



Association For Consumer Rights (Malta)

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Pre-budget 2015 Proposals (2)

Addressing Emerging needs for consumer protection

1. Raising awareness on button battery safety

‘The button batteries used in all kind of electrical devices from remote controls, to greetings cards and reading lights are more dangerous than we think. They have killed three children in Europe in the last 6 months, in France, Latvia and the UK, and injured many others. This week – 16-20 June 2014 - has been dedicated to raising awareness on button battery safety.

EU previous Commissioner Neven Mimica, responsible for Consumer Policy recently spoke about the dangers button batteries pose to health when swallowed or inhaled: "Button batteries are found in all kinds of electrical devices we have at home, many of them easy to reach by our children – calculators, TV remote controls, bathroom or kitchen scales, reading lights and greeting cards. Most of us are not aware of the dangers these small items bring along: if swallowed they cause fatalities”.

In line with the European Commission for consumer protection, the Association for Consumer Rights (ACR) calls on government, Local Councils and all stakeholders, retailers and consumer organisations to:

- ensure producers and retailers have the necessary information to protect citizens in particular children of the dangers of button batteries
- ensure the organization for an effective information campaign to include practical protection measures, especially for parents and children
- to provide accessible disposal facilities of button batteries with the help of Local Councils
- to raise awareness among parents, who should know the risks and take good care that appliances and devices which use button batteries are kept away from their children.
- ACR calls on all for manufacturers to take these risks into account when designing new products and put the “safety of consumers first” principle in practice

2. Online gambling: principles to ensure effective protection of consumers

The European Commission has recently adopted a Recommendation on online gambling services. It encourages Member States to pursue a high level of protection for consumers, players and minors through the adoption of principles for online gambling services and for responsible

advertising and sponsorship of those services. The aims of the principles are to safeguard health and to minimise the eventual economic harm that may result from compulsive or excessive gambling.

In line with the Commission's recommendation the following are a number of principles the Association for Consumer Rights (ACR) is putting forward to government to include in the gambling regulations:

- Basic information requirements for gambling websites, in particular to ensure that consumers are provided with sufficient information to understand the risks related to gambling.
- Commercial communication (advertising and sponsorship) should be carried out in a responsible way. that minors are not able to gamble online, and that rules are in place to minimise their contact with gambling, including through advertising or promotion of gambling services whether broadcast or displayed.
- a registration process to open a player account so that consumers have to provide details of age and identity for verification by the operators. This should also enable operators to keep track of player behaviour and raise the alarm if necessary.
- Ongoing support should be available to players to prevent gambling-related problems, by equipping them with tools to keep gambling under control: possibilities to set spending limits during the registration process, to get information alerts about winnings and losses whilst playing, and to take time out from gambling.
- Players should have access to helplines they can call for assistance about their gambling behaviour, and they should be able to easily exclude themselves from gambling websites.
- Advertising and sponsorship of online gambling services should be more socially responsible and transparent
- For example, it should not make unfounded statements about chances of winning, exert pressure to gamble, or suggest that gambling resolves social, professional, personal or financial problems.
- ensure that training is provided to employees of online gambling operators interacting with players to ensure they understand problem gambling issues and are able to liaise with the players appropriately.
- carry out awareness-raising campaigns about gambling and related risks, as well as to collect data about the opening and closing of player accounts and breaches of commercial communication rules.
- designate competent regulatory authorities (MCCAA) to help ensure, in an independent manner, effective monitoring of compliance with the Recommendation.

More information:

The Recommendation is accompanied by an impact assessment and a behavioural study on online gambling and adequate measures for the protection of consumers. These are available on the Commission's website:

http://ec.europa.eu/internal_market/gambling/initiatives/index_en.htm#recommendation

See also [MEMO/14/484](#)

3. Tackling unfair practices in the food supply chain

Background

The importance of fostering sustainable trading relationships by addressing UTPs was highlighted in the European Retail Action Plan of January 2013 ([IP/13/78](#)). The Commission's Green Paper on UTPs in the business-to-business food and non-food supply chain in Europe, published together with the action plan, initiated a broad debate and generated replies from a large variety of stakeholders.

UTPs may have harmful effects, especially on SMEs in the food supply chain. They may affect SMEs' ability to survive in the market, make new financial investments in products and technology, and develop their cross-border activities in the Single Market. Moreover, there could also be some indirect negative effects along the supply chain for SMEs. For instance, an SME might not attempt to form a commercial relationship in the first place, for fear of UTPs being imposed on them. UTPs applied within the EU could also have direct or indirect effects on producers and companies outside the EU, including in developing countries.

A number of Member States recognised the harmful potential of UTPs and launched regulatory initiatives against UTPs or are planning to do so, which has led to regulatory divergence across the EU. In the context of the Commission's Forum on a Better Functioning of the Food Supply Chain, market operators acknowledged the problem of UTPs and developed a set of good principles for vertical relationships and a self-regulatory framework to implement these principles, the so-called [Supply Chain Initiative](#).

The European Commission has recently adopted a communication encouraging Member States to look for ways to improve protection of small food producers and retailers against the unfair practices of their sometimes much stronger trading partners.

The communication on UTPs suggests a number of stakeholder priorities to facilitate an effective EU-wide framework against such practices. It does not propose regulatory action at EU level but encourages Member States to make sure they have appropriate measures against UTPs in place, taking into account their national circumstances. In line with the Commission communication the Association for Consumer Protection (ACR) highlights the following suggestions in the communication which the Malta Competition and Consumers Affairs Authority (MCCAA) together with government ensure that they are developed in Malta

1. Support of the voluntary [Supply Chain Initiative](#): Voluntary codes of conduct are an important cornerstone of fair and sustainable commercial relationships. Therefore, the Communication encourages operators in the food supply chain to join the existing Supply Chain Initiative launched in September 2013 and its national platforms. It also calls on the governance

group of the initiative to maximise the participation of SMEs which are the key beneficiaries of the initiative.

2. EU-wide standards for principles of good practice: Those Member States that are already tackling UTPs at national level have chosen different approaches to do so. On the other hand, some Member States have not yet taken any specific action against UTPs at all. In order to address UTPs effectively throughout the EU, and particularly across borders, a common understanding of rules addressing UTPs would be beneficial. The Communication suggests that the principles of the Supply Chain Initiative could be the basis of such a common regulatory understanding.

3. Effective enforcement at national level: If the weaker party in a trading relationship is economically dependent on its stronger counterparty, it may often refrain from defending itself against UTPs through court litigation or voluntary resolution mechanisms for fear of compromising or losing its commercial relationship. To establish a credible deterrence factor against the use of UTPs, the Communication suggests minimum enforcement standards applicable throughout the EU.

See also [MEMO/14/485](#)

Product Lifetimes and Consumer Protection

Planned obsolescence is associated with a form of industrial production that relies on a minimum renewal rate for its products. Although product renewal may be necessary, certain abuses need to be addressed, that is distinguishing between defects built-in deliberately and our accelerated consumption patterns.

Background

- While we can question marketing practices that promote major innovations which often turn out to be marginal, it is important to curb the most flagrant cases of in-built defects and improve consumer guarantees.
- Consumers bear the brunt of the cost of shortened product lifecycles and the difficulties associated with insufficient scope for repairing them. Consumers bear the brunt of the policies of manufacturers and of some distributors, who sometimes try to sell warranty extensions after the first year even though two-year warranties are mandatory. Often, consumers are often ignorant of their rights.
- Consumers are often shocked to discover the legal maze they have to deal with. Although there are a good few directives on planned obsolescence (commercial practices, waste, etc.), there seems to be very little coordination between the many texts on the subject, which would need to be brought together in a package of harmonised laws.
- In terms of our understanding of the role that ethics plays in our societies, we consider it worrying that engineers might be employed to develop products with built-in accelerated ageing, or that advertisers might be launching campaigns to encourage consumers to make purchases that will not increase their level of satisfaction.

Recommendations

The recommendations concern technology, business, regulation and information. They form part of the strategic framework for a better production-distribution-consumption balance that is fair and appropriate

The ACR calls on Government and the MCCA and other stakeholders to take the necessary measures to address the following areas :

- a **total ban** on products **with built-in defects** designed to end the product's life. These rare but flagrant cases, such as the high profile case of printers designed to break down after being used a certain number of times.
- **companies make their products easier to repair**. This should be done in three ways: a; technical possibilities (e.g. tablets with batteries that are welded into the device so that they are impossible to repair and thus have to be replaced), b; the possibility of replacing components within five years of purchasing the product; c. purchases should be accompanied by information on the possibilities of repair and how to have repairs carried out.
- the need for strong **support for the social dimension** and the repairs sector.
- **encouraging voluntary certification measures**. For example, in the white goods sector, 10-year or 20-year component warranties were a definite selling point. This guarantee could be standardised at the EU level for all products purchased in the 28 EU countries so as to avoid penalising European businesses.
- providing **information on a product's estimated life expectancy** or number of use cycles so that consumers can make informed purchasing decisions.
- expressing prices in terms of estimated cost per annum, based on life expectancy, on a voluntary basis, to encourage people to buy long-lasting products. This would definitely give companies an incentive to produce more durable products.
- relevant information that consumers need and would have to vary depending on the categories of products in order to **avoid over-information** on certain types of packaging.
- the information would have to focus on **guaranteeing a minimum lifetime** for purchased products. There are no current legal requirements for minimum product lifetimes, nor are there any EU standards for their measurement.
- that **warranties** should include a **minimum operating period**, during which the cost of any repairs should be borne by the producer.
- **Consumer representatives are to be more involved** in the on-going debate, on this important and sensitive topic as their participation will ensure a more comprehensive approach.

http://ec.europa.eu/internal_market/retail/index_en.htm

http://ec.europa.eu/enterprise/sectors/food/competitiveness/forum_food/index_en.htm

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General Secretary

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