

The New Deal for Consumers

What benefits will I get as a consumer?

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The new Directive on better enforcement and modernisation of EU consumer protection rules amends the existing EU instruments. It is one of the building blocks of the “New Deal for Consumers”, aiming to strengthen consumer protection.

Modernised rules in line with digital developments

Transparency on online marketplace(s)

Today, when consumers shop on online marketplace(s), they do not always know who they buy the good or the service from. It can be a professional trader or another consumer. Not knowing the identity of the supplier is a problem because if something goes wrong, consumer protection rules do not apply when buying from another private individual. The new rules will make it easier for consumers to assess the risks when shopping on online marketplace(s).

From now on consumers will be informed whether the person selling the goods or services online is a trader or another private individual, and warned that EU consumer protection rules do not apply when the supplier is not a trader. The online marketplace will also indicate whether the supplier or the marketplace itself is responsible e.g. for the delivery or for handling the returns under the right of withdrawal. Consumers will also know where to turn in case of problems.



Example: You buy a mountain bike online but upon delivery, you notice that its frame has been damaged. What you did not know is that you were buying it from another private individual. Therefore, you do not benefit from the consumer rights you would have benefited from when buying from a professional seller; in particular, you do not have a legal guarantee if the goods are faulty or the right to change your mind and send back the bike within 14 days and get a full refund.



Example: A “free” dating app asks you to fill in your name, gender, age, location and email address. You also need to select some photos and add a short description of yourself. After a few days of using the app, you come to the conclusion that it does not meet your expectations and you decide to close your account.

Same consumer rights for “free” digital services

Many consumers use “free” digital services, such as cloud services or social media, for which they do not pay. Instead they provide their personal data that service providers also use to make money.

Today, some important EU consumer rights only apply to services that are paid with money. Under the new Directive, the provider of such “free” services will have to give you clear information about, for example, the main characteristics of the service, the contract duration and the termination conditions. You will also be able to cancel the online contract within 14 days without providing a reason.

Ranking of offers

When looking for an offer on an online marketplace or a price comparison site, many consumers only look at the top results. It is therefore important that consumers know what criteria are used to rank the offers, and if an offer appearing on the search page is a paid advertising.

Under the new rules, platforms will have to inform consumers about the main criteria determining the ranking of the offers provided in response to a search query, for example, whether these offers are ranked based on price, distance, consumer ratings or a combination of different criteria. They will also have to clearly indicate when search results are based on payments received from the listed traders.



Example: An online booking platform responds to the consumer’s search request for accommodation with a list of offers indicating that those are ranked by “relevance”. However, rather than being based on objective criteria that the consumer would normally expect, some offers appear on top of the list because the accommodation providers pay a higher commission to the platform.



Example: A hotel website hosts positive reviews supposedly posted by travelers that stayed in the hotel. In reality, the staff of the hotel wrote the reviews.

Transparency about consumer reviews

The reviews posted on a platform or a trader’s website often influence a consumer’s purchasing decision. However, those reviews supposedly written by other consumers are not always genuine. The new Directive expressly prohibits submitting or commissioning someone to submit fake reviews or endorsements, and to manipulate consumer reviews. Traders giving access to consumer reviews will have to explain if and how they ensure that reviews come from real consumers. Traders will be allowed to claim that the reviews were submitted by consumers only if they take reasonable and proportionate steps to check this, such as only allowing consumers who purchased or used the good or service to submit a review about it.

Personalised pricing

Traders can personalise the price of their offers for specific consumers or groups of consumers based on automated decision-making and profiling of consumer behaviour.

Thanks to the Directive, consumers will be informed each time the price presented to them online is based on an algorithm taking into account their personal consumer behaviour, so that they are aware of the risk that the asking price was increased.



Example: Based on your purchase history or the webpages you visited, the trader may use an algorithm to detect that you have special interest for one of their goods or services and increase their price.



Example: A trader uses a bot to buy 1000 concert tickets online, with a view to reselling them at a higher price, circumventing the limit of maximum 10 tickets per buyer imposed by the event organizer.

Prohibition of reselling event tickets bought through bots

A software that automates the online buying process (so-called 'bots') makes it possible to carry out a large number of transactions simultaneously. Traders can use bots to buy sought-after tickets and resell them on secondary markets at prices much higher than their face value.

To ensure that consumers can purchase event tickets at fair prices, the Directive prohibits traders from reselling event tickets bought through bots and breaching the limits or other rules set by the primary ticket seller.

Ensuring genuine price reduction claims

In some cases, price reductions that claim to be the "best deal" are not always genuine. Thanks to the new rules, the sellers will not be able to advertise fake prices reduction.

For every price reduction claim, sellers will have to indicate as reference price the lowest price applied within a period of at least 30 days preceding the price reduction announcement.



Example: An online shop advertises sport shoes at "30% off". In reality, the "reduced" price is the same as the normal price because the seller had increased it just before announcing the price cut.

Stronger tools to enforce consumers rights



Example: You book a family holiday in a hotel advertised as Spa hotel. However, upon arrival, the reception informs you that the spa facilities are closed for renovation.

Compensation for victims of unfair commercial practices

Existing EU consumer legislation enables national authorities to stop and prevent unfair commercial practices, but does not give consumers a direct right to compensation when they are harmed by such practices.

The new Directive will ensure that consumers in all Member States have the right to individual remedies (such as ending the contract, getting a price reduction or financial compensation) when they are affected by unfair commercial practices, such as misleading marketing.

More effective penalties for cross-border infringements

Today, EU consumer authorities are not sufficiently equipped to tackle 'mass harm situations' that affect large numbers of consumers across the EU. When a company breaks consumer rules, the penalties vary widely across the EU and are often quite small, even for very serious infringements. As a result, they do little to prevent dishonest traders from cheating.

The Directive will provide the national authorities with a power to impose effective, proportionate and dissuasive penalties in a coordinated manner when they work together on major cross-border infringements that affect consumers in several EU Member States. In these cases, national authorities will have the power to impose a fine of up to 4% of the trader's turnover, or up to 2 million EUR when information on turnover is not available. Member States are free to keep or introduce higher maximum fines.



Examples of composition differences of products sold in different countries with a similar presentation:

- Soft drinks with different juice content
- Mayonnaise with different egg content
- Fresh cheese with different fat percentage

Tackling dual quality of consumer goods

Goods sold in identical or similar packaging sometimes have a different composition or characteristics compared to the same goods in other EU countries ('dual quality'). This was confirmed by a study carried out by the Commission's Joint Research Centre (JRC) in 19 Member States, based on a common EU testing methodology.

Consumers should not be misled into believing that they are buying the same product when they are not.

With the new Directive, national enforcement authorities will have stronger powers to stop misleading marketing of goods that have significantly different composition or characteristics but are presented as being identical. This being said, the Directive acknowledges that differences can be justified by objective factors, such as national rules on product composition, use of local or seasonal ingredients or trader's voluntary commitment to promote healthier food.

4. Better protection against unfair practices in doorstep selling and commercial excursions

EU law already prohibits misleading or aggressive marketing practices, including when traders make unsolicited commercial visits to a consumer's home (doorstep selling) or organise commercial excursions for promoting and selling goods.

Thanks to the Directive, Member States where such practices take place will be able to take additional national measures such as stronger rules on the right of withdrawal to better protect their consumers in the context of doorstep selling and commercial excursions. The measures must be justified, non-discriminatory and proportionate.



Example: Elderly citizens targeted by aggressive traders who make unsolicited visits to their home. Such consumers may be pressured into buying things they do not want or to buy them at excessive prices.