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Lord Boswell of Aynho,
Chair, European Union Committee,
House of Lords,
London, SW1A 0PW

Our ref:
Your Ref:

26 June 2018

Dear Tim,

- **7875/18: Commission Communication: A New Deal for Consumers**
- **7876/18: Proposal for a Directive 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**
- **7877/18: Proposal for a Directive on representative actions for the protection of the collective interests of consumers, and repealing Directive 2009/22/EC**

Thank you for your letter dated 12th June 2018, in reply to the Government's Explanatory Memoranda. I have taken the Committee's questions in order.

- i. *When does the Government expect these proposals to come into effect, before/during/or after the transitional period?*

The proposals which make up the New Deal package are still at an early stage of Council negotiations, so it is currently unclear when negotiations will be finalised. Whether the transposition date falls within the Implementation Period depends on how quickly the negotiations progress and whether the transposition deadline remains at 18 months, as the current proposals set out. The Commission hopes to have the proposals agreed by May 2019; should this be the case Member States would need to adopt the proposals by November 2020, which would fall within the Implementation Period. However, Member States then have a further 6 months to bring the legislation into force, which would fall outside the Implementation Period. The Commission's timeline is very ambitious, however, and it is possible that any delays to negotiations would cause both deadlines to fall beyond the Implementation Period.

- ii. *Regardless of when they come into effect, does the Government intend to align the UK with these proposals after Brexit?*
- iii. *Are there areas covered by these proposals where the Government would want to diverge from the EU's rules after we leave the EU?*

The Government's approach will partly depend on the terms of our Future Economic Partnership with the EU. It is not yet clear whether, or to what extent, the UK will align or

diverge with consumer law after EU withdrawal. However, the Government has been clear that it wants a deep and special partnership with the EU, and we recognise the importance of cooperating closely with our EU partners on the best way of protecting consumers after we leave the EU. The UK and the EU start from the unique position of regulatory alignment, trust in one another's institutions and a shared spirit of cooperation.

- iv. *Does the Government welcome these proposals? In particular, given its support for the EU's "efforts to ensure that consumers' rights are robust and that they can be enforced effectively", and your undertaking to us in response to our report that you are "committed to maintaining high standards of consumer protection, delivering the stability and continuity consumers need to continue to make purchases";*

We support the Commission's focus on strengthening the EU consumer protection regime in the face of rapidly changing consumer markets, through the New Deal package itself and the other recent consumer law proposals that the EU is negotiating. We are still developing a detailed negotiating position on the New Deal and are consulting stakeholders accordingly. However, it is important that our objectives remain consistent with the themes of the Consumer Green Paper.

- v. *Has the Government sought the views of the Competition and Markets Authority, and other bodies such as Which? on the merits of the proposed Directive on representative actions for the protection of collective interests for consumers? If so, what were their views?*

The Government regularly consults consumer, business, and regulatory stakeholders on all EU consumer business. The CMA has no major concerns, as long as the effect of Article 1(2) of the proposed Directive is maintained, which allows Member States to adopt or maintain their own procedural means at national level to protect the collective interests of consumers. Overall, Which? welcomes the proposal as a significant development for consumers, subject to a few detailed comments on which we will work with them as we develop a negotiating position.

I will continue to keep the Committee updated regularly on the progress of the negotiations and the UK's objectives. I am copying this letter to Sir William Cash, Chair of the House of Commons European Scrutiny Committee, Les Saunders (DExEU), and Jennifer Steinitz (BEIS Scrutiny Coordinator).

A handwritten signature in black ink that reads "Andrew Griffiths" followed by a stylized monogram "AG".

ANDREW GRIFFITHS MP
Minister for Small Business, Consumers & Corporate Responsibility