

VULNERABLE CONSUMERS

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British MPs want food law to better protect consumers



An influential British parliamentary committee has issued a damning report on the government's food policy, calling for more sustainable production and far clearer food labelling regulations to help consumers make better choices about what they eat.

The Environmental Audit Committee's report and recommendations reflect growing concerns across Europe about food policies and regulations in an era when Europeans are getting fatter, and amid debates in Brussels over how to revamp food production to make it more environmentally sustainable.

Joan Walley, a Labour MP who chairs the committee, said "consumers are quite confused" about the maze of health and eco labels and that clearer requirements are needed to understand what is lower in fat and salt, as well as what is organic or 'fair trade'.

Walley, speaking from Westminster on 23 May,

also said steps taken by national governments to weaken conservation measures proposed for the EU's Common Agricultural Policy (CAP) marked a setback for the environment but also for efforts to produce healthier food for European consumers.

Agricultural and fisheries ministers from the 27 EU countries on 15 May called for replacing key 'greening' measures recommended by the European Commission with a more flexible system.

Walley said assessing EU policies were beyond her committee's remit, but said more cooperation is needed among EU countries to ensure sustainable food production and to protect consumers, citing rising levels of obesity, diabetes and other health problems.

Bulkier boys and girls

Children as seen as particularly vulnerable to advertising for

snacks, sugary beverages and fast food that – along with inactivity – are blamed for rising weight and health problems.

Some 22 million children in the EU are considered overweight or obese, with the numbers growing by 400,000 per year, according to the European Commission.

A recent report by the Organisation for Economic Cooperation and Development (OECD) showed that 13.3% of EU children aged 11 to 15 are overweight or obese, with numbers rising for boys in all countries, while declining slightly for girls in Ireland and Britain.

European officials have recognised the threat of creeping rise in weight problems, backing specialised campaigns and promotional events on healthy eating. But health experts say more could be done, including better health education and organised school activities.

In March, MEP upheld

plans to create a fixed number of standardised nutritional claims on food and beverages, paving the way for 222 claims such as "low fat" or "reduced cholesterol" to be carried on food packaging.

EU food labels

The European Parliament's Environment, Public Health and Food Safety Committee rejected efforts to throw out the EU's proposed list of health claims on the grounds that they are disproportionate and placed undue burden on regulators in authorising the health benefits made on food labels.

The EU's nutrition regulation requires that all health claims not approved by the European Food Safety Authority to be removed from the market. All 27 EU countries are obliged to follow the rules. At the time, both industry and consumer groups hailed the vote to uphold the permitted health claims.

Monique Goyens, who heads the European Consumer Organisation BEUC, has said the regulation "will stop consumers from being misled by unsubstantiated, exaggerated or untruthful claims about foodstuffs. Only genuine health claims will be allowed to remain on the market."

FoodDrinkEurope, representing the food and beverage industry, has said that harmonised standards "would bring certainty to the consumer, provide information on the beneficial properties of nutrients in food and help consumers to make informed food choices."

In addition to expressing concerns about agricultural sustainability and labelling, the report calls for stronger limits on food marketing aimed at children, expanding health and food education for young people, and getting public food procurement in sync with health diets and sustainable agriculture.

MEPs want stronger consumer rules for seniors, children



Europe's consumer laws fail to protect the most vulnerable people, say member of the European Parliament who called for tougher measures to prevent senior citizens, children and the disabled from being victims of rip-offs or aggressive marketing.

With overwhelming support, the European Parliament has adopted a resolution last week (21 May), saying EU consumer legislation should give buyers an arsenal of rights and protections.

Current EU laws include a directive on unfair business practices and a directive on consumer rights that went into force in 2011.

But MEPs say not enough has been done for those who face targeted online advertising

or people who don't have access to internet-based consumer information and complaints services.

In the resolution, prepared by Spanish MEP María Irigoyen Pérez (Socialists & Democrats), the Parliament notes that efforts to help those with disabilities "is clearly insufficient."

"The Commission is aware of its present shortcomings and has focused its approach on information is focusing its efforts of consumers," Pérez said during a Parliamentary debate in Strasbourg on 21 May, a day before the resolution was adopted by a show of hands.

She said such efforts fall short of protecting people who don't have the ability "to assert themselves and sometimes to

understand the information they receive," or don't know their rights "particularly when it comes to cross-border trade and e-commerce."

However, the resolution also notes that the "diversity" of vulnerable situations "hinders a uniform approach and the adoption of a comprehensive legislative instrument".

"European legislation must address the problem of vulnerability among consumers as a horizontal task, taking into account consumers' various needs, abilities and circumstances," the resolution said.

Patchwork of policies

Other MEPs have expressed concern that laws vary widely across the EU, noting that there is no standard on marketing alcohol and tobacco to children or young adults.

"Some countries have strict regulation and some have some liberal approaches, and I would like to see a common approach in Europe," Emilie Turunen, a Danish MEP who serves as the Greens' spokeswoman on the consumer committee, told EurActiv in an interview.

Some food and beverage manufacturers have launched their own marketing standards that restrict advertising to young audiences and have enlisted support through organisations

like the International Food and Beverage Alliance.

John Dalli, the European commissioner for health and consumer matters, said the Commission's new Consumer Agenda – unveiled on 22 May after the vote – would address some of the Parliament's concerns.

"The Commission wholeheartedly agrees that it is important to address the vulnerability of consumers and this will be reflected in the Consumer Agenda," he said.

The Pérez report is non-binding and presents the Parliament's recommendations to the Commission's Consumer Programme 2014-2020 as well as the Consumer Agenda. It was approved by the full Parliament on 22 May after being adopted by the consumer committee on 26 April.

Boosting the single market

Consumer protection has become a major focus for the EU executive and Parliament as a way to nudge wary Europeans to shop across borders and through the Internet. The Commission estimates that in 2010, 100 million Europeans – one-fifth the EU population – had problems with fraudulent sales or faulty products in the common market, putting a damper on expansion.

The Parliament approved on 15 November 2011 a broader resolution on consumer rights that defined vulnerable groups and a definition of those covered – the elderly, the needy as well as those with mental and physical disabilities.

One of the leading concerns of Pérez and other resolution advocates is that Europeans with limited access to the internet may be discouraged from seeking information – for instance, through the European Consumer Centres Network – or filing complaints through Web-based portals.

Amongst the other provisions in the resolution adopted the Parliament, MEPs:

- Recommend educational campaigns on diet and health aimed at children who, according to the resolution, may be exposed to targeted advertising from food and beverage companies.
- Urge members states to provide free services for vulnerable or disabled consumers who pursue alternative dispute resolution in the case of consumer complaints;
- Call for special services aimed at people with disabilities, including those who may not be able to hear or read information on their rights, and those who do not have computers.

Danish MEPs champion new rights for 'vulnerable consumers'

In a resolution adopted last week, the European Parliament defined what 'vulnerable consumers' are – the elderly, the needy as well as those with mental and physical disabilities. But every consumer can be considered vulnerable, argue two Danish MEPs interviewed by EurActiv.

Emilie Turunen, a Danish MEP and spokesperson on consumer issues for the Greens political group in the European Parliament, said existing EU legislation does not give enough consideration to vulnerable consumers.

With Parliament now having defined vulnerable consumer groups, she urged the European Commission to establish fundamental rights for them.

A specific category?



Christel Schaldemose, Danish MEP, says every consumer in Europe can run into a vulnerable situation and therefore needs better consumer protection

A Parliament resolution voted on last week (21 May), establishes that children and young people as well as the mentally disabled are more receptive to

aggressive marketing and as a result more vulnerable to commercial messages than others.

Elderly and physically disabled people can have

problems reading or hearing the information needed to make a purchase, the resolution said.

However, it also says that the "diversity" of vulnerable situations "hinders a uniform approach and the adoption of a comprehensive legislative instrument".

"European legislation must address the problem of vulnerability among consumers as a horizontal task, taking into account consumers' various needs, abilities and circumstances," it said.

In addition, it is not clear for everyone that "vulnerable consumers" should be treated as a specific category.

In Denmark, a spokesperson for the Consumer Protection Ombudsman told EurActiv he had never received any inquiries from "vulnerable consumers"

related to a lack of information. The Ombudsman did not receive many complaints about aggressive marketing either, he said.

Whether this was due to practical difficulties for this particular group to file a complaint was of course uncertain, the spokesperson added.

Online shoppers particularly vulnerable

In Brussels, Danish MEP Turunen suggested that such a distinction might actually not be necessary. There are many situations in which every consumer could feel vulnerable for example on the internet, she argued.

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“Obviously, you could experience bad things in the past regarding marketing and specific purchases as a consumer, but the internet has opened some doors for scam companies and there are some websites with one-click-shopping,” Turunen said.

Christel Schaldemose, a Danish MEP from the Socialist & Democrats group, says she understood “vulnerable consumers” as a broad expression that doesn’t refer to just a small group. Every consumer can run into situations where they become vulnerable, she claimed.

“People think it’s maybe just disabled people, but the bottom line is that we can all end up in situations where we are vulnerable because we lack knowledge or information,” said Schaldemose.

According to her, most people who buy products online, especially across borders, don’t know their rights and often ignore the consequences of their purchase. Schaldemose said she recently lost money when buying an airplane ticket from an airline that eventually went bankrupt.

“Today, people don’t read the

terms and conditions because they know it’s ten pages. And the businesses use this because they know the consumers don’t understand the consequences,” Schaldemose said.

In the airline ticket case, she said she would have liked a ‘pop-up’ window on the airline’s homepage saying: “You are currently not insured, so if this airline goes bankrupt, you’ll lose all your money”.

Banking

Schaldemose said it was even more important to have legislation in the financial area where under-informed customers can end up in situations of over-indebtedness. Banks should become better at explaining the risk that customers take when signing up for a loan for example and how much it will cost them in total. Information that people sometimes overlook.

“We should force the banks and financial institutions to do this. Not to give people more to read, but to let them know what the biggest risk is. What the consequence is. We need more clear and transparent information, protection and rights.”



Mortgage consumer rules: Safe as houses?

A spat in the European parliament over how much protection should be afforded to consumers buying mortgages reflects ongoing tensions between the right to invest in property and the need to curb the type of easy credit at the origin of the 2008 financial crisis.

A report on the proposed directive on “credit agreements relating to residential property”, which includes a number of new provisions to protect consumers against excessive debt, was due to be voted in the economic and monetary affairs committee this week, but has been delayed for the second time in a month.

Parliamentary sources – who preferred to remain anonymous because of the sensitivity of the matter – said that there were numerous disagreements over the scope and extent of consumer protections in the proposal.

The dispute reflects ongoing controversy over the origins of the financial crisis in the US sub-prime

mortgage market and attempts to curb abuses of credit offerings that were at the source of the 2008 global financial crisis.

Disagreements hamper progress

EurActiv understands that the rapporteur, Spanish MEP Antolín Sánchez Presedo who broadly favours stronger consumer safeguards against banking institutions, faces stiff opposition from a number of other influential committee members.

Presedo may be influenced by the dire situation in his native Spain where a property bubble and crash has resulted in part from rash credit offerings.

In addition, the committee faces difficulty squaring its proposals with those from the internal market and consumer protection committee, which shares authority on the paper and has already issued its own report.

Ironically, the consumer affairs committee has taken a

weaker consumer protection line than some within the economic committee would like to see.

In particular those favouring stronger safeguards are unhappy that MEPs are often using a hypothetical “informed consumer” as a benchmark for designing new EU mortgage rules, saying this would lead to less protection for vulnerable, or less-aware consumers.

A mortgage industry source said that the delay was causing jitters for mortgage suppliers, claiming it was making the issue even more difficult to agree because “the longer the issue remains unresolved the more controversy seems to swirl around it”.

Consumers want protection – industry wants balance

BEUC, the European consumer group, this week issued a statement calling for a number of specific protections to be included

within the report including protection from “locking in” to long contracts and offering an early repayment right for every borrower.

“Taking a mortgage is the most important financial decision in a consumer’s life. No European household can afford a bad deal. Irresponsible lending practices which put people’s homes at risk must be stopped,” said Monique Goyens, BEUC’s director-general.

A spokesman for the European Mortgage Federation, which represents the mortgage industry, said: “The challenge is to find a balance between protecting consumers – also the most vulnerable ones – and ensuring the business remains viable, which in concrete terms means lenders continuing to be able to provide low cost, low risk access to homeownership to all segments of the population.”

Consumer groups also support wide access to homeownership, even for the less well-off. But not if

this leads to irresponsible lending behaviour and over-indebtedness.

A Parliament resolution on vulnerable consumers, adopted last week, warned about the risk of excessive debt and difficulties in “comprehending relevant consumer information” in the financial sector. Without mentioning the mortgage market in particular, the resolution said the complexity of financial markets was such that in the majority of cases, any consumer can be considered vulnerable.

The resolution cited a recent EU Commission survey, which showed that 70% of financial institutions’ websites “were making basic errors in their advertisements,” saying the cost were often “presented in a misleading way.”

“More should be done by the financial services industry to provide clear and simple explanations about the nature of the products and services they provide,” the resolution stressed.

Parliament steps up pressure on food, beverage ads



The European Parliament has renewed calls to curb food and beverage advertising aimed at children and young people, with some MEPs even calling for a total ban on beer commercials aimed at youth. But it's not necessary, says the industry, "We can regulate ourselves".

The European Parliament in a resolution last week (22 May) called on the EU Commission to analyse "whether stricter rules are needed regarding advertising aimed at children and young people," who are considered more vulnerable than other consumer groups.

Children and young people "are more sensitive to advertising for food with high fat, salt and sugar content," the Parliament resolution says, underlining that this particular age group "increasingly suffer the

consequences of sedentariness and obesity".

In the Parliament's firing line are practices described as "aggressive or misleading TV and online advertising" aimed at children and adolescents. The resolution also recommended educational campaigns on diet and health aimed at children.

Advertising pledge

At issue is whether the food and beverage industry can effectively regulate its own advertising practices.

But Sam Rowe, spokeswoman for UNESDA, the European non-alcoholic beverages association, says lawmakers should not worry. "The European Parliament is trying to make companies be responsible. And we fully

support that. We think it's important to be responsible in your marketing and consumer outreach," said Rowe, who speaks on behalf of companies such as Coca-Cola, PepsiCo, the Orangina Schweppes Group, Nestlé Waters, Danone and Red Bull.

"We think self-regulation works effectively and quickly," she added.

UNESDA members, she said, are aware of their appeal to young people and children and have already committed in 2006 to refrain from advertising to children under 12 on TV, print, online or social media.

"We don't advertise there because we respect that children are vulnerable and we think that it's the parents' responsibility to make a decision, not the children," Rowe said, adding that UNESDA members have also decided not to sell their products at primary schools across the 27 EU member states.

Push for ban on beer commercials

Some MEPs want strict legislation to protect specific vulnerable groups such as adolescents. For instance, Green Danish MEP Emilie Turunen has called for a total ban on alcohol commercials targeted at youth.

"Some countries have strict regulation and some have some liberal approaches, and

I would like to see a common approach in Europe," she said, highlighting that the internet has opened some new pitfalls.

MEP Christel Schaldemose from the Socialist and Democrats group (S&D), said she definitely believed that there should be tighter legislation to prevent alcohol companies from targeting young people with aggressive marketing.

"But to be frank, I don't know how big a support there is behind this," she said. "Every time we have looked at the legislation, there has been a massive lobbying from the alcohol companies to try to avoid regulations because there are so many wine and alcohol producers in Europe," she said.

Responsible alcohol marketing pact

Simon Spillane is Senior Advisor at The Brewers of Europe, an association that represents the European brewing sector. He says it isn't necessary to introduce stricter regulation within the EU as brewers have already committed themselves to comprehensive self-regulation that operates across all media.

"There are self-regulatory codes and implementation guidelines covering beer advertising in place across the EU, at regional, national and company level," Spillane said. "All these codes prohibit the targeting of minors under the

legal purchasing age with any advertising for beer. This means that neither will the advert's content be targeted at minors, nor will the advert appear, for example, during a children's TV programme or in a magazine for adolescents," he stated.

According to Spillane, The Brewers of Europe don't have a definition of a vulnerable consumer, but the self-regulatory codes typically state that minors should not be targeted by beer advertising or encouraged to consume. Brewers have launched an EU Beer Pledge which ensures that digital and social media are also covered by the marketing pledge.

In April, the eight largest alcohol manufacturers in Europe have launched common EU-wide guidelines designed to prevent minors from seeing alcohol 'viral' adverts on social media, and prohibit the creation of ads which seek to allure young people. The so-called Responsible Marketing Pact, was signed by AB InBev, Bacardi, Brown-Forman, Carlsberg, Diageo, Heineken, Pernod Ricard and SAB Miller, which together represent a majority of European alcohol advertising spending.

This flurry of activity highlights worries in the beverage and food industry about the risk of tighter EU regulation. Whether lawmakers in the European Parliament will be convinced remains to be seen.

Turunen MEP: 'There are many situations that can make us vulnerable as consumers'

Danish MEP Emilie Turunen explains why the European Commission should strengthen protections for the elderly, disabled and other potentially vulnerable consumers.

European Parliament's Internal Affairs and Consumer Protection Committee. She was interviewed by EurActiv as the Parliament voted in Strasbourg on a resolution calling for stronger protections for vulnerable consumers.

What recommendations are you making on consumer rights?

What we are saying is that the existing legislature on consumer issues in Europe does not make enough consideration of vulnerable consumers. We're trying to define it a little bit better by saying, there are some groups that are more vulnerable than

others – for example, children and young people. They are more receptive and susceptible. There are disabled people and groups that are vulnerable when it comes to aggressive marketing and commercials.

We are also saying that there are many situations that can make us vulnerable as consumers. For example people who sell at the door, which is much more common in other countries in Europe than in Denmark, where you feel the pressure to make a purchase because someone is standing outside your door. In such a situation you perhaps should be given a longer time to regret that purchase.

It might also be a vulnerable situation to be at the bank

and be presented a financial product which is difficult to understand even for the well-educated. So we are saying that 'vulnerability' can be understood in two ways.

We want this to be a more concrete part of the legislation. We need to make these considerations. What I have been focused on has especially been marketing targeting children and young people regarding alcohol and tobacco. Some countries have strict regulation and some have some liberal approaches, and I would like to see a common approach in Europe.

Another thing is the internet where it's a new situation for many to buy things online. We have heard about many

cases with children who play on their parents' iPhones and iPads and then at the same time [made] some purchases in the app store for a lot of money. So I have said when it comes to the internet and new technologies, we need to have a stricter legislation.

What specific rights will these vulnerable consumers get?

What we are trying to tell the Commission is that until now it has not been good enough the way we have made consumer regulation. There isn't a special consideration. Here you can choose between



Emilie Turunen is the Green party spokeswoman on the

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two strategies. You can either make the sector legislation better or the legislation in each country. Or we can make a more horizontal legislation: a broad legislation that says, "We understand these groups as vulnerable," and then establish some fundamental rights for vulnerable consumers in Europe.

So there hasn't been any legislation so far considering vulnerable groups. They have just considered children and then not gone any further?

Yes. There has not been... It was actually a big debate when we first made the Consumer Rights Directive because people were saying that we didn't have a proper definition of a vulnerable consumer. They said it was a word that was too difficult to make specific. With this report, we are trying to say that there are certain, vulnerable groups who need extra protection, both on the internet and in the physical world.

Maybe we need some common guidelines in Europe. Right now each member state decides what to do. In the example I gave with children and young people and alcohol and tobacco, France has a very strict legislation

whereas Denmark has a liberal legislation. There are some guidelines in Denmark that say business can't deliberately target young people, but some commercials have been on the borderline. There has been a discussion now for a long time in Denmark if we should have stricter regulations, and what I'm saying is that on a European level we could consider having some common guidelines.

Would you say that the internet has made it more difficult to be a consumer for more vulnerable groups?

Yes, I would actually say that. Obviously, you could experience bad things in the past regarding marketing and specific purchases as a consumer, but the internet has opened some doors for scam companies and then there are some websites with "one click shopping".

Where you just by clicking... You have suddenly bought a whole range of things without even knowing about it. The other day, I bought a book on Amazon, and I think that it quickly went to the purchase part. The website had already registered me as a customer and given me an account. When I wanted another book, I just had to click on it, and then I had already bought it. So you have to be very cautious on

the internet. I think that both older and younger people can get confused on these websites and end up buying products they didn't want.

The internet is an amazing thing. It opens doors, but there are also some bad things about it that we have to have a look at. Especially children who play via iPads and iPhones. There have been some cases because when you have an account and [it] is registered as a user, then with only a few clicks you have bought many things already. It's an unfortunate situation. The internet opens some pitfalls that we need to curb.

A spokesperson from The Danish Consumer Protection Ombudsman said she has not received many complaints from disadvantaged people. But she said she didn't know whether that was because there are no complaints or because it's more difficult for them to complain. Do you think Denmark is ahead of other countries when it comes to protecting vulnerable consumers?

When we made the Consumer Rights Directive, I spoke to many Danish consumer protection organizations and they said that they had realized that Denmark isn't ahead of other nations which they had always thought.

When it comes to consumer rights, we're not in the front seat compared to other countries. In Denmark, we often have a picture of ourselves... You can compare it to gender equality, where we think we are a leading nation, but it's actually not true. We are actually quite average, and it's the same thing with consumer regulations. There are many things that we can learn from other countries.

For example, I'm very strict when it comes to children and young people. I'd like to have a ban on alcohol commercials. But, obviously, that is not something that is popular. I remember a debate years ago where Carlsberg [a beermaker] was defending its right to advertise. You can't keep commercials away from children, but I just think it creates a certain culture...

But Denmark is good when it comes to giving the consumers easy ways to complain, we have a lot of transparency, and our consumers do have a lot of knowledge.

Whether the internet excludes some people, is a more general debate. Many public services are being digitized. It's super progressive and good, but we also have to remember to make special services for people who don't know how to navigate through the internet. It's not natural to go online if you are 85 years old. We need to make these considerations

in the transformation from the paperless society. Those who don't feel safe using it should be able to get help learning how to use it, or we should keep the paper option for them still. It's a very important debate.

Can you give an example of a case where you thought "This is the worst thing for a consumer, and I do not want this to happen again for anyone"?

I remember the case with a Danish mum who had allowed her son to play on her iPad. She had logged in, and suddenly he had bought games for around 8,000-10,000 Danish crowns [€1,000-€1,345].

The boy was just five years old. This does not work. Children should be able to play on their parents' iPads without the parents suddenly getting a huge amount of debt. That was when I thought, 'Technology is moving fast, and we have to do the same'.

Also, the sale of lottery coupons to mentally disabled people is just morally outrageous. This is also a grey area, because a mentally handicapped person should be able to buy a lottery coupon, but if he has suddenly spent 20,000 crowns, then something is wrong. These are some of the cases where you have just suddenly spent a lot of money that you probably didn't want to spend.



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