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Lord Boswell of Aynho,
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Dear Lord Boswell,

- **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 17th July 2018, in reply to Andrew Griffiths' letter of 26th June.

Since the letter of 26th June there have been three further working groups in Brussels to discuss the two separate files that are contained in the New Deal for Consumers proposal. There has been steady progress on the file which proposes targeted amendments to the consumer acquis with the intention of modernising rules and improving enforcement. The first line-by-line analysis of the proposal has been completed and Member States have been generally receptive although a few areas (such as amendments to the Right of Withdrawal) have proven to be contentious. Member States have been asked to provide written comments on this file to the Austrian Presidency by 12th September. Progress on the proposed Directive on representative actions has been slow so far with roughly half of the first line-by-line analysis completed. Many Member States have expressed concerns about the impact the proposal could have on existing national legal systems. Working groups are due to start again on 3rd September.

You asked the following specific questions in your letter:

- (i) *does the Government intend to align with these proposals post-Brexit?*

It is not yet clear whether, or to what extent, the UK will align or diverge with EU consumer law, and more specifically these proposals, after EU withdrawal. This will depend on the terms of our future economic partnership. However, the Prime Minister made clear in her Mansion House speech that the UK believes in the importance of strong consumer rights; and the White Paper on the future relationship states our commitment to maintaining high levels of consumer protection. The exact nature of this commitment and how it is translated into the agreement

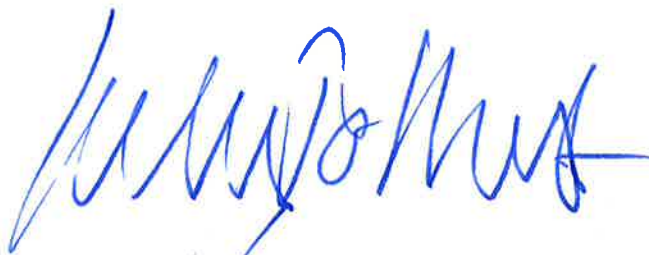
will be subject to negotiation. This would go beyond commitments seen in traditional free trade agreements, and would ensure a fair trading environment for both sides.

- (ii) *are there areas covered by these proposals where the Government would want to diverge from the EU's rules after we leave?*

Given that both proposals are in the early stages of negotiation, it is too early to say what form the final Directives will take and therefore whether the Government would want to diverge from any particular aspects. As I noted above, however, many Member States are concerned about the impact of the 'collective redress' proposal on national legal systems. In any event, it is not in the UK's interests to see a 'race to the bottom' in standards.

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).

Yours sincerely



KELLY TOLHURST MP

Minister for Small Business, Consumers & Corporate Responsibility