



New Consumer Agenda

Your Partner For What's Next



Background

The New Consumer Agenda (hereinafter “the Agenda”) published by the European Commission in November 2020 provides a consolidated view for Consumer Policy within EU member states for the next five years, 2020 to 2025. The Agenda sets out the means to protect consumers while also ensuring they can benefit from the single market and are enabled to participate in the green and digital transition.

The Agenda covers five key priority areas:

1. The green transition;
2. The digital transformation;
3. Redress and enforcement of consumer rights;
4. Specific needs of certain consumer groups; and
5. Global consumer protection.

The Agenda aims to boost trust among consumers, which in turn can help to stimulate economic recovery following the COVID-19 pandemic. It takes a holistic approach to covering EU policies that are relevant to consumers, while complementing other EU initiatives in the areas of sustainability and digitalisation. The comprehensive approach has been welcomed as a key driver for sustainability and a digitally oriented society.

The Green Transition

Consumers are increasingly concerned with the environmental impact and durability of the products they purchase. Furthermore, consumers show a growing interest in contributing personally to reducing negative environmental impacts by purchasing sustainable products.

The public consultation found that consumers often found a lack of reliable information as an obstacle to making sustainable consumption choices. As a result, the Agenda includes a number of proposals to improve the quantity and quality of information available. This will encompass the following:

- The Sustainable Products Initiative will support a number of initiatives already in place in aiming to make sustainable products the norm and provide information on environmental characteristics such as durability, reparability and upgradeability;
- The upcoming Sustainable Product Policy Initiative will aim to provide better information on consumers effective right to repair by providing easier access to information on the availability of spare parts and repair services for products;
- Several upcoming initiatives will aim to provide consumers with better and more reliable information regarding energy performance through updated labelling practices;
- The Commission will propose that companies substantiate their environmental claims in order to provide consumers with reliable environmental information;
- New rules, which came into effect on 1 January 2021, improve energy information for consumers by setting out requirements for information on electricity bills and independent price comparison tools;
- The Commission will put forward a legislative initiative this year on sustainable corporate governance, fostering long-term responsible corporate behaviour. The Commission is encouraging early adoption through voluntary pledges to disclose the company's environmental footprint, improve sustainability and reduce the impact on the environment; and
- In 2022, the Commission will review of the Sale of Goods Directive, providing an opportunity to examine what more can be done to promote repair and encourage more sustainable products.

The Digital Transformation

An increasing proportion of consumers buy goods or services online, which has been accelerated as a result of the COVID-19 pandemic. The Commission notes that consumers completing their end-to-end journey online should be enabled to make informed choices and have their interests safeguarded. The objective of the Agenda is to protect consumer rights in the digital space and to ensure a level playing field, enabling innovation to deliver newer and better services.

The following is a high-level summary of the Commission's digital transformation agenda:

- A new Digital Services Act will define new responsibilities for online intermediaries, as well as reinforcing accountability. This will ensure that consumers are protected against illegal products, content and activities online;
- The Commission is planning to present a Digital Markets Act, combining the regulation of digital platforms with a framework to examine digital markets prone to market failures. This will enable fairer digital markets, including lower prices, new services and wider consumer choice;
- The Commission is working on a number of measures related to consumer protection and Artificial Intelligence;
- In 2021, the Commission will revise the General Product Safety Directive and the Machinery Directive to address new challenges to the safety of products brought by updated technologies and online sales;
- A public electronic identity will be introduced, allowing consumers to manage the access and use of their data in a secure manner;
- Consumers' right to data portability will be facilitated under the European Strategy for Data, allowing them to switch between service providers and select services that offer the most data protection;

- In 2021, the Commission plans to prepare proposals for the revision of the Consumer Credit Directive and the Distance Marketing of Financial Services Directive to reinforce consumer protection in the context of the digitalisation of retail financial services;
- The Commission is supporting Member States in the transposition of the European Accessibility Act, reinforcing the need to design digital solutions which are accessible to persons with disabilities; and
- The Digital Education Action Plan 2021-2027 will support consumers in acquiring strong digital literacy and competency.

Effective Enforcement and Redress

The enforcement of consumer rights is the responsibility of national authorities, with the EU playing a coordinating and supporting role. From January 2020, the new Consumer Protection Cooperation Regulation came into force which strengthens enforcement authorities' online capacity, cooperation mechanisms and consistency across Member States. An assessment of the effectiveness of the Regulation will be completed by 2023.

The Commission will focus on the impact of the COVID-19 pandemic on consumer rights, misleading claims regarding environmental impact and online customer journeys. It will address the Agenda on enforcement and redress through the following means:

- The Directive on Better Enforcement and Modernisation of Consumer Law will enter into application in May 2022 and will strengthen consumer rights;
- An upcoming project funded by the Commission will deploy e-tools to enable authorities to carry out online investigations and monitor products sold online; and
- In 2022 and every two years thereafter, the Commission together with national authorities will present common enforcement priorities to address compliance issues identified in various sectors.



Addressing Specific Consumer Needs

The impact of COVID-19 has resulted in the growth of the number of customers entering vulnerable categories (e.g. elderly members of society who are cocooning), as well as exacerbating the impact on those already considered vulnerable (e.g. those suffering from mental health issues / financial issues). The Agenda sets out several initiatives designed to protect vulnerable customers, the following is a high-level summary of such initiatives:

- Increased funding for enhancing debt advice services will be available from 2021;
- From 2021, the Commission will support initiatives providing advice to consumers who do not have access to support / information provided online or in person;
- As part of the revision of the General Product Safety Directive, increased safety standards will be required on childcare products; and
- The Commission commits to developing a strategic approach to improving consumer awareness and education addressing the needs of different groups.

KPMG published an article called "Addressing Vulnerability in Ireland" which deals with some of these points. Please visit our website for further details:

[Addressing Customer Vulnerability in Ireland - KPMG Ireland \(home.kpmg\)](#)

Global Consumer Protection

As goods are increasingly purchased from sellers around the world, the EU commits to continue ensuring the safety of imports and protecting consumers from unfair business practices used by non-EU operators. The following is a summary of the initiatives set out by the Agenda in this area:

- In 2021, the Commission aims to develop a further action plan with China for strengthened product safety cooperation for products sold online;
- The Commission has agreed to regular exchange of information on dangerous products with Canada and aims to extend such information sharing practices to other countries; and
- In 2021, the Commission will seek to develop regulatory support, technical assistance and capacity building for EU partner countries.

Next Steps

While the above provides a summary of the New Consumer Agenda, our team of experts can help address any specific questions you may have. KPMG provide regulatory advice, conduct risk and consumer protection advice, product design, assurance and programme support services across both the financial services and non-financial services sectors.

We will be releasing a series of publications discussing a number of the key topics above (and other consumer related topics) as part of our **consumer reform series**. We invite you to follow this series.

If you would like further details on the proposed updates to the Consumer Credit Directive, please visit our website at:

[Consumer Credit Directive - Risk Consulting - KPMG Ireland \(home.kpmg\)](#)



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