

Position Paper

29 August 2025

EuroCommerce contribution to public consultation on Consumer Agenda 2025-2030 (Attachment 1)

EuroCommerce welcomes the opportunity to contribute to the public consultation on the Consumer Agenda 2025–2030 and the action plan on consumers in the Single Market. As a sector that is fundamentally driven by consumer demand, the retail and wholesale industry places the highest importance on consumer trust¹ and protection. These elements are essential not only for the functioning of the Single Market but also for enabling the green and digital transitions that consumers increasingly expect.²

This position paper complements EuroCommerce's response to the public consultation submitted through the online questionnaire. It provides a more detailed explanation of EuroCommerce's views and recommendations on key issues that could not be fully addressed in the questionnaire.

EuroCommerce would like to make the following recommendations to the questions Nr. 1 to 7 of the public consultation:

Q 1. Listing of the Commission's priority areas

EuroCommerce appreciates the opportunity to share its views on the upcoming Consumer Agenda. However, we felt that the format of the questionnaire did not allow us to fully express all the points we wished to raise. To complement our response, we have therefore attached an additional paper providing further input.

For future consultations, we would kindly suggest offering more space within the questionnaire for stakeholders to clearly articulate their perspectives.

Q 2. Completing the Single Market for consumers

Ensuring that consumers can fully enjoy all benefits of the Single Market, for example by removing remaining barriers preventing consumers from buying goods and services across borders, is in the centre of EuroCommerce attention. EuroCommerce believes that completing the Single Market for consumers must remain a top priority for the European Union. Everybody within the European Union, and consumers in particular, should be able to access goods and services across borders without facing unnecessary and artificial barriers. However, multiple persistent obstacles continue to limit customers'

¹ <u>2025 Consumer Conditions Scoreboard</u>: Seven in ten consumers believe their rights are respected by retailers and service providers.

² State of Grocery Retail 2025, EuroCommerce & McKinsey, 2025

choice and undermine the integrity of the Single Market. These barriers are created by minimum harmonisation of consumer protection and product safety rules, but also by individual Member States gold-plating consumer protection law and introducing national rules on labelling and information requirements, composition, testing, advertising, etc.³

Territorial supply constraints

One of the obstacles mentioned in question 2 are "Business-to-business practices that restrict territorial distribution and sale of goods, limiting consumers' choice and contributing to price differences between Member States", such as **territorial supply constraints** (TSCs). ⁴

TSCs have been identified among the "Terrible 10" obstacles to a full completion of the Single Market in the Commission's Single Market Strategy of May 2025. The Commission recognises the negative effects that TSCs have on price and choice for consumers which can cost consumers up to €14 billion per year for the purchases of certain products, particularly in the fast-moving consumer goods sector.

EuroCommerce calls on the Commission to swiftly start an impact assessment and propose legislation by Q4 2026 based on the non-discrimination principle of the Geo-blocking Regulation applied to business-to-business relations. This would ensure that suppliers can offer products to all retail and wholesale customers regardless of their country of origin, preventing practices such as refusals to supply and redirection to other national sales offices, price discrimination and artificial boundaries to cross-border trade (such as unjustified differences in labelling and packaging between countries). The burden of proof that certain TSCs are justified should be on suppliers.

The Commission should also act against infringement of national laws strengthening the effects of TSCs and seek to remove barriers to the free movement of goods (for example by harmonising rules on recycling schemes and labelling, as further explained under Q5. below).

Q 3. Improving enforcement of consumer-protection and product-safety rules

Effective and efficient enforcement is the cornerstone of consumer trust and fair competition in the Single Market. EuroCommerce therefore welcomes and supports the Commission's focus of the next Consumer Agenda on enhancing the enforcement of existing consumer protection rules and promoting a level playing field for businesses.

Better enforcement of existing rules

A more effective approach to improving consumer protection lies not in making consumer protection legislation more complex, but in **improving the enforcement of existing consumer protection rules**. Harmonisation should remain the default strategy wherever feasible, ensuring consistency across Member States, also looking at regional fragmentation of enforcement and rules. New legislative measures should only be introduced when they are clearly necessary and proportionate. In this context, the effectiveness of the current regulatory framework could be significantly improved by equipping enforcement authorities with adequate resources and modern IT tools to carry out their responsibilities effectively and efficiently, focusing their efforts on systemic issues where noncompliance is high.

Moreover, fostering stronger cooperation and collaboration among enforcement bodies, anchored in a consistent interpretation of EU consumer protection laws, would further enhance overall efficiency, streamline enforcement and reduce fragmentation. This approach would not only uphold the integrity

³ Also have a look at the <u>EuroCommerce Single Market Barriers Overview</u> & our position paper "<u>Consumer trust</u> is essential to enable the green & digital transformation in retail"

⁴ EuroCommerce campaign #SingleMarket4All: https://www.eurocommerce.eu/singlemarket4all/

of the Single Market but would also reduce confusion, close enforcement gaps, and ensure that consumers enjoy the same level of protection anywhere in the EU.

Ensuring a level playing field

In October 2024 we launched the campaign **#Compliance4All** calling upon EU legislators and national authorities to establish a **level playing field** in retail for all players targeting EU-based consumers, **irrespective of whether they are established within or outside the EU**. To achieve this, we need a holistic effective and efficient enforcement strategy based on all relevant legal instruments, aiming to incentivise competent authorities, Member States and the European Commission. This should happen at national level and EU level, but also between national and EU level, across enforcement domains.

Consumers need to trust that the products they buy are safe and compliant, that their rights are respected, and that they have access to redress, no matter where, from whom, and how they purchase products and services. This trust is the foundation for growth and innovation, as it enables small, new and unknown traders to market their products and services to consumers.

At this moment, unfair competition from third country marketplaces and traders is having a devastating effect on the European retail sector. Despite the recognition of the EU institutions, national authorities, consumers organisation and other stakeholders of the problem, the latest data shows that unfair competition is massively increasing across Europe.⁶

The Commission E-commerce Communication of February 2025 was an encouraging first step in the right direction, but it is not enough to restore a level playing field in Europe and protect consumers' rights and safety.

EuroCommerce is preparing a position paper with legal recommendations on how to restore a level playing field, including how to ensure that all products placed on the market by non-EU manufacturers have a meaningful responsible person. In this particular area, we observe that the current system does not work, and this is putting consumers at risk.

Enhancing compliance

The **Consumer Protection Cooperation (CPC) Regulation** is an essential part of ensuring that EU consumer protection rules are properly enforced, and as confirmed by the Commission's e-commerce action plan⁷, its revision is necessary. EuroCommerce believes that the **CPC network** and the Commission should play a more prominent role in addressing cross-border infringements and ensuring that non-compliant third-country traders do not gain an unfair advantage.

Under current conditions, companies established in the EU that play by the rules and invest in product compliance often suffer from unfair competition from rogue traders and third-country marketplaces that ignore EU rules. In June 2025, EuroCommerce, BEUC and BusinessEurope called upon the Commission to swiftly review the CPC Regulation with the aim of improving cross-border enforcement, ensuring strong protection for consumers and a level playing field for all traders serving EU consumers regardless of where they are located.⁸

⁵ EuroCommerce position paper calling to establish a level playing field in retail, 14 October 2024.

⁶ Haute Pursuit: Temu and Shein Turn to Europe to Accelerate Growth | Consumer Edge

⁷ Communication: A comprehensive EU toolbox for safe and sustainable e-commerce, 5 February 2025.

⁸ <u>Joint statement of EuroCommerce, BEUC and BusinessEurope on Stepping up enforcement of consumer rules to ensure a level playing field in Europe, 2 June 2025.</u>

European retailers also express support for a strong and clearer Commission mandate to address EU-wide infringements affecting millions of Europeans, especially when traders are based outside the EU. This would enhance both fairness in the market as well as consumer protection.

Q 4. Strengthening consumer protection in the online environment

The digital transformation of retail has brought significant benefits to consumers (e.g., greater convenience and flexibility, wider selection of product, or easier comparison of prices) but it has also introduced new challenges. EuroCommerce supports efforts to strengthen consumer protection in the online environment, provided that these efforts are proportionate and specifically targeted at systemic issues and areas of low compliance.

The EU already has a solid and comprehensive legal framework that ensure consumers are protected online. Such framework includes EU consumer law as well as other pieces of legislation that have a positive impact on ensuring consumers are well protected online (e.g., DSA, DMA, EU AI Act, GDPR).

The challenge does not lie in the absence of rules, but rather in their inconsistent and fragmented enforcement across the Single Market. Therefore, it is essential to avoid overregulation and overlapping rules, and rather focus on alignment between the current consumer rules and digital legislation and ensure that any upcoming legislative initiatives (e.g., DFA), if necessary, only focus on addressing well defined gaps that cannot be covered by the existing legislation.

As confirmed by the report on the **fitness check on digital fairness**, EU consumer law is still relevant in today's digital environment, but its effectiveness is undermined by **fragmentation and lack of enforcement**.

This also comes to the forefront in a joint study we did on digital fairness in retail⁹ where the lack of enforcement seems the biggest problem to ensure proper protection of consumers online. Therefore, rather than introducing new legislation, we urge the European Commission to focus on ensuring proper **enforcement of current EU rules.** Effective and efficient enforcement is key to ensure a level playing field for all operators active online and to strengthen consumer trust.

Introducing additional rules without first addressing the lack of enforcement only risks imposing additional compliance burden on diligent retailers without bringing any added value to consumers. There is also a risk that the gap between compliant and non-compliant players is widened by new rules. Retailers making an effort to be compliant incur additional costs which makes their products and services more expensive, while products and services offered by rogue traders that ignore the rules already will become even more attractive to consumers as their costs have not increased.

EuroCommerce supports retaining the principles-based approach of the UCPD, complemented by clear guidance on how it interacts with (new) digital legislation. Such guidance could also serve as a valuable tool for courts in interpreting and enforcing consumer protection rules effectively.

Lastly, we would like to comment on question 4 that contains an option reading "Misleading pricing practices, e.g. 'drip' pricing (the full price including unavoidable charges is not displayed up front), 'dynamic' pricing (instant adjustment of the price in line with market demand), misleading price comparisons."

We agree with the Commission that addressing misleading pricing practices is important. However, we feel that the examples provided in the question could be more clearly defined. In our view, misleading pricing practices are those in which consumers end up paying a *higher* price than initially indicated, or where the final higher price is determined through unfair means. We believe that the focus in

⁹ Report of the study on "Digital Fairness in Online Retail" - EuroCommerce

misleading pricing practices should therefore be on practices that distort consumer decision-making or result in unexpected costs—rather than on pricing strategies that are legitimate when applied transparently and fairly.¹⁰

Q 5. Promoting sustainable consumption

Retailers and wholesalers are committed to supporting the green transition by enabling consumers to make more sustainable choices.

Retail supports harmonised rules for eco-design and labelling

We are particularly committed to the objectives of the **Eco-design for Sustainable Products Regulation (ESPR)**, which will raise the sustainability bar for all products entering the Single Market. The ecodesign requirements will serve as a stepping stone in enabling consumers to make more sustainable choices. A harmonised EU-wide approach is essential to ensure the success of this initiative. Most importantly, the enforcement of these mandatory rules will be crucial to make this a reality, especially concerning e-commerce imports from non-EU countries.

EuroCommerce advocates for **clear and harmonised rules for labelling** that are both meaningful to consumers and manageable for businesses. Identified as one of the "Terrible 10" barriers in the Single Market Strategy, fragmentation of labelling rules needs to be overcome. However, endorsing national methodologies such as the French Ecoscore¹¹ introduces legal uncertainty and burdens for businesses, risks misleading consumers and weakening their trust, and overall goes against the Commission's commitment to regulatory simplification and the goals of the Single Market Strategy. Without harmonisation, the EU faces the risk of 27 diverging labelling methodologies, posing technical challenges for cross-border business and leading to uneven information to consumers across the Member States. We ask the Commission to carefully consider these concerns, particularly in the event of future national rules¹² that can pose another barrier to the Single Market.

We understand that the upcoming revision of the **Textile Labelling Regulation**, foreseen for Q1 2026, will update the necessary technical rules on fibre composition information to consumers and expand to include other information domains. We urge the Commission to keep an industry-friendly outlook during this revision, as the nature of its contents may entail operational difficulties in its implementation that risk creating trade barriers with third countries and undermining the competitiveness of the EU's textile retail sector. We also stress the need for regulatory coherence to ensure the well-functioning policy framework, remove both internal and external trade barriers and facilitate implementation by all economic operators, avoiding consumer confusion and safeguarding their trust.

Digital Product Passport and digital labelling offer a solution

The **Digital Product Passport (DPP)** has the potential to empower consumers with greater transparency, enabling informed purchasing decisions and supporting more sustainable consumption habits. By offering access to reliable, harmonised, and machine-readable information, the DPP can help introduce consumers into the new digital age.

¹⁰ McKenzie article on dynamic pricing, 2017: The article explains five modules of dynamic pricing, including a competitive-response module that provides consumer with a *lower* price.

¹¹ See Commission Comments on Notifications 2025/86/FR and 2025/87/FR (C(2025) 3048 final of 12 May 2025).

¹² Another example is minimum harmonisation of duration of legal guarantee of conformity for consumer products. This leads to fragmented national rules and creates additional costs for businesses that have to relabel or repackage products when offering products cross-border.

But to fulfil that promise, the DPP must be built on open, international standards to ensure it works across sectors and borders. It should also remain accessible through simple, user-friendly formats that do not confuse or overwhelm the consumer, and which do not give rise to redundances (i.e., explanatory statements above data carriers like 'scan here' or multiple data carriers on one product).

At the same time, access to DPPs should not interfere with existing commercial practices: access points must remain neutral and should not divert consumer traffic away from retailers' platforms or disrupt the customer journey. For consumers to benefit, the DPP must be easy to use and practical for businesses to implement as fully as possible.

It is also important to recognise that developing DPP presents a significant challenge for businesses, especially those with long value chains. Therefore, although the final aim should be to have all meaningful information inside the DPP, it is worth taking a stepwise approach and considering the inclusion of the information obtained from direct or close providers at the first step, with the ambition to widen the scope into lower tiers in the value chain in subsequent stages.

Via the DPP, **digital labelling** further opens the door to improved consumer communication, offering more flexibility in how product information is delivered. But it also gives rise to an important question: what information must remain on the physical product, and what can be delivered digitally. **Essential information must remain on the physical packaging or label**, and the essential elements for each product category should be defined in the relevant pieces of legislation.

Food labelling needs an update

As a key stakeholder in the food sector, we also advocate for a **targeted revision of the Food Information to Consumers (FIC) Regulation¹³** to enhance clarity, harmonisation, and accessibility of food labelling across the European market. Therefore, a balanced approach is essential so that it ensures consumers' understanding, considers market flexibility, and encourages digital innovation, while minimising regulatory burdens on businesses, particularly SMEs. Retailers and wholesalers have implemented various voluntary initiatives that can serve as references in enhancing consumer information.¹⁴

A voluntary approach to origin labelling is preferred, with the "EU/non-EU" designation as a default. This approach provides clarity while ensuring packaging flexibility and sustainability. Mandatory country-specific labelling should be avoided to prevent excessive costs and supply chain disruptions.

Moreover, food companies use precautionary allergen labelling, such as "may contain [allergen]", or "produced in a factory that handles [allergen]" but there is no harmonised framework at EU level. The FIC Regulation requires the Commission to adopt implementing acts on precautionary allergen labelling (PAL). However, to date, no act has been published. We therefore call for having a defined framework for the application of PAL complementing the Commission's notice relating to the provision of information on substances or products causing allergies or intolerances as listed in Annex II of FIC Regulation.

Empowering Consumers for the Green Transition

EuroCommerce supports the objective of protecting consumers against greenwashing and making sure only trustworthy claims and labels remain on the market. Our sector is consumer-facing and maintaining consumer trust is paramount in our day-to-day business. There is an expectation on our

¹³ Regulation (EU) No 1169/2011 on the provision of food information to consumers.

¹⁴ E.g., the pledges in the <u>Code of Conduct</u> focusing mainly on sustainability and using of digital tools such as QR codes.

sector to guide consumers towards more sustainable consumption by providing them with the appropriate information and tools to make environmentally conscious choices. Burdensome verification procedures in relation to our communication to consumers would, however, hamper delivering on this important commitment.

Create a Single Market for Waste to ensure consumers can dispose of products and waste in a safe and environmentally friendly way

Retailers are playing an important role in boosting the competitiveness, affordable innovation and sustainable development of the EU Single Market. Sitting at the nexus between production and consumption, our sector has the potential to facilitate change in both segments. We already deploy circular business models and explore scaling them up — with our direct link to the consumers, our presence in all Member States and areas and our knowledge of millions of products and consumer demand we are a key partner for the Circular Economy.

We support the **creation of a Single Market for Waste and a Circular Economy Act that harmonises the legal framework and abolishes barriers.** We need a more harmonised approach to ensure that the Circular Economy takes off – and we need one European Circular Economy and not 27 different ones. Simplification, digitalisation and more competitiveness are needed. To ensure this we need clear, practicable and harmonised rules on how to ship waste, when waste becomes a resource again (end-of-waste criteria). Harmonisation of EPR (Extended Producer Responsibility) schemes is necessary at the EU level. Since reporting is a key component of EPR, it too must be standardised. For the Single Market for Waste, EPR harmonisation should be the goal. Europe has a tremendous potential to lead by example which requires that its internal Single Market is sufficiently attractive and that rules are harmonised across Member States and applicable to third country importers, ensuring a level-playing field.

A Single Market for Waste would help consumers in many ways, but mostly in two: with a harmonised and enabling framework in place, businesses will be able to offer new, better and broader circular practices and products at better prices and thus support sustainable consumption of consumers. Secondly, a well-functioning Single Market will **boost consumers' confidence** that they contribute to recycling, reuse, refurbishment and other circular practices through their decisions and behaviour as consumers and citizens.

Q 6. Protecting vulnerable consumers

Consumer protection must be inclusive and responsive to the needs of vulnerable groups, particularly children and young people. However, the statement in Question 6 of the questionnaire that "the concept of vulnerability is changing, especially in the digital environment" cannot be supported. The concept of vulnerable consumer is already very broad and has been shaped over time through case law. Redefining it now risks creating legal uncertainty regarding both past and future court decisions, and could undermine the consistency of its application.

We believe that the current consumer protection law provides sufficient safeguards for vulnerable consumers in retail. In fact, online consumers enjoy a higher level of protection, for example through the right of withdrawal. As retailers, we believe that not all consumers are vulnerable in the online environment, and therefore consumer protection rules should not be further strengthened. EU consumer law is already quite detailed and extensive, and its principles-based nature allows it to address emerging misleading practices effectively. We are convinced that the problem lies in the lack of enforcement. In such case, more rules will not make a difference.

More general, we believe that increasing awareness among consumers through information campaigns about their rights and redress in general is essential. The Consumer Condition Scoreboard¹⁵ showed that the majority of consumers is not aware of their rights. To this end, we recommend that the European Commission and Member States, in collaboration with stakeholders, develop **continuous awareness campaigns** and provide accessible, understandable, and practical tools - especially those that are inclusive of children and young people as well as older people, who may face challenges due to limited digital literacy. For such tools to be truly effective, they must be user-friendly for consumers and practical for businesses to implement comprehensively.

Q 7. Reducing administrative burden for businesses

Retailers are subject to many different EU rules: legislation on food and non-food products, consumer protection, digital, sustainability, taxation, supply chains, payments, etc. This leads to a high cumulative burden for retailers¹⁶ which has reached unsustainable levels. EuroCommerce urges the Commission to shift from issuing rather formalistic guidance to **providing highly practical, explanatory, user-friendly tools** such as websites, templates, and checklists that would help businesses comply with their obligations.

We also recommend that the EU institutions undertake a comprehensive **mapping of consumer information requirements** across all relevant legislation. This would help identify opportunities to streamline and simplify obligations, reduce duplication, and make better use of digital tools (such as DPP and digital labelling) to deliver information efficiently.

An important consideration is the **growing volume of consumer-facing information** required by legislation, while sustainability objectives lead to shrinking packaging sizes and need to reduce material use. **Digital labelling offers a valuable solution**—enabling access to detailed, multilingual information, without cluttering the physical product and overwhelming consumers.

However, to implement this effectively, a comprehensive approach is needed. A *vertical* assessment of product-specific legislation—possibly through impact assessment—should determine what information is essential for the consumer to find on-pack or on-label versus digitally. Such assessment should be evidence-based and grounded in real consumer behaviour.

This comprehensive approach should also be used across member states, which tend to introduce unilateral measures hindering the internal market. The Spanish Draft Royal Decree¹⁷ is an example of a unilateral measure fragmenting the efforts on digital labelling across member states and putting barriers on the internal market.¹⁸

¹⁵ 2025 Consumer Conditions Scoreboard.

¹⁶ State of Retail 2024 - Europe, EuroCommerce & McKinsey, 2024: Omnichannel journeys are becoming the norm, with more than 50 percent of consumers using both online and in-store options to research and purchase nongrocery items. This share exceeds 60 percent in categories such as sporting goods, consumer electronics, and furniture.

¹⁷ Notified under <u>2025/0311/ES</u>.

¹⁸ Mandating that certain products use accessible labels (Braille or QR code with tactile mark) on the packaging, is a) an impractical solution, as such information cannot fit on the packaging, b) it is restrictive of trade, as this method would require multiple translations not only across member states, but also across their regions, c) it is disproportionate, as it ignores digital tools which can offer solutions to accessibility, and e) it is hindering the internal market, as it is being tabled during a period where the approach on product labelling is to be tackled under the EU Single Market Strategy.

Promoting active governance and stakeholder cooperation in the EU and internationally

EuroCommerce supports structured stakeholder engagement as a means of improving governance and enforcement. To this end, we propose **establishing a structured dialogue between CPC authorities, trade & consumer associations, and other stakeholders**. This dialogue should aim to identify systemic issues, coordinate enforcement priorities, and develop joint awareness campaigns. Such a collaborative approach would significantly improve compliance across the Single Market and ensure that enforcement efforts are targeted where they are most needed.

Conclusion

EuroCommerce is fully committed to supporting the EU consumer policy objectives. We believe that a balanced, enforceable, and harmonised framework for consumer policy, combined with strong stakeholder cooperation, and supported by effective and efficient enforcement with a focus on non-compliant third-country traders, will empower consumers, foster business innovation, and strengthen the Single Market.

We look forward to continuing our collaboration with EU institutions and stay available for answering any question.

EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.