



# Consumer protection and online platforms

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# Online platforms: measures at European level

## Topics:

- Digital Services Act
- Modernisation Directive ('Omnibus')
- New Commission guidance
- General Product Safety Regulation
- Consumer Credit Directive
- Public enforcement

## Proposal for a Digital Services Act

- Clear responsibility framework for online platforms (including clarification on liability exemptions for online marketplaces)
- Enhancing compliance by and enforcement against online retailers, in particular through:
  - **'Compliance by design' principle;**
  - **'Know your business customer' principle;**
  - **designation of EU legal representative by non-EU platforms;**
  - **enforceability under RAD**
- *General Approach in Council: November (scheduled); Plenary vote on EP Report: December (scheduled)*

## Modernisation Directive ('Omnibus')

- Recent amendments to **strengthen and modernise EU consumer law**, including in digital areas such as:
  - transparency about sponsored search results and parameters used in ranking
  - identity of the seller on online marketplaces
  - information about personalised prices
  - consumer reviews

*For example: New point 23c in the UCPD Annex prohibits submitting or commissioning others to submit false consumer reviews or endorsements, or to misrepresent them.*

- Transposition deadline 28 November 2021
- New rules applicable from 28 May 2022

## New Commission guidance

- 3 new **Commission Notices** providing guidance on the Unfair Commercial Practices Directive, Consumer Rights Directive and Article 6a of the Price Indication Directive
- Extended sections in the UCPD Guidance on **digital practices**, such as:
  - online platform obligations
  - consumer reviews
  - influencer marketing
  - dark patterns

*For example: Manipulating a consumer's decision-making through the platform's online interface could amount to an aggressive practice with 'undue influence' under Article 8 UCPD.*

- Publication foreseen in December 2021

# Proposal for a General Product Safety Regulation

- **Objective:** increased **protection of consumers** and better **level-playing field for businesses**
- Introducing **new requirements relevant for online marketplaces (Chapter IV)**:
  - Complementary to the DSA horizontal provisions, obligations specifically needed for product safety:
    - *Introduces specific deadlines and procedures for orders and notices*
    - *Builds on the know-your-business-consumer and compliance by design principles – require the display of essential information regarding product safety and traceability*
- Adapt **market surveillance** rules and tools to effectively **tackle challenges of online sales**
- In parallel, important **non-regulatory initiatives**: Product Safety Pledge and potential extension, Product Safety Award, capacity-building activities

# Proposal for a Directive on consumer credits

- Main driver: **digitalisation**. The proposal:
  - Extends the current rules to **new risky products** (e.g. payday loans) and **new providers** (P2PL platforms)
  - **Modernises information requirements** (“staged disclosure” i.e. SECCO + SECCI)
  - Addresses the use of **automated processing** for the **assessment of consumer creditworthiness** + clarifies that certain data e.g. from **social media cannot be used** for such assessment
  - **Further harmonises rules** to foster the internal market and create a common framework for actors offering credit across borders (in the future BigTechs?)

## Public enforcement

- CPC joint actions, coordinated by the EC, brought important results in different online sectors:
  - **Google, Amazon, Ebay** removed **millions** of COVID-related listings/ads infringing EU consumer law;
  - **Airbnb, Booking and Expedia** improved the presentation of their accommodation **offers** and their **terms** of service;
  - Ongoing actions include dialogues with online marketplaces, social media and accommodation platforms

## Final remarks

- Join the first **Annual Digital Consumer Event** on 25th November 2021 (*online webinar*)
- Follow-up to the New Consumer Agenda (action point 7): *„By 2022 and after updating its guidance documents on the Unfair Commercial Practices Directive and the Consumer Rights Directive, the Commission plans to analyse **whether additional legislation or other action are needed** in the medium-term in order **to ensure equal fairness online and offline.**“*



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# Questions?