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TWINNING PROJECT EU SUPPORT TO THE PARLIAMENTS OF BiH IN EU INTEGRATION TASKS



EU TWINNING FACTSHEETS / EU POLICIES IN A NUTSHELL



EU CONSUMER PROTECTION

► WHAT ARE THE MAIN OBJECTIVES AND PRINCIPLES OF THE EU IN THE FIELD OF CONSUMER PROTECTION?

The consumer protection policy of the European Union aims to guarantee consumers' rights vis-à-vis merchants and provide enhanced protection for vulnerable consumers. Empowering consumers and protecting their safety, health and economic interests have become essential goals of EU policy. Effective consumer protection is a key factor for economic growth – consumer expenditure of households accounts for 57 % of EU gross domestic product, so it ultimately improves the overall standard of living and stimulates economic growth.

EU citizens benefit from the strictest consumer protection policy standards in the world.

The Member States have progressively developed measures aimed at safeguarding the specific interests of the consumers who play a vital economic and political role in society. Starting in the mid-1970s, the EU has endeavoured to harmonise these national measures in order to guarantee European citizens the same high level of protection throughout the single market.

The European policy in favour of consumers aims to safeguard the health, safety and interests of consumers, as set out in Article 169 of the Treaty on the Functioning of the European Union. This policy promotes consumers' rights to information and education, and their right to organise in order to defend their interests.

European consumer protection policy rests on the following principles:

- Buy what you want, where you want
- If it doesn't work, send it back
- High safety standards for food and other products
- Know what you are eating
- Contracts should be fair to customers
- Sometimes customers can change their mind
- Making easier to compare prices
- Consumers should not be misled
- Protection while you are on holiday
- Effective redress for cross-border disputes

► WHAT ARE THE KEY STRATEGIC DOCUMENTS REGULATING EU CONSUMER PROTECTION POLICY?

The programme of EU in the field of consumer protection policy is based on the **New (European) Consumer Agenda**, which is the strategy for EU consumer policy in line with the EU's growth strategy, adopted on 13 November 2020.

The Project is implemented by the Consortium of the
Hungarian National Assembly, Austrian Parliament and Croatian Parliament



REPUBLIK ÖSTERREICH
Parlament



ORSZÁGGYŰLÉS



HRVATSKI SABOR

The Agenda presents an updated vision for EU consumer policy for the period 2020 – 2025, with the headline, 'Strengthening consumer resilience for sustainable recovery'. Since the COVID-19 pandemic has raised significant challenges affecting the daily lives of consumers, in particular in relation to the availability and accessibility of products and services, as well as travel within, and to and from the EU, it also aims to address consumers' immediate concerns in these regards.

The global health crisis has affected many areas of consumers' lives and it underlined the critical importance of a high level of consumer protection and close cooperation among authorities in the EU. At the same time, it has also brought to light certain gaps in the EU's consumer protection framework (right to a full refund of pre-payments for transport undertakings and tour operators; consumer scams, deceptive marketing techniques and fraud in online shopping).

The New Consumer Agenda covers five key priority areas:

- ▶ **Green transition:**
tackling the new challenges to consumer rights and opportunities for empowerment presented by the green transition, ensuring that sustainable products and lifestyles are accessible for all, regardless of geography or income;
- ▶ **Digital transformation:**
creating a safer digital space for consumers where their rights are protected and ensuring a level playing field to enable innovation to deliver newer and better services to all Europeans;
- ▶ **Effective enforcement of consumer rights and redress:**
addressing the impact of COVID-19 on consumer rights and tackling misleading green claims and unfair commercial practices in online influencing techniques and personalisation. While enforcement of consumer rights is first and foremost the responsibility of national authorities, the EU plays an important coordinating and supporting role, underpinned by the Consumer Protection Cooperation Regulation;
- ▶ **Addressing specific consumer groups' needs:**
taking account of the needs of consumers who, in certain situations, may be vulnerable and require extra safeguards. This may be driven by social circumstances or particular characteristics of individuals or groups of consumers; and
- ▶ **Consumer protection in the global context (international cooperation):**
ensuring the safety of imports and protecting EU consumers from unfair practices used by non-EU operators through market surveillance and closer cooperation with the relevant authorities in EU partner countries.

The Agenda takes a holistic approach covering other EU policies that are of particular relevance for consumers. It reflects the need to take account of consumer protection requirements in the formulation and implementation of other policies and activities. It complements other EU initiatives, such as the European Green Deal, the Circular Economy Action Plan and the Communication on Shaping Europe's digital future, and also supports relevant international frameworks, such as the United Nations' 2030 Agenda for Sustainable Development and the UN Convention on the Rights of Persons with Disabilities.

An effective response to all these priorities requires close cooperation between the EU and its Member States, including the future ones, and proper transposition, implementation and enforcement of the solid consumer protection framework developed over many years. For this reason, the Agenda puts forward priorities and key action points to be taken forward together at European and national levels.

▶ WHAT DO WE UNDERSTAND UNDER THE TERM “CONSUMER PROTECTION ACQUIS”?

There was no specific provision for a Europe-wide consumer policy when establishing the European Communities in 1957. At the time, Member States' own consumer policies reflected different national cultures, traditions, administrative systems and priorities. For consumers, a Europe-level policy had become necessary to have adequate protection when trading in the single market.

The European Council adopted its first special programme for consumer protection and information policy in 1975, a basis for an ever growing corpus of directives and regulations in the area of consumer protection.
At present, around 90 EU directives cover consumer protection issues, and that is why the consumer acquis remains complex.

The greater part of EU consumer law remains of a **minimum harmonisation level**, setting only the minimum standards. This means that the transposing countries have the right to set higher standards than those set in the EU directive.

Consumer protection policy is a **transversal policy**, meaning that the EU legislation in this area deals with specific issues only (such as the provision of pre-contractual information or the right of withdrawal from a contract made from distance or in the consumer's home), and consumer concerns are integrated into all relevant EU policy domains systematically, including competition, trade and internal market.

The key EU policy areas related to consumer protection

Protection of consumers' health and safety

- ▶ Public health and tobacco
- ▶ Foodstuffs
- ▶ Medicinal products
- ▶ General Product Safety System

Any consumer product put on the market, even if it is not covered by specific sector legislation, must meet certain standards relating to the provision of information to consumers, measures to avoid threats to safety, monitoring of product safety, and traceability

- ▶ Safety of cosmetic products, explosives for civilian use and toys and market surveillance
- ▶ European surveillance and information exchange systems

Protection of consumers' economic interests

- ▶ Information society services, electronic commerce and electronic and cross-border payments
- ▶ Distance selling contracts and contracts negotiated away from business premises, the sale of goods and guarantees, and unfair terms in contracts
- ▶ Unfair commercial practices and comparative and misleading advertising
- ▶ Liability for defective products and price indication
- ▶ Consumer credit and mortgage credit
- ▶ Package holidays and timeshare properties
- ▶ Air transport
- ▶ Energy markets
- ▶ European Consumer Centres Network, providing consumers with information and assistance in respect of cross-border transactions

Protection of consumers' economic interests

- ▶ Alternative dispute resolution procedures and online dispute resolution
- ▶ European judicial network in civil and commercial matters and obligation for national authorities to cooperate
- ▶ Representative actions for the protection of the collective interests of consumers

▶ WHAT ARE THE MAIN CHALLENGES FOR BOSNIA AND HERZEGOVINA?

On 29 May 2019 the Commission adopted its **Opinion on BiH's application for EU membership**. The Opinion and the accompanying **Analytical Report** provide extensive analyses covering the Copenhagen criteria and including 33 policy chapters of the EU acquis. Chapter 28 is dealing with the Consumer Protection.

The **Stabilization and Association Agreement provides for enhanced cooperation** between the EU and BiH with the aim of aligning consumer protection standards in BiH with those of the EU, including by means of active consumer protection and efficient law enforcement.

According to the Analytical Report, Bosnia and Herzegovina is at **an early stage of preparation in the field of consumer protection**.

According to the constitutional and legal framework, the competences for consumer protection are exercised by the state level, the two entities and Brčko District. The legal framework for consumer protection is enshrined in the Law on consumer protection, adopted in 2006 at state level, and applies in the Federation entity and Brčko District, whereas the Republika Srpska entity applies its separate law on consumer protection. In the field of consumer protection, there is yet need to **ensure alignment with the significant developments of the EU acquis**.

As regards product safety, its legal framework consists of the Law on market surveillance and the Law on general product safety adopted at state-level. In this field, **full alignment of the legislation with the acquis needs to be ensured.**

Action Plan for the implementation of priorities from the European Commission's Opinion and Analytical Report

This document – elaborated by the Directorate for European Integration of the Council of Ministers of BiH – contains the list of documents to be adopted and measures to be taken by the relevant State-, Entity- and Cantonal- level institutions to implement the priorities identified by the European Commission.

► ROLE OF THE PARLIAMENTS IN ADDRESSING QUESTIONS RELATED TO CONSUMER PROTECTION

The main tasks and responsibilities of the Parliaments of BiH related to Consumer Protection can be described as follows:

Legislative function

- Discussion and adoption of laws related to Consumer Protection
- Harmonisation of the BiH legislation with the EU acquis - Compliance checking of draft laws and submitted amendments

Oversight function

- Political monitoring of the Governments' activities during the whole integration and negotiation process
- Regular control of the fulfilment of priorities from the European Commission's Opinion and Analytical report and the tasks identified in the related Action Plan.

Information function

- Promoting openness and transparency of the legislative process
- Providing regular information on the EU accession process and related parliamentary tasks to a greater public
- Providing information concerning draft laws related to Consumer Protection
- Organizing events, like public hearings and roundtables attended by experts, the academia, CSOs, etc. on the most challenging issues related to Consumer Protection

International and inter-parliamentary cooperation

- Cooperation and coordination with EU institutions, national parliaments of EU Member States and parliaments of the Western Balkans region
- Informing international partners about the progress made and the challenges to be met by BiH

Administrative staff of the Parliaments has the responsibility to provide the necessary expertise and organizational support for the Members of Parliaments so that they can make the necessary decisions and represent the interests of the citizens.



WOULD YOU LIKE TO LEARN MORE?

You will find further information on the following links:

European Union: Consumers: https://ec.europa.eu/info/policies/consumers_en

European Parliament: Consumers Policy:

<https://www.europarl.europa.eu/factsheets/en/sheet/46/consumer-policy-principles-and-instruments>

[https://www.europarl.europa.eu/RegData/etudes/IDAN/2015/565904/EPRS_IDA\(2015\)565904_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2015/565904/EPRS_IDA(2015)565904_EN.pdf)

New Deal for Consumers:

https://ec.europa.eu/info/law/law-topic/consumers/review-eu-consumer-law-new-deal-consumers_en

Summaries of the EU Consumers legislation:

https://eur-lex.europa.eu/summary/chapter/consumers.html?root_default=SUM_1_CODED=09

Analytical Report of the European Commission:

<https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-bosnia-and-herzegovina-analytical-report.pdf>