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EU elections unpacked: Has the New Consumer Agenda delivered? And what is coming in terms of digital fairness, greenwashing and more?

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'As we reflect on the impact of the New Consumer Agenda, it's evident that substantial strides have been made in bolstering consumer rights, from enhancing product safety and banning greenwashing to implementing robust online protections. But as the EU begins to face on, for example, AI-generated fake reviews and so-called 'dark patterns', businesses will need expert guidance to navigate these evolving landscapes and remain compliant.'

Laura Knoke, Partner, Hamburg

'Looking ahead to the 2024-2029 mandate, the EU is likely to focus on what it calls "digital fairness" using consumer protection laws to ensure that digital services providers treat consumers fairly and support them in making the right decisions about what they buy and what use they allow to be made of their data. Anticipating regulators' priorities in this space, while also managing existing data privacy requirements and ensuring compliance with the Digital Services Act and other new regulations will be vital businesses as they navigate an increasingly complex environment.'

Andrew Austin, Partner, London

In our 'EU elections unpacked' series of briefings, we've previously explored the future of the Green Deal, analysed the EP elections' impact on the financial services sector, and examined what's next for the European digital and tech space. This piece focuses on the New Consumer Agenda, highlighting its achievements to date and outlining the key issues for the new 2024-2029 mandate. Further analysis of additional sectors will follow.

Where we are today

Since taking office in 2019, European Commission (EC) President Ursula von der Leyen has made consumer protection a cornerstone of the Commission's initiatives. Against this backdrop, in 2020 the EC presented its New Consumer Agenda together with a roadmap outlining a vision for EU consumer policy from 2020 to 2025. This agenda aims to strengthen consumer resilience and promote sustainable recovery in an increasingly digital world, focusing on five key areas: green transition, digital transformation, consumer rights enforcement, specific consumer group needs, and international cooperation.

Since its publication, the agenda has achieved some important milestones, including a new General Product Safety Regulation and pending revisions to the EU product liability regime (see further). Additionally, new rules have been introduced to ensure product durability and to tackle greenwashing. Legislation has also been introduced to promote responsible credit offerings and to secure a model for collective redress (more here).

The Commission's consumer focus in the next five years

For the next five years, the Commission's focus will shift towards implementing these rules and addressing emerging 'hot topics', such as influencer marketing, internet cookies consent fatigue, so-called 'dark patterns' (whereby digital businesses are said to use design choices to encourage consumers to make decisions online that are not in their best interest), refund rights/redress and Al-generated fake reviews.

On **consumer protection**, the European Commission's Directorate for Justice recently published an **evaluation of the Modernisation Directive**, which encompasses the Unfair Contract Terms Directive, the Price Indication Directive, the Unfair Commercial Practices Directive, and the Consumer Rights Directive. The Modernisation Directive, which updated rules for the digital age, requires online marketplaces to identify the responsible trader in transactions. It also mandates that digital services monetising personal data provide key service information upfront and introduces several other changes to consumer protection laws (see further). The evaluation report addresses a range of topics, including price reductions, online consumer reviews, remedies for unfair commercial practices, penalties for consumer law breaches, personalised pricing, and transparency in search rankings. An important observation is that many Member States failed to accurately implement the rules, leading to varied interpretations of some provisions and differing compliance levels across areas.

In addition to the Modernisation report, the Commission is currently conducting a **digital fairness fitness check** to examine the rules overseeing digital practices that can influence consumer decision-making. The fitness check report - which is expected to be published in September 2024 - will cover what the Commission has identified as emerging problems in the digital space. These include 'dark patterns', influencer marketing, personalisation of prices, the use of personalised advertising, fragmentation or differences in implementation of the EU's acquis, as well as coherence and harmonisation between consumer policy and other legislation, such as the Digital Services Act. This fitness check is expected to lay the groundwork for future legislative action, and provide the new European Commission that will take office later this year with some indications of where policy work could head.

In addition to this, already during the 2019-2024 legislature, the Internal Market Committee of the European Parliament adopted a report evaluating the impact of the **Geo-Blocking Regulation**, highlighting benefits for consumers and businesses. The report, led by former MEP Ms. Beata Mazurek (ECR), emphasises the need to reassess EU geo-blocking rules due to rapid digital transformation and increased online shopping. Current rules allow consumers to shop online and access services across borders without restrictions. However, the report stresses that these rules must be fully implemented, and remaining barriers removed. The EC may address the Parliament's calls to reassess the Regulation during the 2024-2029 legislative term.

In terms of data protection, an **evaluation of the GDPR** was published on 25 July 2024. Whilst it does not advocate for a reopening of the existing rules, several areas for attention are highlighted, which also reflect the views of the Multistakeholder expert group on GDPR that were published in June 2024. Among the top recommendations made by the European Commission as a result of its evaluation report, the following are worth noting: developing effective cooperation structures through a swift adoption of the GDPR procedural law; guaranteeing a coherent application of the growing body of EU digital rules; reflecting on possible next steps concerning the e-Privacy Regulation proposal; ensuring earlier and more meaningful consultation on guidelines and opinions by Data Protection Authorities; and further developing the toolkit for data transfers and international cooperation.

Much of the future policy workstream and what is prioritised will depend on the appetite of the European Parliament and its newly elected MEPs, as well as the new European Commissioners that oversee the key directorates that are currently examining these issues. The potentially far-reaching nature of the consumer agenda will require businesses to stay close to policy developments which will also allow timely input into further preparatory milestones that we expect in the first half of 2025.

Sustainable consumption: achievements and future plans

In line with its Circular Economy Action Plan, the Commission has sought to strengthen sustainable consumption of goods and services laws through amendments to existing consumer regulations. The Empowering Consumers in the Green Transition Directive (2024/825) revises the existing Unfair Commercial Practices Directive by banning the use of claims based on greenhouse gas emissions offsetting. This means traders cannot claim that a product has a climate neutral, reduced or improved environmental impact based on unverified offsetting programmes. Labels such as 'biodegradable', 'eco-friendly' or 'green' will also be banned unless companies can substantiate these claims with evidence. The Empowering Consumers Directive will be supported by a new Green Claims Directive, currently being discussed by the co-legislators, which introduces rules for substantiating green claims used voluntarily by companies. This should enter into force in 2025.

This goes hand-in-hand with product legislation like the new Ecodesign Regulation for Sustainable Products, which introduces new sustainable design and information requirements on a variety of products, from textiles to furniture. Our EU elections unpacked sustainability briefing provides further information on the Commission's sustainability agenda.

The European Parliament election has resulted in more conservative, far-right MEPs gaining ground at the expense of green and liberal MEPs, which could result in sustainability legislation being deprioritised or watered down. For the Green Claims Directive specifically, this may result in delays to its adoption or MEPs opting to align much closer with the Council's position, which is less ambitious.

A mandate for enforcement and new priorities

Looking ahead, there might be changes in key positions such as the Commissioner for Justice. Didier Reynders, the current Commissioner for Justice, is not expected to come return to the College of Commissioners, and no names have been linked to the post so far. Meanwhile, changes in other portfolios or the creation of new ones, such as a potential Data Commissioner, could impact the EC's internal operations and change the scope of the current Justice Commissioner's work. This is particularly important for consumer protection, which intersects with many areas.

When it comes to the new consumer agenda and areas of focus or potential workstreams for the next mandate, Vice-President Vera Jourová announced during the EU Consumer Day 2024 that the future EU consumer policy agenda must focus on addressing critical questions to enhance consumer welfare. These include ensuring that sustainability becomes the most convenient and cost-effective option for consumers, guaranteeing the safety of products purchased online from outside the EU, predicting and preventing consumer scams effectively, and addressing widespread infringements on the single market.