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COVER NOTE

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Written information from the Commission Services
8th Consumer Markets Scoreboard

Delegations will find attached Commission information.

COMPETITIVENESS COUNCIL - 10 DECEMBER 2012

WRITTEN INFORMATION FROM THE COMMISSION SERVICES

8TH CONSUMER MARKETS SCOREBOARD

1. Introduction

The Consumer Markets Scoreboard is published annually in autumn and tracks the performance of 51 consumer markets, accounting for more than 60% of the household budget. The main ranking of markets is based on consumers' trust in business, comparability of offers, overall satisfaction and the incidence of complaints and problems. Consumer choice, switching of tariffs and providers, price differences between countries are also monitored. As a follow-up, in-depth market studies of the sectors that appear to be underperforming are carried out to gain a better insight into the problems and identify possible remedies.

Given that final consumption expenditure of households represents 56% of the EU's GDP, improvements in consumer conditions can make a significant contribution to boosting economic growth in line with the objectives of the Europe 2020 Strategy. Markets where consumers are confused, misled, find it hard to switch or have little choice will be less competitive and generate more consumer detriment, to the expense of the efficiency of the overall economy.

The role of the Scoreboard in identifying those markets across the economy that do not function for consumers has been acknowledged in the Progress Report on the Europe 2020 Strategy, which accompanied the 2012 Annual Growth Survey. Data from this Scoreboard edition have fed into the annual report on the integration of the Single Market, accompanying the 2013 Annual Growth Survey.

2. Main findings

The overall Scoreboard findings show a small but steady improvement in the general evaluation of market performance over the past three years. Services markets continue to underperform, with banking, telecom and energy services all below average. The markets for investment products, mortgages and real estate services are the bottom three markets for a third year in a row. Goods markets on the whole appear to be working considerably better. Exceptions include automotive goods (second-hand cars, vehicle fuels, new cars) as well as the markets for 'clothing and footwear' and 'meat and meat products'.

Compared with 2011, the markets for TV subscriptions and internet provision have improved the most. The largest drops in performance have been noted in the markets for postal services and local public transport. This may reflect budgetary cuts in this time of economic crisis, since both markets depend on public funding in many countries. In addition, the market for vehicle fuels has seen an important deterioration in score for a second year in a row.

The spread of market assessment across the EU countries reflects the differences in outcomes for consumers and can therefore be seen as a soft indicator of market integration, insofar as consumer experience is concerned. At market level, banking and network services appear to have the most heterogeneous performance across Member States, while the most integrated markets include recreational services and certain (semi-)durable goods. There is a high negative correlation between the variance of market evaluations across the EU and the overall market performance, which supports the view that internal market integration works to the benefit of the consumers.

Complaint bodies from around a third of Member States have started to submit harmonised complaints data to the Commission. While the database is still embryonic, it already gives an initial picture of the situation in different markets. The Commission supports national partners in the implementation of the Recommendation, which will enable future Scoreboards to include fully comparable complaints data across the EU.

The analysis of price data on almost 200 comparable and representative products indicates that price differences across Member States are large and do not always correspond to differences in purchasing power between countries. Further efforts will focus on the extension of price data collection to all sectors covered in the Scoreboard.

3. Follow-up studies

The Commission will launch two in-depth studies on the basis of the Scoreboard results.

- The first study will focus on the market for **second-hand cars**, which ranks at the bottom of the goods markets for the third year in a row. Moreover, the cross-border dimension of this market is growing and it makes up a significant part of consumer expenditure.
- The second study will analyse the issue of **consumer vulnerability** across some key markets.

Member States are encouraged to continue using the Scoreboard findings when designing policies and regulations, planning enforcement activities and developing their own research efforts. National rankings can also be a useful source of data for determining national priorities in the context of their National Reform Programmes.

The Scoreboard results will be discussed with national consumer authorities and regulators as well as with EU-level consumer organisations, business stakeholders and other interested parties.

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