NOTE

from: General Secretariat of the Council
to: Council
Subject: EMPLOYMENT, SOCIAL POLICY, HEALTH AND CONSUMERS AFFAIRS (EPSCO) COUNCIL MEETING ON 7 AND 8 JUNE 2010

Internet cost traps – Directive on Consumer Rights
– Information from the German delegation
   (Other business item)

Delegations will find annexed an information note from the German delegation on the above-mentioned subject.
Information Note

**Internet cost traps – Directive on Consumer Rights**

The topic of "Internet cost traps" merits special attention from the consumer policy viewpoint.

Shady suppliers make use of the possibilities of offers of digital information and services for their own purposes. Consumers are lured online by Internet cost traps into a supposed contract, payment for which is subsequently demanded by lawyers and debt collection agencies, and they are put under great pressure.

Such unfair practices do not stop at Germany's border but can become a problem for every Member State sooner or later. That is why Germany considers that European legislation is necessary.

It is true that both European and German legislation already includes provisions which protect consumers from impenetrable Internet offers.

Given the constantly large number of complaints about Internet cost traps, Germany considers that increased transparency with regard to the conclusion of contracts through the Internet is necessary.
That is why Germany has proposed the inclusion of a "button solution" in the Directive on Consumer Rights which will be discussed by the Competitiveness Council. The "button solution" should enable consumers to see the costs clearly and succinctly before entering into a binding contract. The consumer must moreover first expressly confirm that he has taken cognizance of this information.

Germany welcomes the Commission's initiative of driving forward the negotiations on the Directive on Consumer Rights by means of their compromise proposal on joint harmonisation. This is also in Germany's interests.

It will be essential for Germany to take the action described at internal level if European legislation cannot be adopted in the foreseeable future.

With a view to efficient consumer protection in Europe, Germany asks the Member States and the Commission to support the proposal on a "button solution", thereby increasing consumer confidence in the Internal Market.

Action can be taken jointly to protect Europe from cost traps in future, thereby improving the functioning of the Internal Market.