



INFO-C

Information from the Consumer Policy Service of the European Commission - Vol. IV, No 5-1994

A Full Programme

No let-up on the consumer policy front in this second half of 1994: first comes the European Consumer Forum on 4 October, followed by the Consumer Affairs Council of 31 October. We will be sure to keep you abreast of these two significant events in our next issue.

In the meantime we publish in this issue the eagerly awaited results of the hearings on the two Green Papers on Access to Justice and Guarantees and After-Sales Services organised by the Commission. There are also contributions on advertising legislation, television programmes on consumer affairs, product comparison tests, disparities in car prices and even teddy bears, to mention but a few. In a nutshell, we have remained true to the eclecticism that is the hallmark of **INFO-C** and we are steadfast in our endeavours to provide you with the information you want.

We would like **INFO-C** to be even more of a leading-edge meeting-place for pooling information and ideas between everyone in Europe - and indeed outside Europe - who shares the same enthusiasm for the same cause: protecting the consumer. This is why we would like you to be involved in writing this magazine in a genuinely interactive process. To this end - as you will see in this issue - we are launching explicit calls for your contributions and viewpoints on the prominent issues in consumer affairs today.

So, take up your pens and help make **INFO-C** *your* magazine!

INFO-C

Two-monthly periodical
 Editor: Nicolas Genevay
 European Commission
 Consumer Policy Service
 rue de la Loi 200
 B - 1049 Bruxelles
 Tel: +32/2/295.70.80
 Fax: +32/2/296.32.79
 Date : texts finalised 15/9/94
 ISSN No 1018 - 5755

OF SPECIAL INTEREST

Agenda for Consumer Affairs Council of 31 October	2
New CCC	2
Advertising Laws	4
Consultations on Green Paper on Guarantees and After-Sales Services	6
Consultations on Green Paper on Access to Justice	9
Car Prices	13
TV Programmes on Consumer Issues	14
Diary	23

AGENDA OF THE CONSUMER AFFAIRS COUNCIL OF 31 OCTOBER 1994

1. Amended proposal for a European Parliament and Council Directive on the protection of purchasers in respect of certain aspects of contracts relating to the purchase of the right to use immovable properties on a timeshare basis.
(Adoption)
2. Amended proposal for a European Parliament and Council Decision introducing a Community system of information on home and leisure accidents (EHLASS).
(Adoption)
3. Council Directive 88/315/EEC of 7 June 1988 amending Directive 79/751/EEC on consumer protection in the indication of the prices of foodstuffs and Council Directive 88/314/EEC on consumer protection in the indication of the prices of non-food products.
(Debate)
4. Transparency and performance of cross-border payments – Consumers' Charter.
(Political discussion)
5. Conclusions drawn by the Commission from the debate on the two Green Papers (Access to Justice, Guarantees and After-sales Services).
(Debate)
6. Measures concerning the labelling of products in the interest of the consumer.
(Political discussion)

THE NEW CCC HAS ARRIVED

Forgive the somewhat easy-going title, and also our delay in spreading the word in **INFO-C**, but the news came in when our last issue was already in press.

On 12 and 13 July 1994, the inaugural plenary meeting comprising the new members of the **Consumers' Consultative Council (CCC)**, the consultative body of the European and national consumer organisations at the Commission, was held.

As reported in the April issue of **INFO-C**, on 8 February 1994, the Commission altered the CCC's membership in order to bring consumer representation into line with trends in the consumer movement. Notably, the representation of the European Office of Consumer Unions (BEUC) was raised from four to eight members, regional consumer institutions were represented for the first time, and the representation of consumer organisations associated with the trade union movement was modified in order to include organisations which are actually active in the field of consumer affairs.

The 45 members of the new CCC thus met for the first time on 12 and 13 July 1994.

After a very brisk debate a Chairman and three Vice-Chairmen were elected. The chairman is Mrs M-J. NICOLI, who is also head of *UFC-Que Choisir*, a French consumer organisation affiliated to BEUC. The Vice-Chairmen are Mr P. EMAER (COFACE), Mrs B. FEDERSPIEL (Denmark) and Mr A. SCHÖNE (Eurocoop). The CCC did not succeed in electing the other members of the Bureau, or in taking any of the decisions on its agenda required to render it operational. The Commission hopes that the members of the CCC will soon be able to settle their differences so that they can fulfil their role as representatives of the European consumer at the Commission.

Contact:
Janet DREVER
Consumer Policy Service
European Commission
rue de la Loi 200
J70 3/3
B-1049 Brussels
Tel: +32/2/295.97.43
Fax: +32/2/296.42.72

**LIST OF FULL AND ALTERNATE MEMBERS OF
THE NEW CONSUMERS' CONSULTATIVE COUNCIL**

Members	Alternates	Members	Alternates
L. MAIER (D)	I. NEUMANN (D)	M. FERNANDEZ DE LIS (E)	J.S. PAPADOPOULOS (GR)
G. FRANCKE (D)	B. KÜHNLE (D)	N. MOLISSE (B)	B. SANDMANN (D)
J-M. GONZÁLES-CAVADA (E)	C. BRAÑA PINO (E)		
S. NAVARRO GRACIA (E)	I. GARCÍA SÁNCHEZ (E)		
G. GOUBIER (F)	Y. HUGUET (F)		
C. HUARD (F)	J-P. PEINOIT (F)	EUROCOOP	
G. SCROFINA (I)	E. GAGLIARDI (I)	A. LASKURAIN ARTECHE (E)	I. PASQUALI (I)
A. CIAPERONI (I)	A. CAMPANA (I)	P. HALLEUX (B)	P. JOLIVET (F)
A. DALTROP (UK)	R. GALE (UK)	F. STACK (UK)	O. JEPSEN (DK)
C. BROWN (UK)	S. PAYNE (UK)	A. SCHÖNE (D)	A. BOUSA PEREIRA (P)
A. CORNEROTTE (B)	E. STEVENS (B)		
B. FEDERSPIEL (DK)	S. GECKLER (DK)	ETUC	
M. FRANGISKOU (GR)	D. ANAGNOSTOPOULOU (GR)	P. MARLEIX (F)	J-L. PELAYO REXACH (E)
K. HARLIN (IRL)	T. CAREY (IRL)	P. LANDI (I)	B. CULOT (B)
A. COLOMER (L)	S. SCHAELEL (L)	L. BAASTRUP (DK)	D. SCHNEIDER-ZUGOWSKI (D)
K. ANDERSON (NL)	A. KOOPMAN (NL)	P. ADURNO (I)	N. HOFFMANN (L)
M. BEJA DOS SANTOS (P)	I. MENDES CABEÇADAS (P)		
		IEIC	
BEUC		M. Vlieghe (F)	T. Wolsing (D)
C. Gill (IRL)	M. ATAIDE FERREIRA (E)	I. SEGURA Y RODA (E)	C. BAKER (I)
D. PRENTICE (UK)	F. ARCIDIACO (I)		
S. MAUCQ (B)	C. VAN DEN HOLE (B)	EXPERTS	
D. KLASSEN (D)	T. HÖHFELD (D)	R-C. MADER (F)	C. DE THUIN (F)
M-J. NICOLI (F)	D. BIDEAU (F)	J-D. GOMEZ-CASTALLO (E)	G. CASADO CONDE (E)
A. BARTOLINI (I)	V. RICCIOLI (I)	M. LUCAS ESTEVÃO (P)	A. CARRAPIÇO (P)
J. DEL REAL MARTIN (E)	C. SANCHEZ REYES (E)	C. CARSTEN (D)	H. LEMBKE (D)
J. MURRAY (IRL)	V. THOMPSON (UK)	G. ALPA (I)	M. GOYENS (B)
		N. O'LOAN (UK)	M. BELL (UK)
COFACE			
D. PHILLIPS (UK)	M. FAIGNART (B)		
P. EMAER (F)	S. MURPHY (IRL)		

ADVERTISING IN EUROPE: ONE MESSAGE, TWELVE MARKETS¹

Because the individual Member States have wide latitude in regulating the advertising practices within their national borders, there is a hodge-podge of advertising laws in the EU. This raises concern that the existence of so widely different regulatory regimes makes it difficult for consumers to gain full and accurate knowledge about the range of products available to them in the Single market.

In 1978, the Commission proposed a directive - that was adopted six years later - designed to combat unfair and misleading advertising². It said that national authorities must provide effective measures for controlling such advertising, established the important principle, "reversal of the burden of proof" (which means that advertisers may be required to prove any factual claim they make), and provided a definition of "unfair advertising".

In the United States, as much as 33 percent of network TV advertising features brand comparisons. In the EU, the rules on the matter vary greatly among the Member States. While comparisons in advertising have traditionally been permitted in the UK, Ireland, Denmark, Spain and Portugal, they have been subject to tight regulations. These advertisements may run foul of trade-mark protection laws in the Netherlands, and unfair competition laws in Germany. Comparative adverts are prohibited in France, Italy, and Belgium. The Commission believes that comparative advertising would improve consumer information and help small companies compete with larger, more established ones by enabling them to directly showcase the advantages they offer over better-known brands. The Commission also believes that the proliferation of cross-border advertising on TV and radio makes it necessary for Member States to establish uniform rules on comparative advertising. The fact that some Member States allow such advertising (although subject to tight regulation) while others do not, gives companies in the more liberal regulatory regimes a com-

petitive advantage, because their competitors in stricter jurisdictions cannot counteract effectively.

To correct these competitive distortions, the Commission proposed a Directive in 1991 that would legalize comparative advertising in the EU. The draft Directive, which took the form of a proposed amendment to the existing Directive on unfair and misleading advertising, would allow comparative advertising on certain conditions.

First, the elements to be compared in the advert would have to be "material" ones, meaning that they would have to be relevant and important to the product or service's overall purpose. An advertiser would have to be able to support the claims made in a comparative ad with scientific or statistical evidence.

The comparison could not mislead consumers, within the meaning of the directive on unfair and misleading advertising, and the ad could not cause confusion in the marketplace between the advertiser's trademarks, trade names, goods, or services and those of its competitors.

Similarly, advertisers could not use the comparison as a means of capitalizing on the reputation of the trademark or trade name of a competitor.

Finally, the directive would not allow advertisers to denigrate their competitors in a comparative ad.

This last criterion has been the source of much controversy within the European advertising industry, because of the numerous possible interpretations of the word "denigrate". While many advertisers generally welcome an EU directive that would, in principle, open new avenues of product promotion, they see a potential land mine of legal complications that the draft directive could create.

A second problem with the draft directive is that it leaves implementation of the comparative advertising restrictions to the discretion of regulators in the individual Member States. Some critics of the proposed directive

¹ This is a summary of an article written by Susanne Meier Robinson, president and senior trade consultant of European Access Enterprises based in Raleigh, N.C., USA, and published in *The Journal of European Business*, January/February 1994.

² Directive 84/450/CEE.

say this could result in a future regulatory regime that is just as confusing and piecemeal as the current situation.

Finally, some of the Member States that do not currently allow direct comparisons in ads have expressed concern that such advertisements could be crafted to mislead consumers. For example, an advertiser could make verifiable claims about a competitor's product, while at the same time strategically omitting information that is essential to an accurate characterization of that product (a common practice in American advertising).

These concerns have been partially responsible for delays in the Commission's consideration of the proposed comparative advertising directive, which has yet to be adopted by the Council of Ministers.

While many companies have found that comparative advertising campaigns have bolstered their products' successes in the US market, the divergent views of the Member States on this issue mean that a European Single Market for advertising is probably still a long way off.

TAKING CONSUMER PROTECTION SERIOUSLY

All Europeans know that the US conception of product liability is a model for the rest of the world. Indeed, we learn from an article in the *Financial Times* (3 August, 1994), that US Federal Law now prescribes the following very sensible notice to be affixed to all roller towels across America:

"Instructions:

1. Pull towel gently with both hands.
2. Wipe hands and face.
3. WARNING: Do not attempt to hang from towel, or insert your head into the towel loop. Failure to follow these instructions can be harmful or injurious."

GREEN PAPER ON GUARANTEES FOR CONSUMER GOODS AND AFTER- SALES SERVICES: SUMMARY RESULTS OF THE CONSULTATIONS

In general, a large majority of the replies welcomed the Green Paper and the proposals it contains. Only a small minority were set against any Community-level measures in the field of guarantees, sometimes suggesting that it would be better to focus on information and access to justice for consumers rather than specific measures in the field of guarantees.

The Opinion of the European Parliament

Parliament adopted a quite detailed resolution, requesting the Commission to prepare by end 1994 a proposal for a Directive designed to ensure minimum harmonisation of legal guarantees, as well as another proposal designed to establish a legal framework for commercial guarantees and to create a Euro-guarantee based on a system of preliminary control. This resolution also invites the Commission to take a closer look at the question of after-sales services than it did in the Green Paper.

The Opinion of the Economic and Social Committee

The ESC welcomes gradual harmonisation in regard to the legal guarantee, and is also in favour of framework rules and a European consumer code as regards the commercial guarantee; in the case of after-sales services, it favours the establishment of codes of conduct in preference to legally binding rules.

The Replies from the Member States and EFTA

As a rule the Member States' replies are quite positive and encouraging. Some have come out clearly in favour of Community measures to harmonise the legal guarantee and to adopt a Community legal framework for commercial guarantees (this is also the

position of the EFTA countries). Others are more reticent but say they will support initiatives in at least one of these domains (legal guarantee and commercial guarantee).

The Council

The Council reaffirms its conviction that the internal market must benefit all consumers and that they must be encouraged to participate actively in the working of this market; it draws attention to its earlier resolutions, welcomes the Green Paper and the Commission's suggestions and invites the Commission to communicate its conclusions based on the follow up to the Green Paper.

The Response of the Socio-Economic Groups

If we consider only the large organisations which are representative at European level and which have made substantial contributions, three groups may be distinguished:

- the consumer organisations, which clearly and vigorously support the Community initiatives;
- professional organisations which welcome minimum harmonisation of the legal guarantee and would like to improve the situation pertaining to commercial guarantees by introducing codes of conduct;
- professional organisations which in principle are opposed to harmonisation of the legal guarantee, but are not opposed to Community action in regard to commercial guarantees, or at least codes of conduct.

Other Responses

The individual replies express different viewpoints but the law professors who replied to the Green Paper were by and large in favour of Community measures. Particularly the ECLG, a university group of consumer law specialists in the Community and EFTA Member States, welcomes Community measures aiming at minimum harmonisation of the legal guarantee and at establishing a global legal framework for the commercial guarantees.

Replies to the Questions in the Green Paper

1. Harmonisation of the Legal Guarantee

66% positive replies as opposed to 27% negative replies and 7% undecided.

Most of the replies (82%) consider that Community harmonisation should have a minimum character. However, some stress that this minimum must be based on a high level of consumer protection, or that it should achieve a level high enough to avoid distortions to competition. The 10% of replies in favour of total harmonisation fear that minimum harmonisation, allowing more stringent national legislation, would lead to distortions in competition or would fail to bridge the gap between continental law and common law. Harmonisation limited to cross-border aspects is proposed in 4% of the replies, while the remaining 4% speak of "progressive" harmonisation.

Generally, the respondents did not consider changing the rules of private international law to be a workable alternative to harmonisation. However, 36% of the replies held that existing rules of private international law, notably the regime based on the Rome Convention, should be modified so as to provide better protection to consumers on the basis of the rules of their country of origin. This solution is normally pictured as a desirable add-on to minimum harmonisation.

a) Scope

The great majority want a specific scheme for the protection of consumers. Only about 15% think that harmonisation of the legal guarantee should have a general scope.

Half of the replies prefer the subjective criterion "consumer contracts" and half prefer the objective criterion "consumer goods". Some replies proposed a mixed criterion.

b) Limitation to certain goods

The Commission's suggestion was to restrict possible harmonisation to movables, durable goods and new goods. If in principle there was general agreement that immovable property should be excluded, the great majority of replies (77%) believe that non-durable goods

and second-hand goods should not be excluded from a Community initiative.

c) Extension to services

An overwhelming majority (81%) consider that the rules on harmonisation of the legal guarantee should be extended to suppliers of services, at least when these services relate to goods (installation, upkeep, repair, etc.).

d) Notion of defect

65% of the replies are in favour of the general criterion of "legitimate expectations", 26% are opposed and 9% are undecided.

Many of the replies flesh out the criterion of "legitimate expectation" so as to make it more explicit, including measures such as conformity with the contract, fitness for normal use, durability, safety, conformity in regard to advertising and product information, etc. The negative responses voice the fear that the "legitimate expectation" is too subjective a criterion. Other proposals made are "reasonable expectation", "fit for use", etc.

e) Time of defect

The overwhelming majority (91%) consider that goods should be free of defects at the time of delivery, and that it is not enough that they should be so at the time of sale.

f) Who is liable?

65% agree that liability for the legal guarantee should be extended to the manufacturer, 27% are against and 8% are undecided.

Most of the affirmative responses (60%) are in favour of a more restrictive solution (joint and several liability of sellers and manufacturers) than the one proposed in the Green Paper (primary liability lying with the seller and quasi-subsidary liability lying with the manufacturer).

g) Beneficiaries

All the replies consider that rights deriving from the legal guarantee should pass on to all successive owners of the good. Half of the respondents believe that all users of a good, not just the owner, should be able to invoke the legal guarantee.

h) *Impact*

The suggestions contained in the Green Paper emphasise the need to balance the interests of consumers and professionals. 36% of the replies are broadly speaking in agreement. 34% think that the suggestions are too favourable to professionals, while 24% think that they are too favourable to consumers and 6% are undecided.

The 34% "pro consumer" replies criticising the Green Paper's suggestions argue that consumers should always be entitled to choose between the four rights (refund, reduction in price, repair of the product, replacement), and some insist that the consumers should have the fundamental right of being able to back out of the contract and get a refund. The professionals express dissatisfaction with the suggestion that, in the event of repair, the consumer should only be obliged to tolerate one attempt, but their other criticisms are not quite so clear. Certain professionals reject having to repair or replace the product (although the Green Paper's suggestions never claimed this was absolute, because the professional will always have the right to force the consumer to cancel the contract and take a refund), while others consider that the only right deriving from the legal guarantee should be the right to have the product repaired.

i) *Guarantee period*

The suggestion that the guarantee period be divided into two separate periods, i.e. the distinction between a time limit for the guarantee (period, starting with delivery, during which discovery of a defect entitles the purchaser to take action on the basis of the legal guarantee) and a time limit for action (period during which action may be taken, and which starts with discovery of the defect) was broadly accepted.

Several proposals were made concerning a concrete guarantee period: the normal life expectancy of the products, two years (as in the Vienna Convention), one year, six months or different periods depending on the product in question.

j) *Relations with the commercial guarantee*

Most replies agree that the commercial guarantee should give the consumer additional benefits over and above the legal guarantee, that the guarantee should be mandatory and that application of the commercial

guarantee should not prejudice the concurrent or subsequent triggering of the legal guarantee, should this be necessary.

2. European Legal Framework for Commercial Guarantees

70% of the replies agree on the need for measures to improve the commercial guarantee. 50% are in favour of framework rules at European level, while 20% think that codes of conduct would be a better solution. Only 10% of the replies think that nothing should be done and 20% are undecided but are normally not downright opposed to positive Community initiatives. The Green Paper proposes a very general and flexible scheme as regards the legal framework for commercial guarantees. It is based on certain mandatory rules concerning the information to be provided and the status of the guarantees and certain additional rights concerning their content.

Liability: Who is legally liable for a guarantee given by a manufacturer? It is difficult to contest the manufacturer's liability for this guarantee. The questions raised concerned the seller's liability and the liability of other members in the distribution network.

Two-thirds of the replies consider that the seller alone should be legally liable for a manufacturer's guarantee, unless he has made a declaration to the contrary and, provided some kind of distribution network exists, that all members of the network have to be considered legally liable vis-à-vis the final consumer. Another suggestion was made at the hearing: even if the retailer cannot be considered legally liable for the guarantee offered by the manufacturer, he should at least be obliged to provide the consumer with any help he needs in implementing the guarantee.

3. Euro-Guarantee

The regime proposed by the Green Paper concerning the use of the Euro-guarantee label was as follows: application of standard guarantee conditions in all the Member States, in relation to the same types of goods bearing the same brand name and the real possibility of having the guarantee honoured in any Member State, no matter where the good was purchased. 49% of the replies are in favour of a Euro-guarantee, 31% are opposed and 20% are undecided.

The hearing showed that there is no fundamental objection to the Euro-guarantee as presented up to now, but that few people are very enthusiastic about it. The main recurrent objection was the guarantee's lack of substance (all it means is that the warranty must be honoured throughout the common market under uniform conditions). Hence its critics argue that the creation of a label should at least go hand in hand with minimum quality standards for the guarantee (duration of guarantee, conditions of application, etc.)

4. After-Sales Services - Spare Parts

58% believe that initiatives should be taken, 32% consider that nothing need be done and 10% are undecided. A number of negative and undecided respondents are not however entirely opposed to self-regulatory initiatives. Among the positive replies, a large majority (71%) would welcome better information (obligation to provide information on how long spare parts will be available), 23% prefer a regulatory approach (mandatory minimum periods, depending on the sector), and only 6% think that codes of conduct are an adequate solution.

The general preference for an information-oriented approach does not however exclude the recognition of a minimum obligation to provide spare parts over a certain period, which several respondents argue derives from the legal guarantee or from the commercial guarantee. As regards the way the information is to be provided, suggestions range from establishment of a regime on French lines (obligation incumbent on the seller) to the system of the producer's liability label.

Several replies insist that the Commission should make more far-reaching proposals in regard to after-sales services. The problems for consumers that have to be tackled are shoddy after-sales services, repair periods and cost transparency (for example the problem of estimates).

5. Other Suggestions

Innumerable suggestions were made on specific points. These suggestions will be a major source of inspiration should it be decided to prepare a draft Community text.

Broadly speaking, several suggestions concern strengthening rules relating to competition law, such as

according consumers a direct right to bring proceedings in the event of infringement of competition rules and the granting of a "Euro-guarantee" by firms as a prerequisite for an exemption decision pursuant to Article 85.3 of the Treaty¹.

Contact:

Mario-Paulo TENREIRO
Consumer Policy Service
European Commission
J70 5/1
rue de la Loi 200
B-1049 Brussels
Tel: +32/2/295.13.67
Fax: +32/2/296.32.79

GREEN PAPER ON ACCESS OF CONSUMERS TO JUSTICE AND THE SETTLEMENT OF CONSUMER DISPUTES: SUMMARY RESULTS OF THE HEARINGS

On 16 November 1993 the European Commission adopted the Green Paper on "Access of consumers to justice and the settlement of consumer disputes in the single market" (COM(93) 576 final).

The purpose was to set in motion an in-depth debate on this question and on the types of initiatives needed at Community level. All interested parties were therefore invited to submit their comments, remarks and suggestions.

To this end, and in anticipation of the European Consumer Forum, the Commission organised hearings on 22 July of this year, open to all parties who had submitted comments, remarks or suggestions by 30 June.

The hearings provided an opportunity to discuss a number of options drawn from the responses received by the Commission, so as to gain a better idea of what the scope of the Community initiatives should be.

¹In this context see also the Commission's recent Decision of 12 December 1993 on Grundig's EC distribution system, (OJEC No L 20, 25 January 1994, p.18, paragraph 19). Grundig has undertaken "pending the full introduction of the comprehensive European warranty, to ensure that consumers can claim a warranty servicing in the Member State in which they are resident even where they have acquired the relevant appliance in another Member State, and has given appropriate instructions to all its subsidiaries and sole distributors in the various Member States. The scope of the warranty is determined by the warranty rights allowed in the country of purchase".

The following summary presents the main conclusions of these hearings, which were attended by 74 organisations representing all of the interests concerned.

1. Prevention of disputes

Actions for injunctions can be brought in all Member States of the European Union (in Germany, for example, under Article 13 of the law on unfair competition), in respect of certain unlawful practices which risk disrupting the smooth functioning of national markets. These injunction actions play a preventive role, in that courts can order the cessation of an injurious practice rather than simply calculating the injury liable to be caused to consumers and competitors through the continuation of the said practice.

Actions for injunctions also allow "savings" in the administration of justice. And, from the point of view of undertakings, they help to avoid the distortions of competition which result from repeated unlawful practices (*vis-à-vis* law-abiding competitors), as well as helping to establish legal certainty (a court judgment in an injunction action can sometimes help to avoid three thousand or thirty thousand individual actions for damages).

In the Single Market, the problem is to ensure that the protection offered nationally by injunction actions is also offered across frontiers, for example when an unlawful practice causing injury in country A originates in country B (the difficulties presented by this type of scenario are discussed in chapter III B2 of the Green Paper, and numerous specific cases have been mentioned by the consumer organisations).

To this end, the Commission raised the possibility of applying mutual recognition (Green Paper, chapter IV A).

In each Member State, actions for injunctions in respect of unlawful practices can only be brought by "qualified" entities (employers' federations, representative or "approved" consumer organisations, public authorities) which are recognised as representing the interest injured by the unlawful practice.

Consequently, the recognition of the representativeness of these entities in their own countries could be extended into a mutual recognition² between Member States, as happens already with the mutual recognition of nationally recognised banks and insurance companies.

² For present purposes: the right to bring an action for an injunction.

This solution, which has the advantage of leaving Member States free to establish "who" represents the protected interest in each country,³ found favour with the great majority of interested parties. Nevertheless, the employers' federations represented by the UNICE still had reservations about the need for a Community initiative of this type, and the consumer organisations insisted that the debate should be extended to include (collective) actions for damages.

2. Settlement of disputes

a) Present situation

- i. Whenever a dispute arises, the first step should always be a DIALOGUE between the parties concerned.

The dialogue will very often enable an amicable solution to be found or possible misunderstandings to be cleared up before any unnecessary expense is incurred.

The problem is that attempts to establish a dialogue can be complicated by certain legal and/or material barriers, for example ignorance of the law which applies to the dispute, disparities between national legal systems, language problems, distance and the cost involved in communicating at a distance and in a language which is not the language of one of the parties.

It is the combination of all these legal and material barriers which complicates the settlement of transfrontier disputes. When the consumer and the professional live in two different countries, these accumulated difficulties seriously hamper the search for an amicable solution.

- ii. When no direct dialogue has taken place, or when dialogue has failed, the dispute can be referred to a body which:
 - seeks to bring the opposing parties closer together (conciliator, mediator),
 - delivers an opinion or a recommendation concerning the dispute (complaints boards in some countries, ombudsmen in certain economic sectors),
 - delivers a decision which is legally binding on both parties (courts, arbitrators).

³ The alternative would be to harmonise the criteria defining "representativeness".

In the case of cross border disputes, this "second stage" is hampered by additional difficulties, discussed in chapter III A.2 of the Green Paper.

The abundance of initiatives developed at national, regional and local levels or in certain economic sectors is encouraging in itself, but faced with so many alternatives the consumer often lacks crucial information: the procedure for referring disputes to these bodies, the extent of their competence, the legal status of their "decision" (opinion, recommendation, decision binding on one party only, arbitral judgment, etc.). Very often (and this was confirmed at the Commission hearings), the very existence of such bodies is known only to a small minority of their potential users, especially so in the case of "foreign" consumers.

b) Possible Solutions

There are standardised forms to help European citizens deal with some of the problems most commonly encountered in their daily lives and to facilitate administrative procedures in such cases.

One example is the form entitling people to receive health care when abroad. Another is the "accident report form", the jointly-agreed statement for insurance purposes which permits an immediate dialogue between the parties to a traffic accident. These forms exist in the nine Community languages, and experience shows that their use has significantly improved the situation in their respective fields.

A similar initiative might be appropriate for consumer disputes, which affect both the smooth functioning of the market and the citizen in his or her daily life. A standard form, existing in all Community languages, would have the following advantages:

- i. It would permit a dialogue between the parties to a dispute, regardless of country of residence.

The complainant would state his claim on the front of the form, while the back would be reserved for the second party's reply. In this way, the second party could respond within a certain time:

- the problem hinged on an oversight or misunderstanding, this could be explained;
- if the problem was genuine but there was a chance of a compromise, an amicable solution

could be proposed and submitted to the first party for acceptance (in the box provided).

- ii. It would advertise the existence of a body (ombudsman, arbitration centre, conciliator, etc.) which could help in resolving the dispute or could deliver a ruling.

If the second party agreed, the form could be transmitted to the body indicated, which would find in it the details of the claim and a brief description of the material facts.

- iii. If the second party failed to reply within the set time, or if there still was disagreement, the complainant would have complied with the requirement to give formal notice and would thus be entitled to bring the case before the competent courts, to which a copy of the form would be given.

c) Conclusions

The idea of such a form received a very favourable response at the hearings, although it was emphasised that organisations representing such large numbers of members or countries would first need to consult their members on this idea.

The representative of the European Association of Judges stressed that the scheme was both valuable and feasible, based on experiences in other fields. Assistance from the European Association of Judges in the establishment of the scheme would be invaluable.

Other speakers emphasised that consumer organisations, lawyers and employers' federations could play an important "relay" role by helping to distribute the form and assisting users.

The Commission representative emphasised that the debate which had now been opened up would be developed further in the months ahead, notably at the European Consumer Forum.

Contact:

Marco GASPARINETTI
European Commission
Consumer Policy Service
J70 5/10
rue de la Loi 200
B-1049 Brussels
Tel: +32/2/295.72.58
Fax: +32/2/296.32.79

**CROSS-BORDER PAYMENTS:
OPINION OF THE ECONOMIC AND SOCIAL
COMMITTEE¹**

In August 1994 the **Economic and Social Committee** published its opinion on a Commission draft text on *the transparency and performance of cross-border payments*. The ECS prefers a code of good conduct to a directive, arguing that the 1992 version of the guidelines of the Payment Systems Users Liaison Group (PSULG) could be the basis for a code or charter laying down transparent conditions for the customer, who should be able to compare the offers made by rival credit institutions.

However, if the Commission opts for a Directive:

- it should be limited to setting out a general framework because, if the Directive imposes detailed binding conditions, it is to be feared that many banks will simply refuse orders for cross-border transfers because they will be unable to meet the requirements;
- it should be made clear that the Directive does not apply to payments in non-EU countries;
- no binding deadlines should be imposed.

Economic and Social Committee
rue Ravenstein 2
B-1000 Brussels
Tel: +32/2/513.48.93
Fax: +32/2/519.90.11

**PUBLIC SERVICES - THE CONSUMER AS
"CLIENT-KING" OR "USER-HOSTAGE"?**

Umpteen strikes, sluggish service, overcharging, lack of transparency in decision-making - these are the typical charges levelled at national public services. A recent **BEUC** study on postal services in the European Union reinforces this image. The study relates to cross-border postal services in the European Union and Switzerland. Some of the figures beggar belief: only 50% of letters arrive at their destination within three days, while 13% take over five days and 1% get lost! Only four countries manage an average delay of three days - Germany, the United Kingdom, France and Luxembourg. As to costs,

¹ Rapporteur: Klaus Meyer-Horn (Germany - Employers) - Document: CES 854/94.

there are enormous disparities for domestic mail, intra-EU mail, printed matter and express services.

BEUC deplores the fact that Community measures adopted up to now (the Green Paper of 1992, the Commission's Communication of 1993 and the Council Resolution of 1993) have not brought about a single market for postal services and an improvement in their quality. With a view to improving the situation, BEUC has formulated the following proposals:

- the Commission should propose effective European legislation
- precise quality criteria should be defined for the postal services
- these services should be monitored regularly by independent agencies and the results should be published
- there should be more competition in non-reserved services
- injured clients should be properly compensated.

Contact:

BEUC
Avenue de Tervuren 36, box 4
B-1040 Brussels
Tel: +32/2/735.31.10
Fax: +32/2/735.74.55

Given the importance of the debate on public services in the current context of deregulation and privatisation, **INFO-C** would appreciate feedback from its readers. We would like to acquaint our readers with the studies which some of you have conducted on the situation of individual public services and notably studies presenting **a review of deregulation or privatization of public services from the consumer's perspective**. Naturally, as regards this second question we have in mind in particular our British friends. Go ahead and write!

Send your contributions to:

Nicolas GENEVAY
European Commission
Consumer Policy Service
rue de la Loi 200
J70 4/10
B-1049 Brussels
Tel: +32/2/296.38.66
Fax: +32/2/296.32.79

COMMISSION TABLES ON PRICES FOR NEW CARS

In July, the **Commission** published its latest review of prices for new cars. The aim is to improve the transparency of the European car market and stimulate cross-border purchases, thus favouring the integration of the market. Copies can be obtained from local members, associates or correspondents of BEUC. Following is a summary of the findings, published by the European Commission's Spokesman's Service.

Car Prices Within the European Union on 1 May 1994

In continuing its policy to monitor car price differentials with the European Union, the Commission hereby summarizes its findings as of 1 May 1994.

1. In the period under review the Commission has noted a slight reduction in price disparities between the Member States. Taking into account that exchange rates have remained largely identical to those of 1 November 1993, with variations of not more than +/- 2% (except for the BFR/LFR, which was revalued by 2.7%), this reduction could be, to some extent, attributed to efforts on the part of car manufacturers to narrow the price disparities across the European Union.

Looking at the cars produced by European manufacturers, the number of models showing a price differential of more than 20% fell from 23.8% in November 1993 to 22.5% in May 1994. The Japanese on the other hand, showed a slight increase in that area from 8% of models with a price differential of more than 20% in November 1993 to 9.2% in May 1994. This evolution is reinforced when monetary fluctuations are excluded by using the ecu rate of November 1993 for the current analysis. Furthermore, using this exchange rate calculation it can be seen that there has been an increase of 40% among the European models and 25% among the Japanese models which fall into the bracket of having price differentials of less than 20%.

The Member States showing the lowest prices continued to be Spain (31% of all models), Portugal (28%) and Italy (13%). As against this, the highest prices markets are Germany (31%), France (24%) and the United Kingdom (19%).

2. On examining the different market segments it was found that "Mini Cars" and "Small Cars" show the highest price differences: 40% of their models have price differences of more than 20%. In contrast to this about 15% of the "Medium", "Luxury" and "Multi-Purpose/Sports Cars" and only about 10% of the "Large Cars" and "Executive Cars" fall within this bracket.
3. On analysis, the car producers which persistently showed differentials between Member States of greater than 20% for any one model were Citroën, Seat, Peugeot, Alfa Romeo, Fiat and Volvo. Others such as Audi, Lancia, Rover, Renault, Mercedes and General Motors, figured predominantly among those with price differences below 5%. This is also true for the Japanese producers with the exception of Honda and Nissan.

Mercedes and Audi are the only producers to supply all of their models with a price differential of less than 20%, and this is also true for Daihatsu, Honda and Subaru among Japanese manufacturers.

As in November 1993, the highest price differential found in the period under review is for the Seat Ibiza model, with a difference of 41.6% between Portugal (the cheapest market) and Germany (the dearest market).

4. To summarize, there was some slight reduction in price differentials between November 1993 and May 1994. However, it must be concluded that substantial price disparities persist in this sector which cannot be exclusively attributed to currency fluctuations. If, as in the period under review, relative exchange rate stability would persist, we should hopefully see, across the Community, a much greater reduction in car price disparities emanating from market forces.

Methodology

The European and Japanese car manufacturers - a total of 23 - have submitted on 1 May 1994 prices of 74 of their top selling models adjusted for equipment differences; Rover and Seat have both added one model - Rover 620 and Seat Cordoba. Prices are adjusted for equipment differences and are given before and after tax, in local currency and in ecu. The ecu rate used for conversion is published in the Official Journal. Prices for major options are given by the manufacturers (airbag

system, ABS, air conditioning system, automatic gearbox, power assisted steering), also price for right-hand drive supplement and other information. The tables show, on the basis of an index equal to 100¹ for the lowest country, disparities in percentage terms for other countries². Denmark and Greece are excluded, due to their specific taxation policies. Finally, as on the previous occasions, the study including tables from car manufacturers will be only distributed to consumer associations and specialised press.

CONSUMER PROGRAMMES ON EUROPEAN TV

The SPC and INFO-C have read with great interest (but too late to talk about it in our last issue) the study of the "consumer information programmes on European television" carried out by **The European Institute for the Media**, in preparation for the Annual Meeting of the European Producers for TV Programmes on Consumer Issues which took place in Toledo on 9-10 June 1994. The objective was to give a structural overview on the TV consumer programmes broadcast in each of the European Union's 12 Member States and to analyze them qualitatively. This enabled the researchers to answer the question: what are the main trends in the area of consumer information on European TV?

The principal finding is that the separation between consumer programmes in the strict sense of the term, and other types of programmes, is now blurred, as consumer information is more and more often presented in an "entertaining" manner (thereby generating such monstrous words and concepts as "infotainment"). Hence, the study defines two groups and six sub-groups of consumer programmes following the evolution of the original notion [cf. study for extensive description]:

I. Consumer programmes in the stricter sense:

I.1. Traditional consumer programmes

I.2. Sequences in regular programmes

I.3. Infoblock

¹ Regulation 123/85 - OJ C17 of 18 January 1985.

² First set by manufacturer, second set by segment.

II. Consumer programmes in the wider sense

II.1. Quasi-consumer programmes

II.2. Programmes specific to a target group

II.3 Infotainment programmes

More specific findings include:

- Three important problems concerning the production of consumer programmes:
 - The influence of the advertising lobby [cf. study for examples]
 - The difficulty for these programmes to appeal to large audiences because of the relative seriousness of the subject
 - The high production cost of *critical* consumer programmes, mainly due to the need for extensive research. Also worth mentioning is the ever present possibility of subsequent litigation and/or loss of advertising contracts.
- Quantitative considerations:
 - Germany, the UK and Ireland produce two-thirds of the European consumer programmes (70 out of 94!)
 - Most of the programmes are broadcast on the public channels (79 out of 94)
- Formal and contextual conclusions:
 - Consumer programmes are aired mainly between 11:00 and 17:00 hrs and between 20:00 and 22:00 hrs.
 - The programmes aired during the first part of the day tend to look at specific problems and give lots of information and advice, while those aired during the second part tend to be more general. In this case, the consumer aspect is only one of the points of view from which the topic is treated, as the emphasis can be on economic, health, social or other issues.
 - The entertainment consideration mentioned above is, of course, most important for prime-time programmes, which are obviously more

superficial in the way they communicate the information.

- Producers are now keen on involving viewers, who are invited to contribute to, participate in or react to the shows.

This is only a brief summary of a very comprehensive and methodical study which anyone involved in the defense of consumers and working with the media should read in *extenso*.

For further information:

European Institute for the Media
Kaistrasse 13
D-40221 Düsseldorf
Tel: +49/211.90104-0
Fax: +49/211.90104-56

**SHORTER LEAD-TIME TESTING:
THE "SHELF-LIFE" APPROACH
OF THE CONSUMERS' ASSOCIATION**

The **Consumers' Association** of the United Kingdom, (CA) some time ago decided to undertake a radical review of its methods for comparative product testing. This was done for two main reasons. The first was a clear mismatch between the product models which were on sale in the shops and those being reviewed in CA's magazine *Which?*. Manufacturers were replacing model ranges more and more frequently, while test programmes were expanding in response to consumer demand for additional information, for example on the environmental aspects of goods. A second reason was costs - testing was becoming more and more expensive, while recession-conscious readers were becoming increasingly cost-sensitive.

Half-hearted solutions would not suffice. Four major domestic appliance projects were therefore selected for drastic revision aiming at the double objective of short(er) lead-time and lower costs:

- the number of products tested was expanded: thus the pilot "Shelf-Life" test of washing machines covered 24 machines instead of the customary eight;

- the new target times were to be a quantum leap beyond the old ones: a limit of two weeks was set for market research, shopping and getting the samples to the laboratory (against seven weeks in traditional tests), and only seven weeks were allowed for testing and verification of data, compared to sixteen weeks;
- a special software package was developed to allow team members to access the data (but not to alter them!) as they were being generated, evaluated and verified;
- the laboratory results were flowed through directly to editors, working on the data in the electronic publishing format used by CA;
- finally editing, design and art work lead-times were radically trimmed.

In total, only 16 weeks passed from the start of the tests to the moment the results were dropped onto the doormats of subscribers. To put this in perspective, on the old time-scale only the shopping phase of the project would have been reached by the time the data are being evaluated in a "Shelf-Life" test.

Have these efforts been rewarded? Every month, CA surveys several hundred readers by telephone, to ask them which reports in the magazine they have read, and how useful and interesting they found them. The first "Shelf-Life" report, on washing machines, a subject covered year after year, was published in *Which?*, February 1994. This report was rated the most interesting and useful report in the issue, as well as the highest-rated product test for more than a year. Part of the explanation for this, no doubt, was that the report showed up a number of faults in the products tested - over half the machines delivered to CA's laboratories had failed to work properly. But one of the reasons this could be reported with confidence was precisely the "Shelf-Life" aspect that 24 machines had been tested, instead of the usual eight.

The key to the project was team-work. Every part of the process that leads to a report in *Which?* was re-examined. Process maps charted every essential action in minute detail.

Many different specialists perform vital roles in the process and the unnecessary "departmental" barriers between those specialists were broken down. For each

stage of the process the individuals concerned were identified: those who lead the project, those who had to give approval, those that were supposed to give support, those that should be informed and - not least - those who had the power to bring that stage of the process to a full stop.

The changes were not achieved without spending money, not least on software development. In the long term, CA expect these changes to reduce their costs. In the short term, investment continues in order to extend the benefits to all types of product testing, brown goods and others - for example tests on luggage and, particularly, the fast-moving field of audio-video products, but also to extend the benefits into joint comparative testing.

Many of the European consumer organisations face the same problems as CA, and it is hoped that the "short-lead times" work will eventually be extended across Europe. The mission of European consumer organisations active in product testing is to provide consumers again and again with high-quality test results. Whatever short-time methods they develop, these have to be sustainable: they must produce results at least as robust as those generated by more traditional methods. Work has already started, through International Testing, on sustainable short-lead time testing. A particular challenge will be coping with market research and the verification of data by manufacturers throughout Europe.

For further information, please contact:

Deborah BROWN
Consumers' Association
2 Marylebone Road
London NW1 4DF
United Kingdom
Tel: +44/71/830.6044
Fax: +44/71/830.6220

TEDDY BEARS CAUSE OF ANGRY FIGHT

There is a bone of contention right now between the **Council of Ministers** on one side, and the UK and the **Toy Manufacturers of Europe** (TME) on the other. In March this year, the Council approved a regulation which imposed severe import quotas on three categories of Chinese toy product, including stuffed animals, non-human figures and die-cast figures. The British government was alone in voting against the measure and has since commenced proceedings against the Council in the European Court of Justice [for details on the grounds on which the legal action is based, cf. *Europe*, Monday/Tuesday 18-19 July 1994]. Since then, the Commission has proposed to increase the quotas in the hope that this will make the UK withdraw its proceeding at the Court of Justice. But beyond the legal dispute, what is of particular interest to the European consumer here, is the support that the UK received from the TME, the association which represents the interests of EU toy manufacturers vis-à-vis EU institutions. The TME is in favour of total free trade (providing the rules concerning product safety and anti-dumping are respected), and therefore opposes all types of trade restrictions in the toy business.

How much would you bet on Jacques CALVET of *Peugeot* taking the same stance on Japanese car imports?

Further information from:

Claire BOUSSAGOL
TME
Avenue de Tervuren 13
B-1040 Brussels
Tel: +32/2/732.70.40
Fax: +32/2/736.90.68

!!! APPEAL TO RADIO STATIONS !!!

The response to the appeal published in our issue of January 1994 exceeded our wildest expectations. So many of you replied that, unfortunately, we do not have the space to publish this long list of consumer affairs broadcasts in the Member States. However, we would like to thank you for your contributions. They will come in very handy as the basis for a study for which we need these very detailed particulars.

BELGIUM

QUALITY ASSURANCE: AN OPTION FOR FIRMS, A NECESSITY FOR CONSUMERS

Quality is one thing all consumers have a right to expect after paying for a product or service. People today are far better informed about their rights and so they are becoming increasingly demanding. This fact has not escaped the European business community and indeed measures to promote quality products are being conducted in most Member States.

Belgium too has been keen to hammer home the message that good quality management is vital for global and Community competitiveness. This is why the Deputy Prime Minister and Minister for Justice and Economic Affairs, Melchior WATHELET, organised an information day in May this year specifically targeted at firms. The title of this information day "*Quality - a passport for exports*" reveals its focus.

Apart from emphasising the economic and social centrality of quality policy, the objective was to introduce Belgian firms to the accreditation structures recently established by the above-mentioned Ministry (*Organisme belge d'étalonnage* (OBE - Belgian Standards Organisation), BELTEST and BELCERT systems). These structures were created pursuant to a Royal Decree implementing the Law of 20 July 1990 on the accreditation of certification bodies and test laboratories.

This statutory accreditation system is designed to provide industry with an instrument which offers all the assurances of an independent organisation. Hence the new structures are made up of representatives of the federal government, the Belgian Regions and Communities, trade unions, industry and consumer organisations. They satisfy the requirements of the "EN 45 000" series standards, which vouchsafe their proper functioning.

This is a coordinated system which covers all aspects of accreditation, including the latest structure established by a royal decree of 6 September 1993, namely "BELCERT" responsible for accrediting the certification bodies.

Little by little consumers' interests are moving centre-stage. Even when it comes to such topics as rivalry with the United States and Japan ... no matter! Consumers can only stand to gain.

Contact:

Ministère des Affaires Économiques
Square de Mèeus 23
B-1040 Brussels
Tel: +32/2/506.51.11
Fax: +32/2/504.79.11

GERMANY

CONSUMPTION IN EAST GERMANY: THE WHEEL TURNS¹

It seemed like a marketing dream come true in the early days of German unification, as east Germans packed their apartments with western products ranging from washing powder and toothpaste to videos, stereos and food mixers. You name it, they bought it.

But four years after German unification, east German consumer habits are shifting - and east German products are returning to the shelves.

The first reason for this reversal is economic. The high rate of unemployment and insecurity about future job prospects have encouraged east Germans to save. For instance, *f6* cigarettes, now owned by Philip Morris, are significantly cheaper than competing western brands. This partly explains why *f6* now holds 30 percent of the east German market.

But only partly. Another reason is the desire to return to traditional east German tastes, under the influence of a growing east German patriotism. Thus, the success of *f6* is also due to the fact that Philip Morris maintained the old style of the pack as well as the tobacco. Another success story is that of *Spee*, a traditional east German washing powder bought by West Germany's Henkel soon after unification, but advertised as the "first all-German washing powder".

Finally, regionalism is developing as a new, long-term trend. In the former GDR, because everything was state-owned and distributed through state channels, there was little scope for regional products. But now, *KaDeWe*, Berlin's most fashionable department store, stocks over 600 east German items out of the 3 000 it sells.

Sebastian TURNER, manager of the Berlin-based *Scholz & Friends* advertising and marketing firm, believes that east Germans have now learned to consume more rationally. "The east Germans will buy a

¹ This is based on an article which appeared in the *Financial Times*, 18 August 1994.

product if there is a rational reason to do so. This amounts to offering a good price and quality. The east Germans are price-conscious and sensible about how they spend their money." He adds that anyone still wanting to enter the east German market should keep his message direct and avoid being arrogant. Above all, "you have to know the local culture and traditions because regional products are playing an increasing role in the consumer habits of the east Germans."

INFO-C is interested in learning from its German readers how consumer protection has evolved in the new German states since unification. What concrete actions

have been undertaken? Is the East catching up with the West? What remains to do, etc?

Please send your **contributions** (preferably in English or French) to:

Nicolas GENEVAY
European Commission
Consumer Policy Service
J70 4/10
rue de la Loi 200
B-1049 Brussels
Fax: +32/2/296.32.79

**COURT OF JUSTICE CONFIRMS
"FRANCOVICH" RULING**

The European Court of Justice reaffirmed in its recent judgment in the case **Faccini Dori v. Recreb**, that private claims brought by individuals cannot rely directly on EC Directives where Member States have not passed implementing legislation (with the exception of claims brought by public sector employees).

The case concerned Faccini Dori, of Milan, who cancelled a language course contract. She claimed protection under the EC's Directive 85/577 concerning consumer rights over contracts, as no legislation had been passed in Italy to implement this Directive. But the Court ruled that consumers such as Dori could not rely on Directives.

However, the Court added that national laws do have to be interpreted in the light of the directives, and it also reaffirmed the principle established in the landmark "Francovich" case, that individuals could seek damages from national governments for breaches of a State's obligations.

**TWO MAJOR VICTORIES FOR CONSUMERS
ON CARS**

• **Peugeot Appeal to Stop Parallel Importing Rejected**

The European consumer has now become fully aware of the financial advantage he can get from importing his car from another EC country (the latest list of prices for new cars published by the Commission show once again that huge discrepancies still exist among the Member States). In that perspective, 16 June marked a big

victory for consumers, as the European Court of Justice rejected an appeal by the French car manufacturer *Peugeot* to invalidate an earlier ruling by the Court of First Instance. The Court of Justice confirmed that the Court of First Instance was right in ruling in April 1993 that an independent intermediary, *Ecosystem*, was not acting illegally by buying Peugeot cars from Belgium, where they are less expensive, for its customers in France.

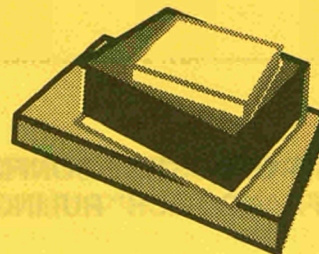
• **Commission Criticised for Inaction on SMMT/JAMA Agreement**

On 18 May, the Commission was condemned by the Court of First Instance for refusing to investigate a complaint against the agreement between the *British Society of Motor Manufacturers* (SMMT) and the *Japan Automobile Manufacturers Association* (JAMA). The judgement was also particularly significant for consumers as it went further than necessary for this case by questioning the legality of the EU-Japan consensus agreement, which limits the number of cars which can be imported from Japan into Europe. The Commission did not appeal the judgement (it had until 16 July to do so). In the meantime, BEUC wrote to the Commission to remind it that it is now under an obligation to open a formal investigation into the SMMT/JAMA agreement, and to ask it to look again at the EU-Japan consensus (which BEUC believes is anti-competitive and works against the proper functioning of the single market) in the light of the Court's ruling.

Further information from:

BEUC
avenue de Tervuren 36, box 4
B-1040 Brussels
Tel: +32/2/735.31.10
Fax: +32/2/735.74.55

PUBLICATIONS AND AUDIOVISUAL



* Guide to Shopping Abroad

The **Consumers in Europe Group** (CEG) has published a revised issue of its booklet *Consumers and Europe*. Published with financial support from the Commission's Consumer Policy Service, it gives advice for UK citizens thinking of buying goods and services in another Member State, drawing attention to the probable lack of redress if things go wrong, possible technical incompatibilities (for instance, video tapes and VCRs are not compatible across the Channel), differences in contract law, and current gaps in EU legislation such as the lack of protection for buyers of time share properties.

Consumers and Europe can be obtained free from CEG, but please send an A5 SAE with 19p stamp.

Contact:

CEG
24 Tufton Street
London SW1P 3RB
Tel: +44/71/222.2662
Fax: +44/71/222.8586

* Ripping off the Car Buyer

Clocking, false description of cars, dealers masquerading as private sellers, worthless guarantees and warranties... Here are but a few of the nice surprises awaiting the car buyers among us, according to a recent research report from the **Automobile Association of Great Britain**. The survey presents the complaints that motorists bring to the AA and to trading standards officers and provides a list of recommendations for actions.

Contact:

Maylis CAMPBELL
Information and Communication Officer
AIT/FIA
avenue Louise 179
B-1050 Brussels
Tel: +32/2/646.62.30
Fax: +32/2/646.81.65

* EU Questions and Answers

An updated paper with answers to some of the questions which the **Consumers in Europe Group** is asked about the EU is available.

Copies of:

CEG
24 Tufton Street
UK-London SW1P 3RB
Tel: +44/71/222.2662
Fax: +44/71/222.8586

The book entitled *Overindebtedness of consumers in the EC Member States: facts and search for solutions* is the result of a broad multidisciplinary study commissioned by the **European Commission** and carried out by a number of European experts.

Millions of European citizens find it difficult to meet their financial obligations. In the past decade, a combination of growing unemployment, the decline of the welfare state and the breakdown of families with the expansion of credit and credit facilities led to considerable numbers of consumers not able to repay their debts.

Many Member States of the EC have looked for solutions to tackle the problems of overindebtedness. The American Bankruptcy Code serves as a source of inspiration for European legislations. New concepts like "discharge of debts", "exemptions" and "a clear slate" replace concepts of life-long liability for debts and the idea that a delinquent debtor is to be punished. At the same time debt counsellors adhere to non-legal remedies. Specialized social institutions in Europe develop new strategies in handling financial problems of consumers.

This book combines a legal and a societal approach. Part 1 describes both the quantitative and the qualitative dimensions of overindebtedness in Europe. Part 2 focuses on the various responses to the problem among the Member States. Part 3 details the theory and the practice of the American Bankruptcy Code. The final part gives the outlines of a European approach, both at a legal and a socio-political level. A new basic philosophy for "a new chance" is developed. Furthermore a proposal is made for an EC Directive. Finally, a model solution is

constructed out of the best elements found in the national solutions and practices of the Member States.

Dr Nick HULS supervised this study. He is the Director of the Leyden Institute for Law and Public Policy.

Contact:

Centre de droit de la consommation
UCL Faculté de droit
place des Doyens 1
B-1348 Louvain-La-Neuve
Tel: +32/10/47.85.31
Fax: +32/10/47.85.32

* **Educating the Young Consumer**

On 30 September, the **Consumers' Association, UK**, is to publish a single issue of a European Young Consumer Guide for the 10-15 year age group, entitled *12*. In this pilot, the magazine will be published only in English and distributed free to schools throughout the European Union. They hope that it will be used as teaching material for both English lessons and consumer education. The topics covered should include tests of jogging shoes and burgers, shopping rights, coping with exams, making one's home "greener" and what it's like to live in another European country.

Contact:

Sue LEGGATE
Consumers' Association
2 Marylebone Road
UK-London NW1 4DX
Tel: +44/71/830.60.00
Fax: +44/71/935.16.06

* The **Competition Directorate** of the European Commission now publishes a quarterly newsletter entitled: *Competition Policy Newsletter*. The first issue appeared last Spring. It contains articles on issues related to competition policy, as well as extracts from Commission Decisions and Court Judgements. Obviously, the perspective is very legal. If you are interested in having your name put on the mailing list, please contact:

European Commission
DG IV
rue de la Loi 200
C150 0/170
B-1049 Brussels
Tel: +32/2/295.00.94
Fax: +32/2/295.54.37

* *Child Safety: European Perspectives and Family Organisations' Initiatives* is the title of a document currently prepared by **COFACE**.

The new COFACE document will be more than a simple up-date of its 1991 predecessor. It will pin point the problem, analyze the most recent statistics on accidents involving children below the age of 15, and present an overall view of the main legislative measures in Europe in this field, and of the initiatives taken by COFACE and its member organisations.

As for the nature of the accidents involving children, the majority of children are injured after a fall. Other frequent accidents involve burns, suffocation, poisoning and drowning. The European Community has taken a number of measures to counter this problem. The most important of these was in setting up EHLASS (European Home and Leisure Accident Surveillance System). During the drafting phases of the document, COFACE studied the most recent national data on the way accidents occurred, their frequency, their circumstances, etc. The difficulties encountered and limits to the EHLASS system are also broached, as is European legislation on child safety, the most recent initiative being the Directive on the general safety of products¹. This is currently being transposed into national legislations.

The COFACE document also summarises other European initiatives (namely Directives) on: the labelling of potentially dangerous products, manufacturer liability, the safety of toys, dangerous imitations, child-proof fastenings, rubber teats and other soothers. Further areas for possible action for future European projects are mentioned as well.

And lastly, in the third part of the document, COFACE presents its own initiatives: its own publications, its participation in conferences, its first aid chart for cases of poisoning, its work on promoting educational material in all Member States and its attendance at the Consumer Consultative Committee meetings.

The document will be available from September. It will be priced 250 BF (free for member organisations).

Contact:

COFACE
rue de Londres 17
B-1050 Brussels
Tel: +32/2/511.41.79
Fax: +32/2/514.47.73

¹ Directive 92/59/EC, OJ L288 of 11 August 1992

* **Everything You Always Wanted to Know About Lobbying the Parliament**

Euro-Citizen-Action-Service (ECAS), a completely independent non-party political information and advisory service, is preparing an indispensable tool for lobbying the new European Parliament effectively. The guide, entitled *The New European Parliament: Its Role in Building a Citizens' Europe*, will contain information on the new MEP's, the committees, and practical advice on how to influence and lobby effectively during the present stage of building the European Union. It is a practical start to informing citizens and associations about the institution, to answering basic questions and to giving information on where to go for more complicated inquiries. It also outlines basic lobbying strategies for associations, which, at the beginning of a new Parliament, are so critical in getting your foot in the door with decision makers and policy planners.

The guide is free to full and associate members of ECAS, 600 BF for corresponding members, and 1100 BF for NGO's and individuals. There is a 20% discount for 10 copies or more.

Please contact:

ECAS
rue Defacqz 1
B-1050 Brussels
Tel: +32/2/534.51.66
Fax: +32/2/534.52.75

* **When Shopping Turns into a Nightmare**

Shopping has become a nightmare for those with a social conscience. It is especially hellish for those who see their purchasing power as a tool, used to bring about change. Indeed numerous companies are now making environmental claims. But how do we, as consumers, know which of these assertions are genuine and which are mere cynical marketing ploys?

Attempts have been - and are being - made to come up with universally-accepted environmental labels, but progress is snail-like.

Nevertheless, the **European Union** has tried to provide a solution with its eco-label award scheme which has been set up to label products with a reduced environmental impact. It is a voluntary scheme, and manufacturers can choose whether or not to apply. The Directorate-General XI "Environment, Nuclear Safety and Civil Protection" has published a brochure entitled *European Union Eco-label Award Scheme* which explains the

background to the scheme, and answers some of the questions which may be asked by companies considering applying for the award of the label to their products.

Contact:

European Commission
DG XI (Eco-Labeling)
rue de la Loi 200
B-1049 Brussels
Fax: +32/2/295.56.84

* **Foodstuffs Labelling**

How relevant are the particulars provided on foodstuffs labelling? Are they easy to read? Do people really understand them? Is there room for improvement? To answer this question COFACE (Confederation of Family Organisations in the European Community), in cooperation with nine of its members in six EU countries (Spain, Greece, Portugal, Belgium, France and Ireland) circulated a questionnaire/survey to gauge the importance consumers attach to various aspects of foodstuffs labelling and to identify their wishes. The report, entitled *Consumer Families and Food Labelling in Europe*, can be had from:

COFACE
rue de Londres 17
B-1050 Brussels
Tel: +32/2 511.41.79
Fax: +32/2/514.47.73

* **Brochure on the Rights of the Belgian Tenant**

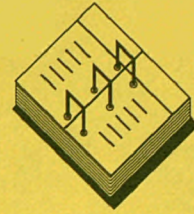
Over the years the law governing rented accommodation has become increasingly complex and few tenants have the slightest idea as to their rights. Drawing on its experience, the Belgian **National Tenants' Office** (ONL – Office national des locataires) has just published a brochure outlining in plain language the main facts whose knowledge is a must for tenants and anyone seeking rented accommodation.

The points covered are: registration, inventory of fixtures, tenant's deposit, property tax, rent indexation and cancellation of various types of leases.

The brochure and any additional information needed can be had from:

Office national des locataires
rue du Congrès 3
B-1000 Brussels
Tel: +32/2/218.75.30

Diary



Thursday, 10 November 1994

EuroCommerce, the retail, wholesale and international trade representation to the European Union, and Forum Europe, are organising the **5th European Day of Commerce**, at the Conrad Hotel in Brussels. Participants will be given the opportunity to exchange views with, and put questions to, EU officials, members of the newly elected European Parliament and high-level representatives from European multinational corporations. One of the speakers will be Peter PRENDERGAST, Director of the Consumer Policy Service at the European Commission.

Further information from:

Forum Europe
rue des Patriotes 88
B-1040 Brussels
Tel: +32/2/736.14.30
Fax: +32/2/736.32.16

1995



The **European Interregional Institute for Consumer Affairs (EIRCA)** is launching the second **European Young Consumer Competition**. As in the first competition, the idea is to increase awareness among young consumers and teaching staff in EC countries about major consumer issues.

The closing date for enrolment is **16 January 1995**, the postmark constituting proof of receipt.

For further information, please contact:

Mireille LEROY
IEIC
47bis rue Barthélémy-Delespaul
F-59000 Lille
Tel: +33/20/60.69.10
Fax: +33/20/54.18.45

To obtain your (free) subscription to **INFO-C**
simply fill in the reply coupon below and return it to the following address :

Sheila REYNOLDS

Consumer Policy Service
European Commission
Rue de la Loi 200
J70 4/14
B-1049 Brussels
Fax : +32/2/296.32.79



Name and forename :

Organization :

Profession :

Street :

Town :

Postcode :

Country :

Phone and fax :

Wishes to receive **INFO-C** in EN / FR / DE *

* Delete as applicable

N.B. Don't forget to inform us of any change of address !



Name and forename :

Organization :

Profession :

Street :

Town :

Postcode :

Country :

Phone and fax :

Wishes to receive **INFO-C** in EN / FR / DE *

* Delete as applicable

N.B. Don't forget to inform us of any change of address !

Catalogue No C5 BQ-94-006 -EN-C