

EXPLANATORY MEMORANDUM ON A EUROPEAN DOCUMENT

7875/18

7876/18

7876/18 ADDS 1-4


COM (2018) 183 final

COM (2018) 185 final

Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee, A New Deal for Consumers

Proposal for a Directive of the European Parliament and of the Council amending Council Directive 93/13/EEC of 5 April 1993, Directive 98/6/EC of the European Parliament and of the Council, Directive 2005/29/EC of the European Parliament and of the Council and Directive 2011/83/EU of the European Parliament and of the Council as regards better enforcement and modernisation of EU consumer protection rules

ADDs 1-4: Commission Staff Working Document Impact Assessment Accompanying the document Proposals for Directives of the European Parliament and of the Council (1) amending Council Directive 93/13/EEC, Directive 98/6/EC of the European Parliament and of the Council, Directive 2005/29/EC of the European Parliament and of the Council and Directive 2011/83/EU of the European Parliament and of the Council as regards better enforcement and modernisation of EU consumer protection rules and (2) on representative actions for the protection of the collective interests of consumers, and repealing Directive 2009/22/EC

Submitted by the Department for Business, Energy and Industrial Strategy on  May 2018

SUBJECT MATTER

1. This Explanatory Memorandum (EM) reports on the European Commission's publication of its new package of legislative measures: the 'New Deal for Consumers', which was released on 11 April 2018. It also reports on the Commission's Communication to the European Parliament, European Council and the European Economic and Social Committee on the New Deal, which was published alongside the legislative proposals.
2. The Communication highlights the Commission's ambitions for the New Deal for Consumers. Through this package, the Commission is focused on ensuring EU consumers' rights are championed across the Union, and that international cooperation with non-EU countries is increased.
3. The Communication reinforces that whilst European consumer law has delivered significant benefits to citizens in their daily lives - for example through flagship pieces of EU law governing passenger rights, unfair commercial practices and unfair contract terms - more must be done to ensure that the single market is truly fair for consumers into the future. Consumer expenditure currently accounts for

56% of EU GDP¹. The Commission considers that strong consumer law which can be enforced effectively across the Union is therefore vital for economic growth.

4. The New Deal for Consumers is the culmination of a range of activity undertaken by the Commission to evaluate and consult on European consumer law between 2015 and 2018. It takes as its basis the 'Regulatory Fitness' (REFIT) review of European consumer and marketing law and the parallel review of the Consumer Rights Directive (CRD), both of which reported in 2017, as well as its 2018 Report on the implementation of the 2013 Recommendation on Collective Redress (on which the Department published EM 6043/18 in March 2018).
5. The REFIT review found that, on the whole, EU law is fit for purpose, but action should be taken to ensure consumers are fully aware of their rights and to ensure that the enforcement of consumer rules is effective across all Member States.
6. The New Deal sets out to achieve this in three ways. Firstly, the Commission has published a legislative proposal which would replace the existing Injunctions Directive with a new instrument for the protection of consumers' collective interests. The Department has published a separate EM on these proposals.
7. Secondly, the New Deal includes a second legislative proposal for a new Directive that would amend the four main consumer Directives: the Consumer Rights Directive (CRD), the Unfair Contract Terms Directive (UCTD), the Unfair Commercial Practices Directive (UCPD) and the Price Indications Directive (PID). These amendments are designed to: help ensure consumers are aware of their rights when purchasing goods from an online platform; fill a regulatory gap between the CRD and the upcoming Digital Content Directive when consumers purchase digital services (such as cloud storage or an email account); remove two obligations on traders in relation to the consumer's right of withdrawal from distance sales; increase traders' flexibility when communicating with customers; tackle the perceived existence of 'dual quality' goods being sold to consumers in different Member States; and set financial penalties for traders' breaches of consumer law.
8. Thirdly, it signals, the Commission's intention to agree bilateral or multilateral agreements for consumer-protection enforcement cooperation between the EU and third countries such as the USA, Canada and China. In particular, the Commission would like to improve its cooperation with China in the area of product safety and to increase awareness among manufacturers about EU product safety requirements. The Communication also confirms the Commission's support for international initiatives to improve the safety of products sold online, and its efforts to ensure consumer protection is promoted in future bilateral and multilateral trade negotiations.²
9. In its Impact Assessments accompanying these proposals, the Commission confirms that they have used the REFIT review and parallel review of the CRD (also published in 2017) as its basis for the new provisions. This EM reports on the New Deal's main themes and the Commission's rationale for introducing the changes.

¹ 7875/2018 INIT-EN, Communication from the Commission, p.3

² 7875/2018 INIT-EN, Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee: A New Deal for Consumers, p. 13

Compliance and Enforcement

10. EU analysis and calls for evidence have highlighted ongoing issues with businesses' compliance with European consumer law. For example, in its 2017 'Consumer Conditions Scoreboard', only 67% of retailers agreed that their competitors in-market complied with the relevant consumer law, and 20.1% of consumers had reported a consumer rights-related problem in 2016³.
11. In the Commission's Impact Assessment for the Recast Consumer Protection Cooperation (CPC) Regulation, consumers' financial detriment as a result of businesses' non-compliance with consumer protection rules in five cross-border online markets was estimated at EUR 770 million per annum. 95% of consumer organisations surveyed during REFIT reported compliance with consumer law to be an important issue.⁴
12. Through the New Deal, the Commission intends to improve traders' compliance with EU consumer law by introducing penalties (including fines) for breaches of consumer law. Rules on penalties are not currently harmonised at EU level. In its Impact Assessment, the Commission highlights just one difference between Lithuania, where the maximum fine for an infringement of consumer law is EUR 8,688 compared to EUR 5 million in Italy. There is also no standard method of fining a trader for the same type of infringement in different Member States. For example, current evidence suggests that a large company could be fined between EUR 3,900 and EUR 600,000 for the same breach of the UCPD⁵.
13. The Commission proposes adding a provision on penalties to each of the four cross-cutting Directives (note that the Price Indications Directive and the UCTD will only be amended by the introduction of penalties). As currently drafted, Member States would be able to determine the level of the cap in their country – subject to a minimum 'floor' level of 4% of a trader's annual turnover.
14. Stakeholders were divided on the introduction of financial penalties. For example, whilst 13 out of 17 Member State authorities and all 16 consumer organisations surveyed supported the introduction of penalties and the establishment of common criteria across the EU for imposing fines, only 31% of business organisations who responded favoured the introduction of penalties and 44% agreed with setting common EU standards.⁶
15. The Commission also sets out a number of other measures which will be taken at EU-level to help improve the effectiveness of the enforcement landscape. For example, the 'Recast' CPC Regulation, due to come into force in EEA States in January 2020, will repeal the existing CPC Regulation and improve public enforcement. It will give EEA enforcement authorities a set of new powers, including the option to impose civil fines against traders breaching consumer laws. The Commission is also due to launch an EU-wide communication campaign throughout 2018 to improve SMEs' understanding of consumer law and their obligations to their

³ 7876/18 ADD 1, Commission Staff Working Document Impact Assessment Accompanying the document Proposals for Directives of the European Parliament and of the Council: p.19

⁴ 7876/18 ADD 1, Commission Staff Working Document Impact Assessment, P.19

⁵ 7876/18 ADD 2, Commission Staff Working Document Impact Assessment, p.12

⁶ 7876/2018 ADD 2, Commission Staff Working Document Impact Assessment, p. 12

customers. A new Consumer Law Database will also be launched, designed to facilitate greater awareness of consumer law principles among legal practitioners.

Increased transparency

16. The Commission is also taking action under the New Deal to increase online platforms' transparency and improve consumers' awareness of their rights when they purchase goods from a third-party on these platforms. The Commission considers that when consumers currently visit an online marketplace they are likely to be offered a variety of products, which may be from the online marketplace itself, or from a third-party supplier selling on the marketplace. In such cases, it is not always clear who the consumer is purchasing a product from, or how the different offers have been ranked on the marketplace. Consumers could therefore be under the impression that they are purchasing a product from the online marketplace and entering into a contract with it. In reality, however, they may be buying from a third-party listed on the marketplace but who is not a trader, and should something go wrong, it may not be easy to establish liability.
17. According to the Commission's 'Platform Markets Study', nearly 60% of consumers responded that they did not know who would be responsible if there was a problem with the product they had bought. Similarly, the Commission's public consultation found that more than half of the 90 citizens who responded said that they did not know who they had concluded their contract with and were therefore unsure whether EU consumer rights applied to their purchase or not. Although the majority of large companies- 10 out of 18- surveyed did not agree that there is a lack of clarity in the contractual process, over half of responding business associations (34 out of 58) and more than half of SMEs (28 out of 50) agreed that consumers can face uncertainty in this regard.⁷
18. To tackle this uncertainty, the New Deal proposes amendments to the CRD which would require online marketplaces to inform consumers about: how offers presented to them when using the online marketplace have been ranked; whether the contract would be concluded with a trader or not; whether EU consumer law applies to their transaction; and, where the contract is concluded with a trader, who is responsible for guaranteeing the EU consumer law rights related to their contract (such as, for example, the right to withdraw from it).

Increased flexibility for traders and removing burdens for business

19. Alongside augmenting consumers' rights in certain areas, the New Deal would also update existing rules in the CRD to give businesses greater flexibility in their methods of communication with their customers, and to reduce current legal requirements on traders in relation to the consumer's right of withdrawal.
20. In relation to traders' communication channels, the Commission proposes updating the CRD to clarify that a trader can contact a customer using online means of communication, for example a web-form or webchat, as long as the consumer is still able to keep track of the communication they have with them. This amendment responds to evidence from the Commission's public consultation, in which all stakeholders confirmed that web-based communication with customers was nearly as relevant as email, whereas communication by fax (as included in the CRD's pre-

⁷ 7876/2018 ADD 1, Commission Staff Working Document Impact Assessment, p. 25-6

contractual information requirements for distance and off-premises contracts) was 'largely irrelevant'.⁸

21. The New Deal would also remove two of the CRD's current obligations on traders in relation to the right of withdrawal. The first of these is the requirement for the trader to accept the consumer's withdrawal from the contract when they have used the good more than necessary to establish their nature, characteristics and functioning. The second is the current requirement for the trader to reimburse the consumer before they have had receipt of the returned good.
22. In the Commission's SME panel consultation, almost 50% of respondents from 15 different Member States said that they face a 'disproportionate burden' as a result of the obligation to accept a product which may have been unduly used. 40% of SME respondents said they had faced a disproportionate burden at least 'sometimes' in relation to the requirement of early reimbursement. The Commission suggests, however, that this may be an increasing problem for business, as this requirement has only been in force since June 2014 (and 41% of SMEs said they 'did not know' whether these obligations were burdensome). 50% of the consumer associations surveyed, and 10 out of 16 public authorities, stated that the right of withdrawal for unduly tested goods creates a disproportionate burden for traders to either a 'large' or to 'some' extent, although very few respondents provided quantitative estimates of the burden.⁹

Bolstering consumer protections in respect of digital services

23. Through the New Deal, the Commission also intends to fill a regulatory gap between the existing CRD and the forthcoming Digital Content Directive (which is currently still in inter-institutional negotiations).
24. Digital transactions are increasing across the EU, and the EU is one of the largest e-commerce markets in the world. According to the Commission's evidence, the percentage of consumers aged between 16 and 17 who have ordered products or services online has increased from 30% in 2007 to 55% in 2016.¹⁰ However, European consumer law does not currently offer effective protection for consumers in all digital transactions. The CRD, for example, applies when a consumer has purchased digital content- such as a game, app, or piece of music- and whether they have paid for it with either money ("paid-for content") or with their personal data (so-called "free" digital content). In such transactions, the consumer would have the right to withdraw from the contract within the 14-day 'cooling-off' period and the right to pre-contractual information.
25. However, the CRD does not currently give consumers protection in respect of digital services for which they provide personal data instead of paying money. For example, when a consumer creates, stores or shares data in a digital form, such as subscription contracts to content platforms, cloud storage, webmail, or social media. Whilst, currently, the CRD would apply to these contracts if the consumer pays with money for the service, it is silent on the applicable rights where they instead provide personal data (a "free" digital service).

⁸ 7876/2018 ADD 1, Commission Staff Working Document Impact Assessment, p. 29

⁹ 7876/2018 ADD 1 Commission Staff Working Document Impact Assessment, p. 30

¹⁰ 7876/2018 ADD 3 Commission Staff Working Document Impact Assessment, p. 4

26. This imbalance in consumer rights will also be magnified when the Digital Content Directive is adopted, as this Directive will cover digital services in exchange for which the consumer provides personal data, as well as those that are paid for. This Directive will give consumers contractual remedies if there has been a failure to supply the digital content or service, or if there is a lack of conformity, as well as the right to terminate fixed-term contracts after one year. The Digital Content Directive's remedies would apply alongside the new General Data Protection Regulation, which will come into force on 25 May 2018 and allows a consumer to withdraw their consent to stop the processing of their personal data, but if the data processing is necessary for the performance of the contract, they must terminate the contract.
27. The Commission suggests that consumers experience detriment because of the current lack of protection for "free" digital services. For example, 48% of consumers surveyed as part of the Commission's CRD study said they had experienced difficulties unsubscribing from such services. Furthermore, 70% of individuals who responded to the public consultation claimed that the lack of the rights in the CRD applying to pre-contractual information and contract withdrawal can be harmful for consumers when they have purchased a digital service cross-border.¹¹
28. To tackle this, the New Deal proposes an amendment to the CRD to extend its application (and, therefore, the right to pre-contract information and the right of withdrawal) to digital services for which a consumer has paid using their personal data.

SCRUTINY HISTORY

29. The Department for Business, Energy and Industrial Strategy submitted EM 6043/18 on the implementation of the European Commission's 2013 Recommendation on Collective Redress on 26 February 2018.
30. The Department for Business, Energy and Industrial Strategy submitted EM 9660/17 on the European Commission's report on the evaluation of the Consumer Rights Directive on 30 June 2017.

MINISTERIAL RESPONSIBILITY

31. The Parliamentary Under Secretary of State and Minister for Small Business, Consumers and Corporate Responsibility has primary responsibility for consumer protection. The Secretary of State for Justice may also have an interest in relation to the proposed inclusion of rules on penalties to four cross-cutting consumer law Directives.

INTEREST OF THE DEVOLVED ADMINISTRATIONS

32. Consumer protection is devolved to Northern Ireland but reserved for Scotland and Wales. A draft of this EM was sent to the Devolved Administrations in advance of its publication.

LEGAL AND PROCEDURAL ISSUES

¹¹ 7876/2018 ADD 3 Commission Staff Working Document Impact Assessment, p.7

33. Consumer protection is a shared competence between the EU and Member States. The legislative proposals reported on here are based on Article 114 of the Treaty on the Functioning of the European Union (completion of the internal market) and the Explanatory Memorandum also makes reference to Article 169 (ensuring a high level of consumer protection).
34. The Government does not consider that the Justice and Home Affairs (JHA) opt-in is triggered by this proposal. The proposal does not cite as a legal base Title V of Part 3 of the Treaty on the Functioning of the European Union, which is the JHA chapter of that Treaty and the Government also concludes that its subject matter does not fall within the JHA opt-in. Although the Commission's proposals would, as currently drafted, allow Member States to determine the rules they implement in relation to penalties, one provision would oblige them to ensure that penalties for a trader's widespread infringement of consumer law would include the possibility of fines, the maximum amount of which shall be at least 4% of the trader's annual turnover in the State(s) concerned. As this provision would not require Member States to create a criminal offence or criminal penalties, HMG considers that this provision does not fall within scope of Article 83 on the Functioning of the European Union (TFEU) and that the JHA opt-in does not therefore apply.

European Parliament Procedure

35. The proposals act in accordance with ordinary legislative procedure.

Voting procedure

36. Qualified Majority Voting

Impact on United Kingdom Law

37. The Commission has signaled its intention through the New Deal for Consumers to update the existing consumer law set out in the four existing horizontal consumer law Directives: the Consumer Rights Directive, the Unfair Commercial Practices Directive, the Price Indications Directive and the Unfair Contract Terms Directive. Amendments to existing UK consumer legislation would be required to transpose the proposed amendments to the Directives.
38. The majority of the proposed amendments relate to the Consumer Rights Directive, which is implemented in the UK by the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, and the Unfair Commercial Practices Directive, which is implemented by the Consumer Protection from Unfair Trading Regulations 2008. Both the relevant Directives are (mainly) maximum harmonisation in nature, meaning that Member States cannot reduce or exceed the level of protection that they provide. This is also the case for the majority of the proposed amendments, although there is some discretion for Member States in how they implement certain provisions, including on individual redress and the application of penalties.
39. The proposals relating to penalties also entail amendment of the Unfair Contract Terms Directive, which has been implemented in the UK by Part 2 of the Consumer Rights Act 2015, and the Price Indications Directive, which has been re-implemented by the Price Marking Order 2004.

Application to Gibraltar

40. The proposed Directive would apply to Gibraltar, as it has transposed the four EU Directives to be amended under the proposal.

Fundamental rights

41. The proposal is expressed to be in accordance with the following Articles of the Charter of Fundamental Rights:

- a. Article 38, which provides that the EU policies shall ensure a high level of consumer protection. The Government agrees that the proposals should contribute to high levels of consumer protection; for example, by extending consumer protection in respect of digital services and online marketplaces. However, the Government will closely monitor the progress of negotiations to ensure that any additional requirements agreed are proportionate for traders and online marketplaces.
- b. Article 47, which provides the right to an effective remedy before a tribunal. The proposals seek to introduce new means of individual redress (contractual and non-contractual) for unfair commercial practices; for example, the right for the consumer to unilaterally terminate the contract or to claim compensation. It is considered that this right is respected.
- c. Articles 7 and 8, which relate to respect for private life and the protection of individuals' personal data respectively. It is considered that such rights are respected. A proposed amendment to the UCPD allows Member States to adopt rules to protect the legitimate interests of consumers in respect of selling or marketing practices targeting them at home, as long as such rules are justified on grounds of public policy or respect for private life. Proposed amendments to the CRD clarify traders' obligations in respect of consumers' personal data where the consumer withdraws from the contract.
- d. Article 16, which guarantees the freedom to conduct a business in accordance with EU law and national laws and practices. It is considered that the proposal to reduce, simplify and modernise certain requirements on traders in the Consumer Rights Directive should afford traders greater freedom in conducting business by reducing regulatory burden. The removal of these burdens should not cause consumers any detriment that would interfere with their rights under Article 38. However, the Government is concerned to ensure that the removal of these burdens does not result in detriment to consumers and we will pay close attention to the detail of the proposal as negotiations progress.

APPLICATION TO THE EUROPEAN ECONOMIC AREA

42. The legislative proposals would be applicable to the European Economic Area (EEA).

SUBSIDIARITY

43. The Government agrees with the EU's assessment that robust EU consumer protection rules remain relevant as the number of online and offline consumer transactions increases between Member States.
44. The Government also agrees that strong consumer protections are necessary as digital transactions increase across the EU. Ensuring that rules are harmonised across Member States will provide legal certainty for consumers and business when purchasing digital content and services.
45. The proposal affects four existing EU Directives, whose adoption has previously been deemed to be in accordance with the principle of subsidiarity. Further, the UCPD and the CRD (which are the object of most of the proposed amendments) are maximum harmonisation, meaning that there is already very limited scope to take action nationally. That said, it is noted that some of the proposed amendments would allow Member States greater discretion to legislate at national level; for example, in respect of aggressive or misleading selling practices in off-premises sales.
46. In respect of individual redress for breaches of the UCPD, the proposal is to give Member States discretion as to which remedies they make available. This discretion is subject to the requirement to provide both contractual remedies (as a minimum, the right to termination) and non-contractual remedies (as a minimum, the right to compensation). There are no other harmonising requirements.
47. In respect of penalties, Member States would still have discretion over the rules they implement but would be required to take account of certain criteria when deciding whether to impose a penalty and at what level. The recitals to the Directive state that such criteria should be non-exhaustive, so it is considered that authorities or courts should not be overly restricted by the introduction of such criteria. The proposed Directive does seek to specify the amount of fines for widespread infringements or widespread infringements with a Union dimension¹²: Member States would be required to set a cap on fines of at least 4% of the trader's annual turnover for such infringements. However, there would still be discretion for Member States to set a higher cap. The Government agrees that minimum level harmonisation of this kind in respect of widespread infringements is necessary to ensure coordination of penalties required by the revised CPC Regulation. There is no harmonisation of levels of fines for other infringements.

POLICY IMPLICATIONS

48. The Government worked closely with the EU on its REFIT review of EU and consumer marketing law and its parallel review of the CRD. We support EU efforts to ensure that consumers' rights are robust and that they can be enforced effectively.
49. Until EU exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will also continue to negotiate, implement and apply EU legislation.

¹² "Widespread infringements" and "widespread infringements with a Union dimension" are defined in Regulation 2017/2934/EU (the CPC Regulation).

50. After our exit from the European Union, the way consumer protections apply across the border with the EU in future is a matter for negotiations. However, it is not in anyone's interest for rogue traders to target citizens based in the UK or EU. The Government will seek the best possible deal for consumers from the EU and the UK after we leave the EU. We are committed to maintaining our track record of high levels of protections for consumers.
51. The EU's New Deal legislative package addresses many of the same themes which the UK is currently consulting on in the 'Consumer Green Paper: Modernising Consumer Markets', which was also published on 11 April. For example, our consultation considers whether digital markets work in the best interests of consumers, and whether consumers can easily seek redress when things go wrong.
52. Whilst UK consumer rights are stronger than in many other EU Member States, and 84% of consumers think traders respect their rights, some consumers do continue to experience problems, and it can sometimes be difficult to secure redress.¹³ The Government is committed to ensuring that all companies treat customers fairly and resolve any problems quickly.
53. To help achieve this, and to discourage infringements and promote compliance with consumer laws, the Consumer Green Paper confirms the UK's intention to bring forward domestic legislation to give civil courts the power to impose financial penalties for on traders for breaches of consumer protection laws. All consumer law enforcers, including the CMA and Trading Standards will be able to ask the courts to impose fines either as a standalone remedy, or in conjunction with the existing civil remedies such as injunctive relief, enforcement orders or enhanced consumer measures. The financial penalty will go further than the current 'floor' level of 4% set out in the New Deal and be subject to a total cap of 10% of a firm's worldwide turnover, in line with the limits for fines that can already be imposed in some of the regulated markets.
54. The Commission anticipates the new rules on penalties agreed as part of the New Deal for Consumers will sit alongside the 'Recast' CPC Regulation which will improve the public enforcement landscape by giving EEA enforcement authorities a set of new powers, including the option to impose civil fines against traders breaching consumer laws. The UK will work closely with Member States and the EU institutions in the upcoming negotiations on the issue of penalties.
55. The UK will also work constructively in the Council of the EU to ensure that the proposed transparency requirements for online marketplaces do not pose a disproportionate burden on business, and that the removal of certain obligations on traders in relation to the customer's right of withdrawal are fair for consumers when purchasing goods online or at a distance.

CONSULTATION

56. Alongside its ongoing consultation with stakeholders on the Consumer Green Paper, the Government will continue to work closely with other Government Departments, and with business and consumer organisations as negotiations on the New Deal

¹³ 'Modernising Consumer Markets: Consumer Green Paper': https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/699937/modernising-consumer-markets-green-paper.pdf p. 45

progress. We welcome their views to ensure that any new rules agreed as part of the package are proportionate for business and consumers alike.

IMPACT ASSESSMENT

57. The European Commission has published a full impact assessment (IA) on the proposal. The IA sets out the rationale for action in this area, including why action at EU level is necessary, what the regulation is expected to achieve, and which legislative and non-legislative options have been considered. The IA also analysis the costs and benefits of the preferred policy options and how businesses, including SMEs, and consumers will be affected.
58. Further work will be done as the negotiations on the New Deal progress to understand the potential impacts of the proposal on Government, business and consumers.

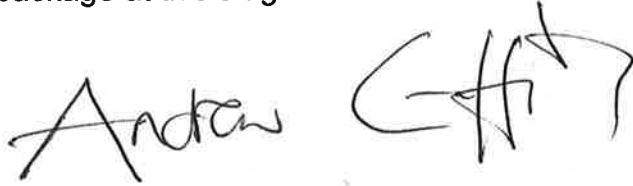
FINANCIAL IMPLICATIONS

59. The European Commission anticipates that EU-level intervention on extending CRD to digital services will involve initial familiarisation costs for public enforcement authorities and courts. They however expect these costs will not be significant as enforcers are already familiar with the existing rules.
60. The Commission also estimates that costs for dispute resolution bodies and public authorities are likely to diminish as there would be more clarity about the identity and legal status of contractual partners and as consumers will find it easier to address their contractual partners directly. The Commission anticipates a reduction in the number of claims to consumer authorities.
61. Further work will be carried out in due course as negotiations progress to consider the financial implications of the New Deal for Consumers on the UK Government, businesses and consumers.

TIMETABLE

62. EU Commission President Juncker included the New Deal for Consumers in his 2017 State of the Union address, and it is part of the Commission's Work Programme for 2018. The Commission has prioritised making swift progress on the New Deal measures as it approaches the final 12 months of its tenure. However, it is currently too early to say how quickly negotiations will progress across the whole package of legislative measures. The majority of Member States do not yet have agreed positions on the proposals and, like the UK, are holding a scrutiny reserve.
63. The first negotiations in the Council of the EU took place on 24 and 25 April 2018, where the Commission presented their findings and the new proposals and sought initial views from Member States on the whole package of measures.
64. A provisional schedule of Working Group negotiations in the EU Council of Member States has been published between May and the end of June as the current Bulgarian Presidency are prioritising negotiations across the Package under its tenure.

65. It is also possible that the New Deal for Consumers will be tabled as an item for discussion at the next EU Competitiveness Council in Brussels on 28 May. Although we do not yet know what the topic of discussion will be, it is likely that it will be a 'for information' item, and not seeking Ministerial clearance to any aspect of the package at this stage.

A handwritten signature in black ink that reads "Andrew Griffiths". The signature is written in a cursive, slightly slanted style.

ANDREW GRIFFITHS MP

Parliamentary Under Secretary of State and Minister for Small
Business, Consumers and Corporate Responsibility