

Geoblocking – sensible to keep unchanged for now

EuroCommerce Director-General expressed support for the conclusions in the Commission report on the working of the Geoblocking regulation issued yesterday:

“We are pleased that the Commission has decided to leave the Geoblocking Directive unchanged until their next review in 2022. We fully support the creation of a single market for e-commerce, and call on the relevant parts of the Commission to look at the major differences in member states’ consumer rules, and risk of exposure to legal action in an unfamiliar jurisdiction. Both act as a powerful disincentive to e-traders actively expanding cross-border.”

The Geoblocking regulation adopted 2 years ago obliged online traders to sell to any consumer regardless of their location, but, due to problems relating to the Rome and Brussels regulations, did not oblige traders to deliver outside their own jurisdiction. The Commission decision to wait another 2 years before looking to revise the Geoblocking regulation makes sense, and retailers and wholesalers welcome the conclusion in the report not to change the provisions related to delivery.

The Rome and Brussels regulations allow consumers to pursue legal action against a trader in another jurisdiction and have that judgment apply in the trader’s country. We and other traders pointed out at the time that an obligation to deliver to the home country of the consumer would expose a trader to the provisions of Rome and Brussels regulations. This would mean that a trader selling a relatively inexpensive item could end up paying many thousands of euros defending a case against them in a jurisdiction whose laws they are unfamiliar with. The Commission concluded that the trader could choose not to deliver outside the countries he actively served, so that the transaction would remain under the trader’s legal framework.

This of course means that the consumer has to find his or her own means to get the product delivered to their home – indeed any help in doing so from the trader would, under the regulation, expose the trader again to action in a foreign jurisdiction, and a multiplicity of different consumer rules. This is not ideal for the consumer, and we very much share the Commission’s wish for a vibrant single market in e-commerce.

We hope that the Commission services responsible for the consumer law might look again at harmonising consumer rights across Europe and reconsider whether a trader delivering a product or service across border cannot be treated in the same way as a shopkeeper who sells a product to a foreign visitor – with the trader’s law being applied. E-commerce is growing rapidly, and the present consumer rules hold back, particularly smaller European traders - and consumers - from taking full benefit of the single market.

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 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.