



verbraucherzentrale

CONSUMER POLICY RECOMMENDATIONS

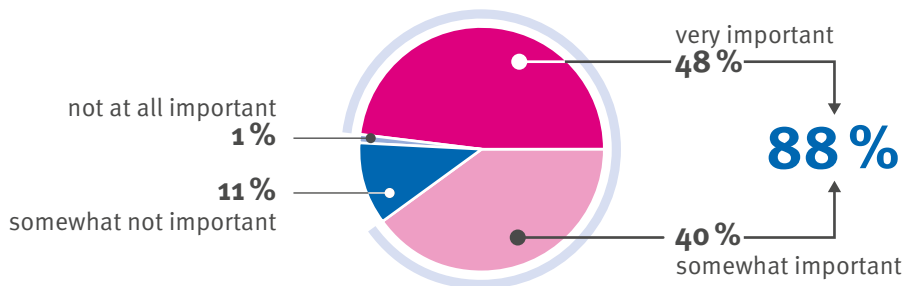
to the European legislator 2024 to 2029

ABOUT VZBV

The Federation of German Consumer Organisations (Verbraucherzentrale Bundesverband – vzbv) is the strong voice of all consumers in Germany – regardless of their origin or living conditions. The organisation advocates for a just and sustainable society and economy, where policy-making focuses on people’s needs. vzbv represents the interests of consumers vis-à-vis policymakers, the private sector and public authorities and enforces consumer rights in court. Through market monitoring, the organisation reveals undesirable developments in markets and involves consumers directly. vzbv was founded in 2000 and, as the umbrella organisation for the 16 German consumer associations, one in each of Germany’s federal states, and for 29 other member organisations, vzbv channels the strengths of its members to promote strong consumer protection.

CONSUMER PROTECTION IS IMPORTANT FOR PERSONAL SAFETY AND SECURITY

How important is consumer protection here in Germany for your personal safety and security as a consumer?



Source: Representative telephone survey by forsa commissioned by vzbv | Basis: 1,500 people aged 14 or older surveyed throughout Germany | Survey period: April 2023

WHAT ARE VZBV’S OBJECTIVES?

- Improving the position of consumers in the social market economy
- Clear and uniform rules for all market players
- Effective competition on price and quality that provides true freedom of choice in transparent markets
- Safe and healthy products and services
- Clear consumer information
- Reliable, easily enforceable consumer rights
- Promoting sustainable consumption
- Preserving the precautionary principle, including in international free trade agreements

HOW DOES VZBV WORK?

- vzbv is a non-profit organisation, non-partisan and solely committed to the interests of consumers.
- The organisation’s work is funded by the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (Bundesministerium für Umwelt, Naturschutz, nukleare Sicherheit und Verbraucherschutz – BMUV), project funding and membership fees.
- vzbv is active at the national, European and international level and has offices in Berlin and Brussels. vzbv is a member of BEUC, the European Consumer Organisation, and Consumers International (CI), the membership organisation for consumer groups around the world.

KEY RECOMMENDATIONS FOR THE 2024 EUROPEAN ELECTIONS

BAN PROFILING FOR ADVERTISING PURPOSES

The European legislator should ban profiling for advertising purposes because it jeopardises the protection of personal data and privacy, enables manipulation and promotes discrimination.

PROTECT BANK ACCOUNTS AGAINST FRAUD

Consumers should not suffer financial damages due to fraud and attacks against payment accounts.

CREATE A CONSUMER-FRIENDLY ELECTRICITY MARKET

The electricity market design needs to promote consumer participation and consumers should benefit from cheap electricity generation from renewable energy sources.

INTRODUCE EFFICIENCY REQUIREMENTS FOR E-CARS

Electric cars need to be efficient to prevent the transport sector from becoming an electricity guzzler and to reduce costs for consumers.

INTRODUCE EU-WIDE MANDATORY NUTRI-SCORE LABEL ON FOOD

To make the healthy option the easy option, consumers must be able to recognise healthier foods at a glance.

REGULATE SOCIAL CLAIMS IN ADVERTISING

Social claims such as 'free from child labour', 'fair living wages' or 'fair trade' must be subject to binding regulation.



DEAR READERS,

If you shop online, prices are displayed without hidden costs. If you surf the internet abroad you no longer pay roaming surcharges. When you buy food, you can be sure that the ingredients match the label. Consumers enjoy all of this thanks to the European Union. Many people are not even aware of how much EU policy influences their everyday consumer life. Yet it is EU rules that protect consumers from unfair commercial practices and ensure strong passenger rights.

It is European legislation that contains big tech companies and thus strengthens the rights of consumers vis-à-vis the providers. It is thanks to European lawmakers that the Federation of German Consumer Organisations (vzbv) and other European consumer organisations will in future be able to use collective redress instruments to sue companies directly for compensation. Individual consumers will no longer have to face the overwhelming power of companies on their own. Moreover, thanks to the European single market, consumers can choose from a significantly wider range of products and services.

EUROPE FOR CONSUMERS – SUSTAINABLE AND FAIR

From a consumer perspective, EU policy has largely been a success story, yet one that is far from over. Europe for consumers – sustainable and fair. We consumer advocates are convinced that Europe has even more potential for consumers. Consumers need smart and forward-looking regulation at the EU level more than ever as they try to navigate their lives in these times of overlapping crises.

FIGHTING CRISES TOGETHER

Tackling the challenges ahead cannot be the task of nation states alone. Issues that affect everyone need European answers. Even more so, they need answers that consider the future. It is not (only) about today's consumers, but about setting a course that ensures that future generations still have consumption choices. A forward-looking European consumer policy must therefore consistently focus on economical, ecological and social sustainability.

ECONOMIC SUSTAINABILITY



The past few years have demonstrated the need to crisis-proof the economic framework. The framework needs to serve consumers, instead of exploiting them. Better protection of bank accounts against fraud and more transparency in the establishment of trade agreements would contribute to economic sustainability.

ECOLOGICAL SUSTAINABILITY



Protecting the world's climate is one of the central tasks of this century. Consumers must do their part, but without having to do this heavy lifting alone. The EU should set clear rules to enable and promote climate-friendly behaviour and action – in all areas: Electric cars should meet mandatory efficiency requirements and sustainable investments should hold what they promise.

SOCIAL SUSTAINABILITY



Socially sustainable consumer policy ensures that consumers can keep up with economic and policy change – including and especially people with low incomes. Affordable basic payment accounts and easy-to-understand general terms and conditions could help consumers save money.

In the coming legislative period, the European Parliament, the European Commission and the Council of the European Union have the opportunity to charter the course towards an economy that features economical, ecological and social sustainability and a society that focuses on the needs of consumers. This brochure provides an overview of the consumer policy issues that vzbv believes are crucial to achieving these objectives.

Sincerely yours,

Ramona Pop

ECONOMIC SUSTAINABILITY

Sustainable consumer policy stabilises the economic system in the long term and protects consumers from risks. These are key components in a sustainable economic system.

BAN PROFILING FOR ADVERTISING PURPOSES

Problem

Anyone who surfs the internet leaves data traces. Companies use these traces to profile users, and subsequently use these profiles for targeted advertising. This profiling jeopardises the protection of personal data and privacy, undermines IT security, contributes to the spread of disinformation, enables manipulation and tampering, and promotes discrimination.



Solution

We therefore call for a ban on profiling for advertising purposes. Consumers should be able to use the internet and their smartphones safely, without companies collecting their data for advertising purposes. We urge the European legislator to adopt legislation to reform the digital advertising market. This legislation should address new technological developments as well as manipulation of consumers and discrimination towards them in order to provide lasting protection in the digital market.



PREVENT FEES FOR INTERNET CONTENT PROVIDERS

Problem

Large telecommunications network operators want content providers such as Amazon, Google, Netflix and Spotify to pay them a fee to use the digital infrastructure. The network operators use various arguments to justify this demand: sometimes the return on investment is too low, other times it is to finance further investment, or it is because maintaining the digital infrastructure is very expensive due to large amounts of data throughput. Such data fees would have many drawbacks for consumers. Operators could price different types of data differently and thereby stop treating it equally. This would threaten an open and free internet (net neutrality), media diversity, and competition. In the worst case, consumers would end up paying more for services and have less choice.

Solution

vzvb therefore strongly opposes the introduction of such fees. The European Commission should not propose any legislation that would allow operators to impose network fees.

8 | Economic Sustainability

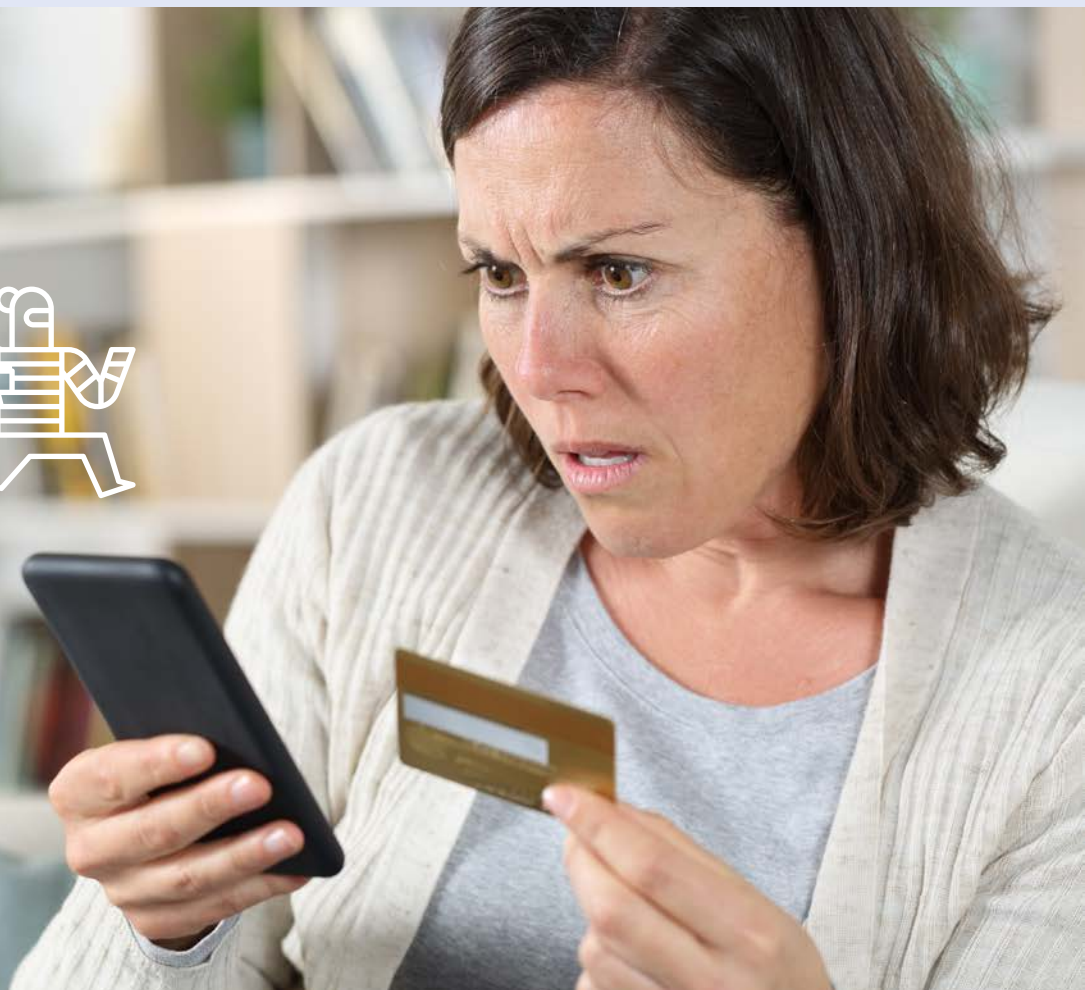
PROTECT BANK ACCOUNTS AGAINST FRAUD

Problem

Consumers are increasingly at risk of cyberattacks that target their bank accounts. In theory, the rules in place, including strong customer authentication, protect them against such attacks. Payment service providers must pay for damages caused by transactions that the customer has not authorised. In practice, however, they often circumvent this obligation and leave consumers out in the cold – and some of them even lose their entire savings.

Solution

Effective liability legislation is needed to protect consumers' bank accounts. Banks would then have a strong incentive to prevent unauthorised payments. The European legislator should eliminate all loopholes that payment service providers use to evade liability, such as imposing due diligence obligations upon consumers that cannot be fulfilled. Suitable legislation should prevent payment service providers from passing on damage to consumers that was caused by fraud. Consumers must be confident that their savings are safe.



REGULATE SUSTAINABILITY CERTIFICATION

Problem

Certificates for sustainable consumption, such as 'Grüner Knopf' (Green Button) and 'Blauer Engel' (Blue Angel), can help consumers identify sustainable products. However, it is often completely unclear how reliable these certifications are or whether they really ensure sustainable production.

Solution

We urge the European legislator to adopt a comprehensive legal framework for sustainability certification that merits consumer trust. It should define minimum criteria for standard systems and certifiers. Furthermore, mandatory accreditation and a liability mechanism for faulty certification are required.

SAFEGUARD CONSUMER INTERESTS IN TRADE AGREEMENTS

Problem

International trade law takes precedence over domestic laws. If the EU commits itself to certain practices in a trade agreement but subsequently adopts EU laws contrary to that agreement, trade partners can bring a case before the World Trade Organization's Dispute Settlement Body or another bilaterally agreed body. This also applies to consumer protection legislation, which can then be declared a 'barrier to trade'. This can have a negative impact on EU legislative processes and often prevents comprehensive, long-term consumer protection.

Solution

The European Commission should negotiate international trade agreements transparently. That way, civil society can advocate for a high level of consumer protection in the EU. Especially with regard to commitments concerning new or future technologies, such as artificial intelligence, the EU should not limit its regulatory leeway by prematurely entering into international agreements.

ENFORCE CONSUMER PROTECTION IN THE DIGITAL WORLD

Problem

Existing regulations often fail to cover new technological developments and innovative digital business models. However, it is vital that digital policy also provides answers to innovations such as ChatGPT and the Metaverse. The EU's major digital regulatory achievements (Digital Markets Act & Digital Services Act, Data Act, Data Governance Act, Artificial Intelligence Act) must keep pace with the rapidly developing market.

Solution

The European legislator should continuously assess the suitability of the legal framework for the digital world, for example by conducting evaluations and surveys, and ensure rigorous implementation and enforcement of the applicable rules.

INTRODUCE CONSUMER-FRIENDLY DIGITAL PRODUCT PASSPORTS

Problem

Consumers want to consume in an environmentally friendly way and use products longer. However, when buying a product, consumers can very rarely tell how environmentally friendly it is, how durable it is and whether it is repairable.

Solution

The European legislator plans to introduce digital product passports in the coming years to make such data available. Consumers would then be able to look up information about spare parts and a repairability score via a QR code, for example. For consumers, it is important that these product passports are easy to use and that the information is reliable. We urge the European legislator to quickly develop and adopt the first product passports with reliable, comprehensive, and easy-to-understand consumer information. Businesses should not be solely responsible for this task.

SIMPLIFY CROSS-BORDER LEGAL ACTION AGAINST COMPANIES

Problem

If consumers suffer harm due to a company in another EU member state, they must have the possibility to take legal action via a court in their home country. This is not currently possible. For example, if you want to bring an action against the French state railway company for cancelled or delayed trains, you must do so via a court in France. Similarly, if holidaymakers want to take legal action due to problems at a holiday home, they have to do it in the country where the holiday home is located. The situation with regard to collective legal action is unclear.

Solution

Consumers must, without exception, be allowed to take legal action via the courts in their home country, and themselves be subject to legal action only via these same courts. It is vital to remove the exception for transport contracts in the EU Regulation on Jurisdiction in Cross-Border Cases. In addition, holiday home rentals must be classified as a consumer contract. Furthermore, it is essential to create a new area of jurisdiction for collective legal action that is in line with the place of jurisdiction for the related consumer claims.

INTRODUCE DATA PROTECTION AS CRITERION FOR VEHICLE TYPE APPROVAL

Problem

Connected and automated vehicles process personal data, such as the data of pedestrians in the vicinity of the vehicle. This data is protected by the General Data Protection Regulation (GDPR). When buying a car, consumers must be confident that the vehicle and its functions are compliant with data protection laws, otherwise they expose themselves to a liability risk. To date, however, the authorities responsible for granting approval do not check the data protection conformity of vehicle types.

Solution

The relevant authorities should not approve vehicles that are not fully compliant with data protection laws. The European legislator must therefore adopt legislation to adapt the EU Type Approval Regulation for passenger cars in such a way that vehicles comply with safety and environmental requirements as well as with the GDPR.

INTRODUCE CONSUMER-ORIENTED EUROPEAN PAYMENT SYSTEMS

Problem

European consumers depend on a few non-European payment providers such as PayPal, Visa, and Mastercard for cross-border payments. There is hardly any competition or European alternatives, which leads to high costs for consumers. While euro cash payments and SEPA credit transfers work across the eurozone, electronic payments are still fragmented across member states.

Solution

The European legislator must continue to push for the introduction of pan-European payment solutions. A digital euro and pan-European, consumer-oriented payment solutions would make cross-border payments cheaper and more inclusive. The digital euro must be free of charge for users, cost-efficient, and designed to enhance privacy and inclusion with respect to digital services.

ECOLOGICAL SUSTAINABILITY

Private consumption has a significant influence on the environment and climate. How consumers travel, invest, and eat helps determine whether ecological transformation is successful. Surveys show time and again that consumers want to contribute to more ecological sustainability – but they should not face this task alone. The European Union must create a general framework for ecologically sustainable consumption.



CREATE A CONSUMER-FRIENDLY ELECTRICITY MARKET

Problem

Transformation and expansion of the electricity market is needed in order to ensure that renewable energy sources make up a large part of the future energy supply. This transformation can only succeed together with consumers. The European Union needs to design a common and coordinated electricity market with cross-border transmission lines. At the same time, infrastructure costs must be kept as low as possible so that electricity remains affordable for consumers.

Solution

Low prices for electricity generated from renewable energy sources must benefit consumers, regardless of whether they rent an apartment, live in their own house, or reside in the countryside or the city. The electricity market must be designed in a way that promotes consumer participation in the energy market and better coordinates electricity generation and consumption. Consumers themselves should be able to contribute to this process, for example with digitally controllable consumer devices such as heat pumps or wall boxes for electric cars. These devices should be integrated into the electricity market in a consumer-friendly way. Moreover, companies should not benefit from windfall profits.



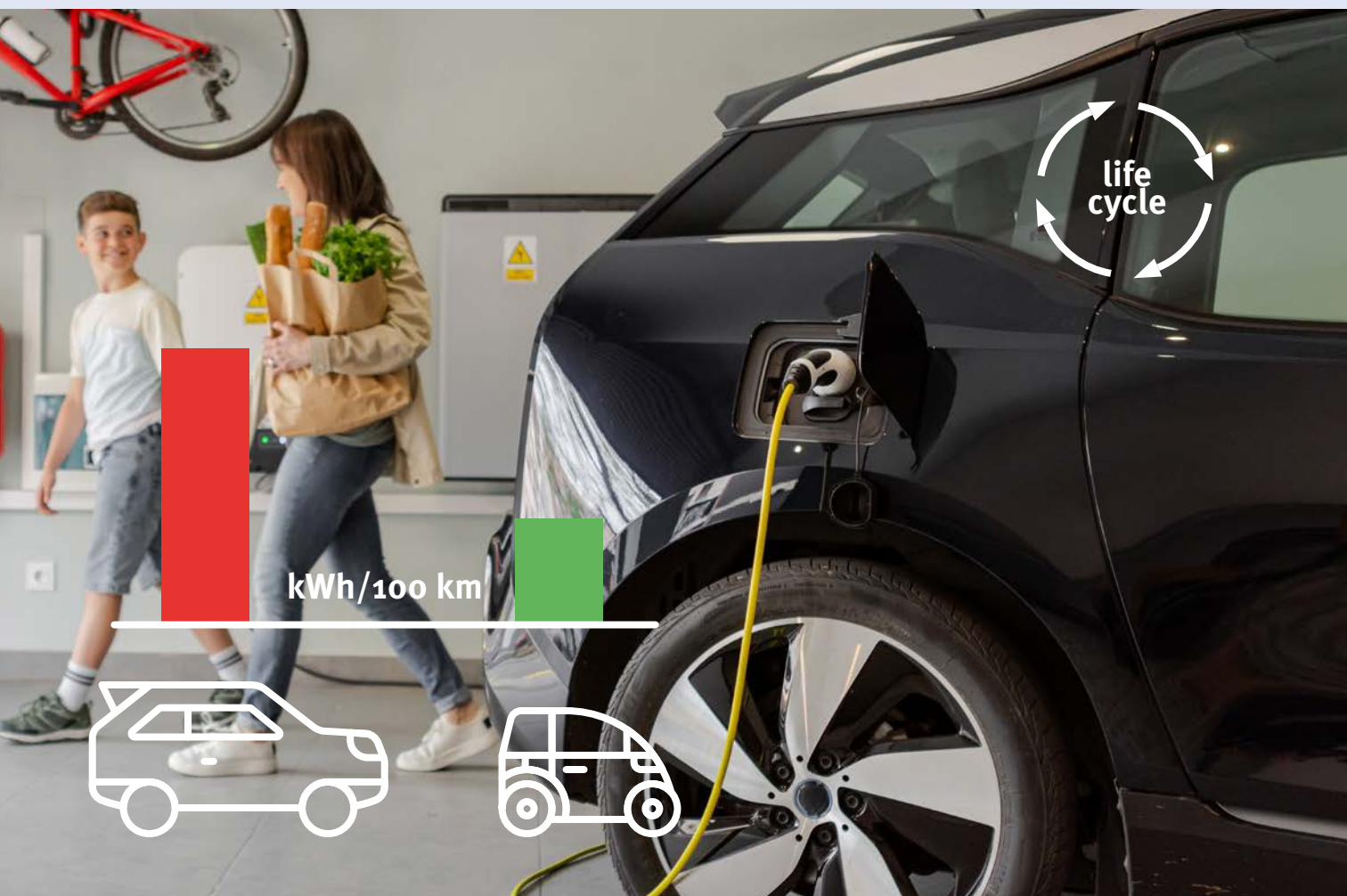
INTRODUCE EFFICIENCY REQUIREMENTS FOR E-CARS

Problem

The demand for electricity will increase due to a large number of electric cars, while the amount of renewable energy will remain limited even with a massive expansion of renewable energy sources. To prevent the transport sector from consuming excessive amounts of electricity, e-vehicles must use electricity as efficiently as possible.

Solution

The European legislator must promptly adopt ambitious efficiency targets for e-cars. This is not only about consumption when the car is running. It is essential to consider a car's entire life cycle – from raw material extraction to disposal. The aim must be to bring smaller, lighter and more economical vehicles onto the market in order to reduce energy consumption and costs for consumers.



PREVENT GREENWASHING IN THE INVESTMENT SECTOR

Problem

People who want to invest their money sustainably look for investment products that promise sustainability. Unfortunately, however, the products do not always live up to their claims, and it is difficult for consumers to recognise empty promises of sustainability. This makes investing in sustainable investment products difficult or even impossible.

Solution

The national competent authorities must strictly and effectively supervise the market of sustainable financial products. To this end, we urge the European legislator to expand the Sustainable Finance Disclosure Regulation. Strict and effective supervision in the area of sustainable investments is only possible if the regulation establishes a catalogue of sanctions as well as inspection obligations and the powers of supervisory authorities in EU member states. Providers must be effectively sanctioned if they mislead consumers with false sustainability promises.

ENHANCE PASSENGER RIGHTS WITH RESPECT TO MULTIMODAL TRANSPORT

Problem

Passengers whose trips entail various forms of transport, for example a train ride before changing to a long-distance bus, have so far been disadvantaged when it comes to passenger rights because there are often no through tickets for the entire journey. Liability for missed connections due to delays or cancellations is often excluded. This makes using public transport less instead of more attractive.

Solution

To better protect such travellers, vzbv urges the European legislator to complement transport-specific passenger rights, such as EU rail passenger rights and EU air passenger rights, with binding rules for multimodal journeys. Voluntary cooperation on the part of companies can only be the starting point. We urge the European Union to create binding rules that include all forms of transport throughout Europe.

SAFE FOOD PACKAGING AND TABLEWARE

Problem

Consumers are far too often exposed to harmful substances and potentially dangerous chemicals. Plasticisers in drinking bottles, mineral oil in chocolate and formaldehyde in coffee cups are just a few examples. The results of tests conducted by food authorities show that health-damaging residues that migrate from packaging and tableware into food are repeatedly found in foodstuffs.

Solution

Consumers must be able to rely on the safety of food packaging and tableware. The European legislator must complete the long overdue revision of the Regulation on Food Contact Materials. The revised rules should include a clear ban on particularly harmful substances, an authorisation procedure for food contact materials, and a standardised approach to labelling.

USE LABELS TO IMPROVE INFORMATION FOR CAR BUYERS

Problem

Consumers who pay attention to carbon emissions when buying a car can easily make the wrong choice. That is because the current energy labelling for cars rates them within their weight class. Consequently, SUVs that perform well within their weight class may receive a better label than a small car, even though SUVs emit significantly more CO₂ in absolute terms. Consumers might even choose a car that emits more CO₂ because it appears to have a more positive label rating. The current approach to labelling does not consider harmful emissions, nor does it take into account the specific features of new types of engines, such as those used in battery-powered electric vehicles.

Solution

Information for car buyers must be easy to understand, realistic, and uniform throughout Europe. To this end, the European legislator should fundamentally revise and replace the Directive on the availability of consumer information on fuel economy and CO₂ emissions in respect of the marketing of new passenger cars with a regulation. Information on energy consumption must no longer be greenwashed by other parameters, such as vehicle mass. Furthermore, the label should integrate pollutant emissions, realistic range information for e-cars, and information on battery charging time and durability.

SOCIAL SUSTAINABILITY

Socially sustainable consumer policies ensure the participation of all groups in society. It is vital to protect consumers from financial risks and unfair commercial practices.



INTRODUCE EU-WIDE MANDATORY NUTRI-SCORE LABEL ON FOOD

Problem

The majority of consumers want to eat healthy food. However, when they look at product packaging in the supermarket, they are confronted with a mass of information in small print. It is almost impossible to judge, for example, which type of muesli is the healthiest. Many foods are even advertised as being particularly healthy, even though they contain too much sugar, fat or salt.

Solution

To make the healthy option the easy option, consumers must be able to recognise healthier foods at a glance. To achieve this, we strongly recommend introducing the Nutri-Score as a mandatory and uniform label on all food products throughout the EU. In addition, nutrient profiles should regulate the maximum amount of sugar, fat or salt a product may contain in order to make claims about its health benefits.



REGULATE SOCIAL CLAIMS IN ADVERTISING

Problem

From shampoo and coffee through to travel, consumers are bombarded with advertising that promises sustainability. The focus is not only on environmentally or climate-friendly production, but also on social claims such as 'child labour-free', 'fair living wages' or 'fair trade'. Currently, however, there are hardly any legal requirements for advertising that focuses on social sustainability.

Solution

Consumers must be confident that advertising claims promising social sustainability are actually true. vzbv urges the European legislator to introduce binding rules on how social claims have to be substantiated and under which conditions they may be used.

GUARANTEE INDEPENDENT FINANCIAL ADVICE

Problem

Advisors who recommend financial or insurance-based investment products often recommend products that earn the advisors the most money, instead of the one best-suited to the client. This is because advisors earn commission on the products they sell, which creates a clear conflict of interests. Consumers receive offers that earn advisors the highest sales commission, instead of good products truly suited to the consumer. It is essential to resolve this conflict of interests by legally prohibiting the use of commissions in the financial advice sector.

Solution

Consumers should pay fees directly to financial advisors instead of paying for advice indirectly through sales commissions. Consumers can then be confident they will receive the products that are actually best suited to them.



PROHIBIT HIGH COSTS FOR BASIC BANK ACCOUNTS

Problem

Basic payment accounts should ensure that low-income consumers also have access to digital payment transactions. However, they are not always offered at reasonable prices that would reflect their important role as a socially sustainable policy tool. On average, German banks charge 108.45 euros annually for an online account and 148.11 euros a year for an account with in-person service. People with low incomes may thus not be able to afford a basic bank account at all.

Solution

The European legislator must adapt the pricing rules in the Payment Accounts Directive in order to prevent excessively high fees for basic payment accounts.

PREVENT SUPPLY SHORTAGES OF MEDICINES

Problem

Far too often, consumers stand at the pharmacy counter and do not get their urgently needed medicine due to supply shortages. At the same time, inflation is driving up the prices of medicine. As essential goods, medicine must not be subject solely to the rules of the market.

Solution

The European legislator must reform pharmaceutical legislation in a way that prevents supply shortages and ensures that medicines are always available.

REGULATE FOOD SUPPLEMENTS SAFELY

Problem

Suppliers of food supplements often advertise their products as miracle cures. However, official food controls repeatedly identify products that make illegal health claims and contain questionable ingredients and dosages of active ingredients that are sometimes far too high and harmful to health.

Solution

It is vital to define quality standards and purity requirements at the European level in order to protect consumers. We urge the European Commission to propose maximum levels for vitamins and minerals in food supplements, and to define rules for plant-based products in the EU Directive on Food Supplements and the EU Regulation on Food Fortification.

EXPAND EU AIR PASSENGER RIGHTS

Problem

European air passenger rights are a real success story for consumers. However, since 2013, a European Commission proposal for a reform of air passenger rights has been pending that would greatly reduce the current level of consumer protection. The coronavirus pandemic has shown how important strong passenger rights are. Airlines forced their customers to become involuntary creditors and refunded ticket prices only months later, which was illegal. Money paid in advance for expensive long-haul flights was often irretrievably lost due to airline bankruptcies.

Solution

We urge the European Commission to withdraw its 2013 proposal that would limit air passenger rights, and instead make a new proposal to strengthen air passenger rights, close existing loopholes, and codify the case law of the Court of Justice of the European Union. In addition, we call on the Commission to introduce mandatory insolvency protection and put an end to full prepayment for flight bookings.

MAKE GENERAL TERMS AND CONDITIONS EASIER TO UNDERSTAND

Problem

General terms and conditions (GTCs) are becoming longer, more complex, and less transparent. Many consumers shy away from reading GTCs and conclude contracts without understanding the contract terms. Companies, on the other hand, know their terms and conditions very well and refer to the clauses in the event of dispute.

Solution

New, fair, and digital standards are needed to help consumers better navigate GTCs and thereby their contractual relationships. If consumers are to agree to GTCs, they must be able to recognise the most important points immediately with the help of a summary in order to better understand the conditions of the contract. The standardised product information sheet in the insurance sector could serve as a model. We call on the European legislator to require companies to provide consumers with a similar, easy-to-understand summary of the most important contractual terms and conditions.

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