NOTE
from: General Secretariat
to: Council
Subject: The Second Consumer Markets Scoreboard
- Written information from the Commission
  (Other business item)

With a view to the Competitiveness Council meeting on 5 and 6 March 2009, Delegations will find in the annex a note from the Commission on the above-mentioned subject.
The Consumer Markets Scoreboard helps the Commission identify which parts of the internal market are not functioning well in terms of economic and social outcomes for consumers. This is becoming particularly relevant in view of the current economic crisis affecting European citizens. In this context, it is important to ensure that markets deliver to consumers and that consumers have full confidence in traders and ultimately also in enforcers. The Scoreboard provides comparable data across markets and countries that allow a screening for evidence of widespread malfunction in important sectors. It also provides elements to benchmark national consumer policies and consumer empowerment across the EU. The Scoreboard complements the Commission's market monitoring exercise that started in 2008 as a result of the Single Market Review.

1. **SCOREBOARD FINDINGS**

The second edition of the Scoreboard confirms the value of the evidence-based approach for indicating which markets may not function well for consumers. It also shows that more complete evidence is needed to assess all main consumer markets. While the current evidence on consumers and consumer markets is still not enough to draw firm conclusions, the following observations can be made:

- Consumers are less satisfied and experience more problems with services than with goods markets. The most problematic surveyed sectors are energy, transport (bus and rail) and banking services. A follow-up market study of the retail electricity market will be undertaken to assess consumer problems in more detail.

- In markets with higher switching rates, for example car insurance, internet and mobile telephony, consumers are less likely to report price increases. Facilitating the switching process should be a policy priority in the most important retail services.

- While online shopping is becoming more widespread, cross-border e-commerce is not developing as quickly as domestic e-commerce as a result of cross-border barriers to online trade. An e-commerce report drawing a detailed picture of the current state of e-commerce in the EU will be published on 5 March 2009.
• Effective enforcement and redress are essential for markets to function well: evidence shows major differences between Member States and room for improvement of enforcement and redress mechanisms. The Commission will address these issues through a Communication on enforcement and a follow-up to the Green Paper on collective redress.

2. **FOLLOW-UP**

The Commission will further develop the evidence base for consumers and consumer markets. Closer collaboration with Member States will be essential to better identify common data needs at national and EU level and synergies in data gathering. Comparing consumer outcomes between countries and benchmarking the consumer environment at national level are an important part of delivering an internal market that works for consumers. National evidence will bring greater transparency and clarity to the debate about how the internal market is functioning, and will demonstrate best practice. The Commission will work with national experts in Member States committees, working groups and with national statistical offices and consumer organisations.

In 2009, effort will focus on

• Development of a regular collection of average prices of comparable consumer products and services by Eurostat and the national statistical offices. The lack of sufficient price data is a major impediment to monitor the internal market. Moreover, prices of goods and services should be more transparent so that consumers and stakeholders can see that authorities at national and EU level are looking after their interests. National statistical offices should be encouraged to participate fully in this work as a matter of priority.

• Development of a harmonised methodology to classify consumer complaints to be used on a voluntary basis. Many stakeholders collect consumer complaints and some use them for market studies, quick response and policy action. However, at European level data classification is not harmonised so that comparison across sectors and countries is not possible. A future harmonised system of classifying and reporting consumer complaints will allow benchmarking markets, making cross-country comparisons and identifying malfunctioning markets. National consumer authorities who collect consumer complaints should be encouraged to use the system.
• Development of appropriate indicators to measure enforcement. Following up on a pilot exercise in 2008, an expert group composed of national enforcers (from Consumer Protection Cooperation (CPC) and General Product Safety Directive (GPSD) committees) in the fields of economic enforcement and product safety is set up to further develop appropriate indicators that take account of differences in national systems.

• Monitoring the consumer movement in the Member States. A European Consumer Consultative Group (ECCG) sub-group on Indicators for monitoring the Consumer Movement will identify and develop the most appropriate indicators to map and monitor the consumer movement across the Member States. Strong, representative and effective consumer NGOs can help in increasing consumers' awareness of their rights and assertiveness and, therefore, in empowering them which is crucial if we are to deliver an internal market that works for consumers.