the Agency itself. In 2001, prices charged by barbers, hairdressers and dentists were monitored. Charges at dental clinics were collected in February and published in May. Prices charged by barbers and hairdressers were collected in August. More far-reaching conclusions from the effects of the euro on these prices cannot be drawn until 2002, when a follow-up survey will be carried out.

Cooperation with the Finnish Consumers' Association

The Finnish Consumer Agency and the Finnish Consumers' Association carried out a joint campaign aimed at encouraging consumers to follow-up the changeover to the euro and especially its effects on prices. The purpose of the campaign was to ensure that consumers will maintain their awareness of price and money values during the changeover period, to encourage consumers and other actors on the market to monitor both price developments and euro price labelling, and to draw the business sector's attention to the fact that consumers are actively following possible changes in pricing. According to a survey carried out in November, 141 shops on 45 localities were involved in this price monitoring.

The availability and costs of private care services investigated

People normally wish that they could live in their own homes as long as possible. When they become older, they hope to get help with housework as well as with their own physical care. Instead of, or in addition to, using municipal services they may consider the possibility of purchasing care services from private producers. The Finnish Consumer Agency investigated the availability and costs of private care services in the autumn of 2001. The survey, performed in the form of an inquiry, was carried out by the Provincial State Offices in the two or three biggest towns of each province. The results of the investigation will be available in 2002.

The euro

Preparations for the introduction of the euro have continued for several years in cooperation with different actors in the market. The Finnish Consumer Agency's aim has been to ensure that the changeover will go as smoothly as possible and without extra costs to consumers, that there will not be any unfounded price increases and that consumers will maintain their awareness of price and money values. In order to achieve these aims, the Finnish Consumer Agency has negotiated with organizations representing different business sectors as well as with individual enterprises, monitored prices and produced euro information for consumers. All these activities increased in efficiency as the final changeover, i.e. the introduction of cash euros at the beginning of 2002, approached.

Increases in public administration fees

Dozens of worried consumers contacted the Finnish Consumer Agency complaining that certain public authorities had increased their charges and fares considerably when converting them into euros. Complaints were made especially about fares and prices charged by, for example, municipal transport services, parking establishments, libraries, public swimming pools and cemeteries. All these prices had been rounded upwards to the nearest suitable amount in euros. The Agency's stand on the matter, communicated to the Ministry of Finance and expressed in discussions with the administrative units in question, was that municipalities and other public authorities should pay special attention to the objectives set for the transition period. Price increases may in some cases be founded, but they should not be effected in connection with the introduction of the euro.

Price increases are a negative signal to citizens of the manner in which public authorities act. In addition, they have an adverse effect on the credibility of the proposals of those public authorities that have demanded that businesses should refrain from raising their prices when converting them into euros.

Coordinated euro information to citizens

During the year under review, information on the euro was provided by several public authorities including different ministries and government agencies, municipal authorities and various municipal facilities, the Social Insurance Institution and fiscal authorities, as well as by different organizations, businesses and banks. The so-called Emu Unit, i.e. the Finnish Ministry of Finance's and the European Union's joint information project, had a coordinating role in the dissemination of euro information. The Finnish Consumer Agency was requested to take part in the project in 2001. The common aim of the project was to provide all citizens with a sufficient amount of information on the euro so as to make the changeover easier for everybody.

As regards the division of labour between the executors of the project, it was agreed that the Bank of Finland and the European Central Bank would concentrate on questions pertaining to the identification of euro notes and coins and to security issues. The Ministry of Finance and the European Union would attend to general practical matters relating to the use of euros. The Finnish Consumer Agency's task was to ensure that consumers maintain their awareness of price and money values, and to produce information on the euro for certain special groups of consumers.

Tailored euro information for special groups

The purpose of the information material prepared for special groups was to ensure that citizens understand the things that are important from the viewpoint of the introduction of the euro. In order to reach these special groups, the Finnish Consumer Agency contacted such organizations as might help the Agency to get in touch with them. Two approaches were used:

- the brochure to be distributed to every Finnish household was edited or processed so that it could be used by various groups of people; one brochure, for example was produced in sign language and another as a tape recording
- information material was produced for use in personal discussions or discussions in small groups. This material was complemented with a checklist and background information, both of which were supplied by the Agency on request.

The special groups in question included elderly citizens, disabled persons, immigrants and people belonging to language minorities. Except for these groups, tailored euro information was produced for young people and consumers in a life situation with high economic risks.

The environment

New Eco-buyer's guide on the Internet

The Eco-buyers guide on the Consumer Agency's website was revised in October. The Eco-buyer's guide is intended for consumers wishing to choose the best the market can

offer from the environmental perspective. Published only in electronic form, the Eco-buyer's informs the consumer what the environmentally conserving alternatives are in shops, at home, in the car, and at the work place. The guide also advises people on how to calculate their own ecological footprint, i.e. how much productive land an individual's own consumption requires

Market Court: Environmental claims must be based on fact

Advertising concerning the environmental effects of products must be truthful, objective and impartial. According to the Market Court, the high-profile Radiolinja advertising campaign last summer did not meet this requirement. Advertising for a mobile phone trade-in offer included the company's own recycling emblem and "authorized recycling points". This was nothing more than a commercial campaign, however. The company also broke price regulations: the TV commercial advertised free call time but did not provide clear information on subscription costs.

The Consumer Ombudsman brought Radiolinja's extensive press and TV campaign of summer 2000 to the attention of the Market Court. The company's full-page newspaper ad, featuring a recycling emblem invented by the company, urged customers to take their old NMT phone to an "authorized NMT telephone recycling point" and trade it in for a new GSM phone.

Nordic countries and EU cooperation on ecolabelling

A representative of the Consumer Ombudsman participated in a Nordic countries' project for updating the instructions for ecolabelling. The working group prepared a report which was completed at the end of March. The Consumer Ombudsmen of the Nordic countries will decide whether the project leads to the revision of labelling instructions. A representative of the Consumer Ombudsman also participated in the work of the Self-declared Environmental Claims working group under the aegis of the EU Commission.

Consumers in Nordic countries want more information of food labelling

Nordic consumers are calling for manufacturers, shops and authorities to take responsibility for ensuring that foodstuffs are adequately labelled and there is sufficient information in general about food products. The Consumer Agency has been involved in a project on food products labelling. The aim of the project is to ascertain how consumers make use of food labelling and their attitude towards the subject. The consumers want to see as compulsory information the country of origin (86% of the respondents), the date of manufacture (81%) and the nutritional value (79%). Approximately half of the consumers also want more information on the ethical perspective and on the aspects concerning the well-being of the environment and animals.

Nordic environmental cooperation

The working group representing the consumer and environmental sector of the Nordic Council of Ministers, for which a representative of the Consumer Agency is chairperson for the current year, completed its assessment of the Nordic ecolabel, the Swan label. The evaluation was the subject of an extensive round of statements in all the Nordic countries, which served as the basis for revising the guidelines for the Swan label.

Joint Nordic product policy

In spring 2001, the ministers with responsibility for consumer, business and environmental affairs approved a common strategy for a product-oriented environmental policy. The Consumer Agency was involved in this work, which was prepared by a working group under the aegis of the Nordic Council of Ministers. This is the first time that ministers have been involved so extensively in such cooperation: in combining the possibilities of consumers and businesses from different sectors to contribute to a better environment.

Product policy also at EU level

The EU Commission published a Green Paper on an integrated product policy. In the opinion of the Consumer Agency this has a natural connection with consumer policy, as consumer policy has traditionally meant such measures that strengthen the position of citizens in the product market. The Consumer Agency believes, however, that environmental legislation is the primary means for augmenting an integrated policy.

The proposal strongly underscores the responsibility of the consumer, although consumers are not the most important group of actors. A consumer has limited possibilities for increasing the environmental friendliness of products. It is the duty of the manufacturer to put such products on the market that already take environmental considerations into account, and to constantly improve the environmental characteristics of their products.

Consumer education

Financial advice to young people

Managing one's finances is not easy for all people, at least not in our modern society. It requires careful planning and patience, especially when one is shopping or making purchases. If a person is in the red all the time, this will most certainly have a negative effect on the rest of his /her life. Why can some people make their money go a long way and make their dreams come true – buy an own dwelling, travel and pursue hobbies. The Finnish Consumer Agency and a working group at the Kallio School carried out a joint project applying the methods of a pedagogic drama. The outcome of the project work was a video entitled "Kämpässä – kuka maksaa Löppösen vedet?" [Living in digs – who pays the expenses?]. The video can be used in schools and in financial counseling as an introduction to discussions.

Discussions about young people's debt problems continued in 2001, for example at a Nordic seminar arranged in Helsinki in September. Although, according to recent studies, the majority of young Finns are punctual and deliberate consumers, part of them seem to have insurmountable difficulties in managing their finances. The Finnish Consumer Agency complemented its euro information material directed at young people with material dealing with young people's financial problems. Besides by schools, the material was distributed through the Youth Academy's Mahis network, which aims to help young people in a difficult life situation, and at Next Step and Studia fairs. The

Agency's information material included the euro information package and the guides Raha-asiat [Money Matters] and Lompakko [The Wallet] respectively. The latter guide included monthly and annual calculators showing the amounts in both markkas and euros.

Several instances have in recent years stressed the importance of increasing instruction in home economics. There is already a new plan for the division of lessons, which would increase the lessons in history and sociology by one weekly lesson per year. In the Finnish Consumer Agency's view this is a step in the right direction. The additional lesson would according to the plan be specifically used for instruction in home economics. The Finnish Consumer Agency emphasized in its statement of opinion on the proposal that it is important to ensure, in connection with the drawing up of the bases for curricula, that the additional lesson will also in practice be used for instruction in matters that are essential from the point of view of one's private household and the management of one's finances. Judging from the present teaching material it seems that the instruction in home economics is more focused on economics and investment activities.

euro information to young people

Schools were provided with a list of all teaching and source material that was available for the purpose, including hints and exercises for lessons dealing with the euro. Teachers' knowledge of the euro was increased through supplementary education, with the Finnish Consumer Agency being one of the co-educators. Euro information, as part of a more comprehensive theme dealing with the management of one's own finances, was additionally presented at three fairs aimed in the first place at students and young people, namely at Next Step, Educa and Studia.

Several projects on the euro were also carried out in cooperation with the Youth Academy. In more than half of the upper levels of the Finnish comprehensive school, different euro projects were conducted in the framework of the Note programme, which is specifically aimed at pupils in the upper level. The tutor training part of the Mahis programme, intended to help young people aged between 14 and 17 in a life situation involving high risks, included information on how to avoid running into debt and, with regard to the euro, how to increase young people's awareness of price and money values. Eurorap was a wording contest, in which 23 working groups participated. The best wording will be set to music and the performance will be tape-recorded and copied. All upper levels will be provided with a copy of the recording at the beginning of 2002.

Municipal consumer counselling

During the year under review the number of municipal consumer counsellors remained at the same level as the previous year. The number of full-time counsellors, however, has decreased, as in approximately 25 municipalities, in cooperational areas, duties such as those of debt and financial advisors were combined with the duties of the consumer counsellor.

CONSUMER COMPLAINT BOARD - FINLAND

STATISTICS FROM 2001 - SUMMARY

COMPLAINTS				DECISIONS					
Section	Cases from 2000	New cases	Total	Re-comm. given	Settlement	Other reasons	Total	Transferred to 2002	
1	90	124	214	103	28	21	152	62	
2	18	54	72	34	16	4	54	18	
3	140	266	406	125	76	33	234	172	
4	344	331	675	327	57	39	423	252	
5	189	176	365	129	25	27	181	184	
6	215	274	489	263	41	26	330	159	
7	111	225	336	118	78	59	255	81	
8	212	189	401	180	31	25	236	165	
9	199	354	553	143	54	113	310	243	
10	236	400	636	194	103	123	420	216	
R1	63	60	123	39	8	6	53	70	
R2	288	266	554	199	24	69	292	262	
R3	145	193	338	133	18	45	196	142	
TOTAL	2250	2912	5162	1987	559	590	3136	2026	

General Affairs: Sections

- 1 = Textiles and laundry works
- 2 = Leather and fur industry, shoemakers
- 3 = Furniture and household equipment
- 4 = Trade in cars and other vehicles
- 5 = Repair of cars and other vehicles
- 6 = Tourism
- 7 = Other goods
- 8 = Housing, building and construction
- 9 = Insurances, health care
- 10 = Other services

Real estate business: Sections

- R1 = Building and construction,

Other reasons for closing a case:

- The consumer has withdrawn his complaint
- The Board has not been competent to deal with the matter, for instance because of ongoing court proceedings

DISTRIBUTION OF RECOMMENDATIONS BY CONTENT
AND
DUTIES OF DIFFERENT SECTIONS IN 2001

Section	Total	SH	EI	EH	ET	ES
1	103	57	42	0	1	3
2	34	12	9	6	0	7
3	125	86	29	5	1	4
4	327	205	113	2	2	5
5	129	66	53	1	1	8
6	263	107	120	14	1	21
7	118	61	53	0	1	3
8	180	98	62	8	3	9
9	143	62	70	0	4	7
10	194	69	122	0	2	1
R1	39	29	8	0	0	2
R2	199	72	117	2	2	6
R3	133	55	74	0	2	2
Total	1987	979	872	38	20	78

SH = Compensation recommended
 EI = Compensation not recommended
 EH = Compensation by the economic operator recommended
 ET = Incompetent to deal with

SECTION MEETINGS AND PLENARY
SESSIONS IN 2001

General Affairs	Real Estate Business
Plenary Sessions 9	Plenary Sessions 4
Sections tot. number	
1. 9	R1 12
2. 4	R2 13
3. 10	R3 11
4. 26	
5. 10	
6. 15	
7. 9	
8. 13	
9. 8	

Section-specific difference