

Citizens Advice Scotland

Scottish Association of Citizens Advice Bureaux
www.cas.org.uk



A Common European Sales Law for the European Union – A proposal for a Regulation from the European Commission

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- Citizens Advice Scotland and its member bureaux form Scotland's largest independent advice network. CAB advice services are delivered using service points throughout Scotland, from the islands to city centres.
- Citizens advice bureaux in Scotland helped clients with almost 550,000 new issues in 2010/11 – almost 1,500 new issues for every day of the year. Over 270,000 clients brought new issues to a bureau over the year.
- In 2010/11, Scottish bureaux achieved a financial gain of almost £126million for clients based on funding of £16.3million (including £7.6million in core funding). This means that CAB clients were better off by £8 for each £1 of 8 funding given to bureaux.

Introduction

Citizens Advice Scotland welcomes the opportunity to respond to this consultation. Our response does not address every question contained in the consultation document. Rather it focuses on the aspects regarding consumer protection and whether the proposed Common European Sales Law would achieve its stated purpose with regard to consumer choice.

Summary

Citizens Advice Scotland does not believe that the Common European Sales Law (CESL) would achieve the stated aim of greater consumer choice. On the contrary, we believe that the proposal would add another layer of complexity, particular for online shoppers. This would do little to encourage confidence amongst consumers and has the potential to confuse and clutter the existing protections for consumers in Scotland.

In detail

The European Commission claims that CESL would do three things for consumers:

- Create more choice when shopping across borders
- Reduce prices
- Create stronger consumer protection¹

Citizens Advice Scotland does not believe that CESL would achieve any of these aims for consumers in Scotland.

With regard to creating consumer choice, we believe that this is unlikely. If CESL were to be enacted, it would be up to businesses, not consumers whether they use the CESL instead of their own domestic contract law. In reality, the only choice that consumers would have would be to buy with that business, using CESL, or not buy from them at all.

In addition, the Commission has offered little evidence to back up their claim that the Law would reduce prices. If this claim is based on the assumption that there will be greater choice for consumers then this can also be deemed unlikely for the reason given above.

Citizens Advice Scotland disagrees with the Commission's claims that CESL would provide a high level of consumer protection. Scottish consumers already have a high level of consumer protection, compared with many of their European counterparts, particularly when shopping online. The introduction of CESL would firstly confuse the landscape for consumers, rather than simplifying them as the UK Government aims to do, and secondly afford less protection than existing domestic laws. For example, the omission of compensation for distress or "non-economic" loss from CESL leaves consumers without the option of damages if a contract is not carried out appropriately.

¹ European Commission press release, October 2011, http://ec.europa.eu/justice/newsroom/news/20111011_en.htm

Consumer Focus and Which? have both undertaken research into issues faced by consumers when purchasing goods and services cross border.

Consumer Focus's mystery shopping survey looked at consumer experiences of buying goods and services with a mobile phone across Europe. The survey found gaps in information disclosure including poor complaint handling and redress and problems with payments.

Similarly, a Which? survey carried out in December 2010 found that concern over getting a refund or exchange if something went wrong was the top reason why people had not bought from an EU company (62 per cent). Concerns about personal details not being secure also accounted for over a third of respondents' worries about buying from other EU countries.²

Citizens Advice Scotland believes that the main barrier that prevents consumers from purchasing goods and services from other EU countries is a lack of confidence in the process for redress if anything goes wrong, for example if a product is faulty or a service is not carried out. We believe that CESL does little to address this lack of consumer confidence and carries the potential to damage confidence further by adding another layer of complexity to cross border trade.

Conclusion

Citizens Advice Scotland believes that the proposal for a Common European Sales Law would not address the fundamental issues which the European Commission intends to address – those of slow economic growth and a lack of consumer confidence in cross-border trade.

Furthermore, the CESL has the potential to introduce an additional layer of complexity and confusion which could have the opposite effect from what is intended.

² Consumer Focus; Submission to the European Scrutiny Committee on the European Commission's proposal for a regulation on a Common European Sales Law (COM(2011)635