

Current measures and challenges to strengthen consumer protection

Jana Kissová^{1*}, Gabriela Dubcová¹

¹ University of Economics in Bratislava, Faculty of Business Management, Dolnozemská cesta 1, 852 35 Bratislava, Slovakia

Abstract. Over a short period of time, the individual countries of the world must face a common problem that affects them and adversely affects the lives of individuals. In the context of the current emergency related to the coronavirus pandemic, fundamental changes and enormous impacts can be seen in the social or economic dimension. The article aims to provide an overview of the current situation in selected countries and compare the system of measures in the Slovak Republic and the Czech Republic to stabilize or retain workers or eliminate impending damage.

1 Introduction

For a long time, the topic of consumer protection has been brought to the attention of individual EU countries in terms of ensuring the highest possible safety and elimination of any problems. The institutions involved are making considerable efforts not only to solve problems but also to prevent them and prevent potential risks. Within individual countries, efforts are made to harmonize the rules while respecting their differences or specific features.

The article aims to provide an overview of the current situation in consumer protection with the aim to improve the position and strengthen consumer protection.

1.1 Theoretical starting points related to consumer protection

Consumer protection is ensured through the European single market as one of the largest markets in the world. The main task of EU consumer policy is to help consumers make the most of this market's benefits. The key objectives of EU consumer policy are to strengthen their position and effectively protect their security and economic interests, intended to provide an effectively and adequately functioning single market. At the same time, it presupposes protecting consumers' rights in relation to traders and providing enhanced protection for vulnerable consumers.

Consumer policy is one of the most thoughtful policies in the EU. The consumer protection system is based on several key concepts and application principles. [1, 2, 3]

* Corresponding authors: jana.kissova@euba.sk, gabriela.dubcova@euba.sk

Dzurová states: "*Consumer policy is a set of measures aimed at informing and protecting consumers. It, therefore, focuses on consumer protection and seeks ways to prevent harming it.*" [4]

According to the Great Economic Encyclopedia, consumer policy is defined as "*social, economic, commercial, legislative and other measures taken in the consumer's interest.*" [5]

Consumer rights are defined by legislation, in our country, they are a part of the Act on Consumer Protection, which defines "*consumer rights and obligations of producers, sellers, importers and suppliers, the competence of public authorities in the field of consumer protection, the status of legal entities established or established for consumer protection.*" [6]

The Great Economic Encyclopedia defines the concept of consumer law as "*a right that expresses the position of the buyer in relation to sellers. It shall assist in ensuring consumer protection on the market.*" [5]

Under legislative consumer protection, consumers are entitled to claim the following rights: [7,8]

- **the right to meet basic needs** – includes the right to food, clothing, housing and shelter, health care and education,
- **the right to product safety** – this right is to protect an individual from products and services that may pose a risk to health or life,
- **the right to information** – means sufficient access to information, protection against unfair advertising and labelling of goods,
- **the right of choice** – the right to access a variety of products and the right to choose goods and services from a wide range with a guarantee of quality that satisfies the need of the individual,
- **the right to be heard** – the right of the consumer to pursue their consumer interests in the development and implementation of government policy,
- **the right to compensation** – includes handling of complaints, relevant responses to complaints, compensation for purchase shortcomings (e.g. for scrap goods and unsatisfactory services),
- **the right to education** – the right to acquire knowledge and skills for the correct and reliable choice of goods and services based on high-quality, credible information,
- **the right to a healthy environment** – improves the quality of life and means living in an environment that does not endanger current or future generations.

1.2 Overview of the priorities and achievements in the consumer protection area

As part of consumer protection, consumer policy was implemented in individual EU countries through the European Consumer Program 2014-2020. Its objectives focused primarily on four areas: [9]

- monitoring and safety compliance
- information and education initiatives
- legislation to strengthen consumer rights and effectively compensate consumers
- enforcement of rights beyond borders

EU policy ensures a high level of consumer protection in many areas. High safety standards apply to toys, electrical appliances, cosmetics, medicines, food, lighters, personal protective equipment, machinery, and recreational craft. [10, 11, 12]

EU consumer policy is intended to help citizens enforce their consumer rights and thus actively participate in the functioning of the Single Market. The total budget of the consumer program (2014-2020) is EUR 188.8 million (about 5 cents per consumer/year). Despite the modest budget, the impact of this program on consumers is truly tangible. Consumers in all Member States under EU projects will have high-quality and affordable protection from European consumer centers and national state authorities if their consumer rights are violated. [9,13]

Key achievements of consumer policy to date include: [9]

- **Product safety** – only safe products can be placed on the EU market. The rules include the requirement to use 'CE' conformity marking on several product categories - the manufacturer's declaration that the products meet the basic EU safety criteria. Safety rules are often extended or modified to cover new products or take into consideration the latest scientific knowledge.
- **EU Rapid Data Exchange System RAPEX** - informs inspectors in all Member States of the measures taken by a particular Member State concerning a dangerous non-food product. This triggers a chain reaction and removes the product notified by the Member State from other national markets in the EU. It has been in operation since 2004.
- **Food safety** – EU rules guarantee consumers a high level of protection for food and food products sold in the EU at all stages of production and distribution. They regulate hygiene conditions for food products and storage, animal health and welfare, plant health and the risk of food contamination
- **Cosmetic safety** – The EU guarantees it through standard rules on the composition, labelling and packaging of cosmetic products. In 2013, the rules were extended, leading to the end of testing cosmetics on animals and placing such products on the EU market.
- **Prohibition of coercive sales or aggressive trading methods** – misleading advertising and unfair commercial practices have been banned in the EU since 2005, e.g., no hidden costs, tricks, hidden claims, misleading information, and advertisements aimed at children. If it is stated that something is free, it should be so.
- **Distance contracts** - EU rules protect consumers when buying products or services remotely, whether via a mail order service or the Internet. Thanks to them, the seller is obliged to provide sufficient information before purchase; consumers have the right to withdraw from the contract within 14 calendar days without any consequences or penalties. The regulations also protect them from misuse of the payment card.
- **Product repair** – EU rules provide legal protection for consumers if they have paid for defective goods or goods that do not have declared characteristics. A two-year warranty covers all products they buy. If the purchased product ceases to function during this period, the consumer has the right to request the repair of the defect present at the delivery time. If it is not possible to get the product repaired within a reasonable time, he/she has the right to request a refund of the purchase price or a discount. Commercial guarantees provided by the seller do not replace the minimum 2-year free legal guarantee but may supplement it.

- **Labelling and packaging of products** - the labelling of products and services as an information tool guarantees quality, statements and services are subject to strict rules of certification and control. Most products placed on the EU market (national or European or both) are subject to technical regulations to ensure a minimum level of health and safety for humans, animals, and the environment. Eco-labelling of products is a voluntary tool of environmental policy and standards. The product labelling system guarantees quality for both consumers and manufacturers.
- **Advice and assistance** - if a new computer breaks down if the consumer does not get the goods ordered via the Internet, or he/she wants compensation for a night spent at a hotel because of a flight cancellation, he/she is entitled to certain guarantees and support under EU consumer policy. When a trader refuses to recognize his/her rights, they can contact one of the EU consumer organizations – the European Consumer Centers Network (ECC - NET). It is represented in every EU country, Iceland, and Norway. It provides free assistance and advice to consumers on their rights to purchase goods and services from traders based in another EU country. Complaints are dealt with through a settlement between the consumer and the trader; organizations help contact the trader and find an acceptable solution.

2 Objective

The article aims to provide an overview of the current situation in consumer protection with the aim of improving the position and strengthening consumer protection. The priority is to bring together current measures and challenges to strengthen consumers' rights and interests and thus increase their level of protection.

3 Results and discussion

This part aims to approach and map an overview of current measures and challenges in the field of consumer protection in order to strengthen their position and protection.

3.1 The system of existing consumer protection measures

Empowering consumers and effectively protecting their security and economic interests have become key objectives of European policy. Although EU consumer policy has some of the strictest consumer-protection rules, there are still cases showing that even the current regulations and their enforcement have their limits. To this end, in April 2019, the EU adopted a so-called '**New Consumer Agreement**', which contains stricter rules that can be better and more effectively enforced. The most important measures include greater transparency for consumers when shopping online, more effective punitive actions and transparent rules for tackling dual product quality in the EU. [14]

It followed the '**Strategy for the Digital Single Market**' of 2015, in which the EC implemented several initiatives adjusting consumer protection rules to the online world, such as abolishing roaming charges or unjustified geo-blocking. The modernized Consumer Protection Cooperation Regulation, adopted in 2017, seeks to improve enforcement by public authorities and cross-border cooperation between consumer protection authorities.

3.2 A System of Current Consumer Protection Measures and Challenges

Continued efforts to strengthen the position of consumers, their rights, safety, and security are shaped in the form of the **New Consumer Agenda** (*Strengthening Consumer Resilience for Sustainable Recovery*) **for 2020-2025**. This program follows the completed European Consumer Agenda (2014-2020) and is also based on the 2019 New Consumer Agreement. It presents a vision of consumer policy in the forthcoming five-year period. It aims to flexibly address the needs of consumers that many of them face because of the Covid-19 pandemic and thus increase their resilience. These pandemic-related issues affect consumers' daily lives and are not related only to the availability and accessibility of products and services but also to travel within and out of the EU. [15]

The program covers five main priority areas: [15]

1. green transition,
2. digital transformation,
3. corrections and enforcement of consumer rights;
4. the specific needs of particular groups of consumers;
5. international cooperation.

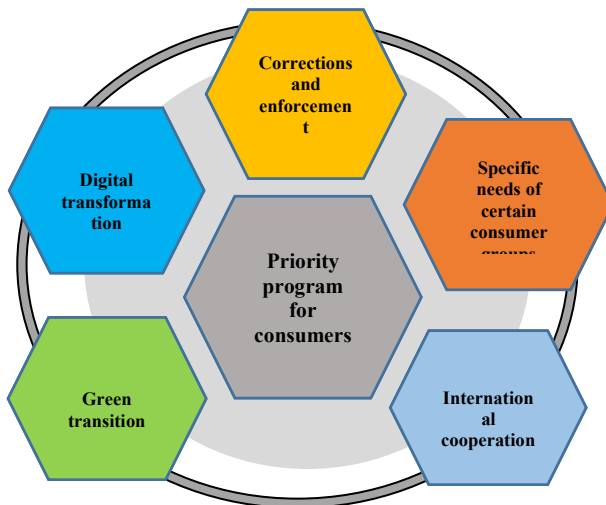


Fig. 1. Main priority areas

Source: processed according to [16]

Table 1. Overview of priorities for consumer protection measures

PRIORITIES OF THE PROGRAMME	CONTENT OF THE MEASURE
1. Green transition	<ul style="list-style-type: none"> ▪ raising consumer awareness of the environmental sustainability options of products, such as their durability or reparability ▪ protecting consumers from certain practices, such as environmentally misleading advertising or early obsolescence, and ensuring that they have access to credible information ▪ promoting commitments of businesses concerning sustainable consumption measures that go beyond the legal obligations ▪ product repairs and support for the purchase of more sustainable and recyclable products → revision of the Directive on the sale of goods after 2022
2. Digital transformation	<ul style="list-style-type: none"> ▪ strengthening consumer protection and security in the context of the digitization of retail financial services and → revision of the Consumer credit directive and the Directive on the provision of financial services to consumers at a distance ▪ addressing new product safety challenges caused by new technologies and online sales → revision of the General product safety directive ▪ ensuring consumer protection and protecting the fundamental rights in relation to AI and → proposal for a horizontal legal act setting out requirements for AI ▪ addressing online business practices that do not respect consumer rights → update guidance documents on the Unfair Commercial Practices Directive and the Consumer Rights Directive, and analyze whether additional legislation or other measures are needed
3. Corrections and enforcement of consumers' rights	<ul style="list-style-type: none"> ▪ coordinating and supporting law enforcement activities carried out by the Consumer Protection Cooperation Network (CPC) to combat illegal practices ▪ supporting authorities by providing standard and innovative electronic tools for online investigations ▪ assessment of the set of tools available to authorities to address infringements of EU consumer law → evaluation of the CPC Regulation
4. Specific needs of certain groups of consumers	<ul style="list-style-type: none"> ▪ improving the availability of debt advisory services in the Member States ▪ improving the safety of childcare products -> Revision of the General Product Safety Directive and new safety requirements for standards for childcare products ▪ supporting local initiatives to provide advice to consumers, including in remote areas
5. International cooperation	<ul style="list-style-type: none"> ▪ developing an action plan with China to intensify cooperation on the safety of products sold online ▪ offer regulatory support to EU partner countries

Source: New Consumer Agenda [16]

The adopted program aims to meet consumer expectations regarding the benefits of the single market, make informed decisions, and be an active part (participation) in the green and digital transformation. At the same time, the intention is to ensure free access to goods and services throughout the EU and protect consumers' rights regardless of emerging challenges.

The program is a comprehensive set of different EU policies, focusing on consumers. The program also complements other EU initiatives, such as the European Green Agreement, the

EU Circular Economy Action Plan, and the Communication on shaping Europe's digital future. It also builds on and supports international concepts such as the UN 2030 Agenda for Sustainable Development and the UN Convention on the Rights of Persons with Disabilities. [15]

4 Conclusion

In the long term, it is possible to observe how the European Union has implemented a comprehensive set of policies and rules over the last five decades, enabling consumers to ensure a high level of protection and solid rights. Building on the results and successes of consumer policy to date, it continues with a new program for consumers, setting out how to promote these rights while protecting consumers and empowering them in the current context of the pandemic, as well as in the coming years.

The article provides an overview of the measures taken to improve and empower consumers by presenting a new consumer program aimed at responding to consumer needs during and after the COVID-19 pandemic. It includes a long-term vision for 2025, setting out concrete measures in five key areas to protect consumers and enable them to take an active part in shaping the green and digital transformation.

Acknowledgement

This paper is an outcome of the project: KEGA MŠ SR č. 002EU-4/2019 "Integrating and systematizing the results of scientific research activities in the field of consumer protection, with a primary focus on food security, to model adequate consumer behavior" funded by the University of Economics in Bratislava; led by doc. Ing. Mgr. Gabriela Dubcová, PhD. - project share is 100%.

References

1. D. Vokounová, Generation Y – Health Related Attitudes and Behaviour. Central and Eastern Europe in the Changing Business Environment. International Joint Conference. Central and Eastern Europe in the Changing Business Environment: Proceedings of 18th International Joint Conference: May 25, 2018, Bratislava, Slovakia and Prague, Czech Republic, 467-476 (2018)
2. J. Gunawan, P. Permatasari, C. Tilt. Sustainable development goal disclosures: Do they support responsible consumption and production? *Journal Of Cleaner Production*, **246**, 118989. (2020)
3. M. Pechota, M. Matuskova, L. Medlenakova, The trend of cost of universal services provided by national postal operator and correlation between price of letter mail and amount of sent letter mails in Slovakia. 12TH INTERNATIONAL SCIENTIFIC CONFERENCE OF YOUNG SCIENTISTS ON SUSTAINABLE, MODERN AND SAFE TRANSPORT, **192**, 574-579 (2017)
4. M. Dzurová, et al. *Consumer protection*. Bratislava: ECONOMIST, 2011. 279. ISBN 978-80-225-3180-1
5. D. Seibbe, et al. *Great economic encyclopedia*. 1. ed. Bratislava: SPRINT, 2002. 967 p. ISBN 978-80-89085-04-0
6. Act No. 250/2007 Z.z. on Consumer Protection and on Amendment of the Act of the Slovak National Council No. 372/1990 On Offences, as amended
7. Hunt, Shelby D. – Scott, J.V. 1986. A General Theory of Marketing Ethics. *Journal of Macromarketing* 6 (Spring): 5-16. Reprinted in Ethics in Marketing. Eds. N. Craig Smith and John A. Quelch. 1993. Honeywood: Irwin, 757-774

8. M. Dzurová et al. *Consumer theories and realms*. 1. ed.. Bratislava: Economist, 2007. ISBN 80-225-2327-1
9. European Union policies. 2016. Consumers. [online]. Publications Office of the European Union. 2016. Available on the Internet: <http://www.europedirectsnv.eu/wp-content/uploads/2013/11/Spotrebitelia.pdf> [accessed 02.05.2021].
10. B. H. Clark, A Summary of Thinking on Measuring the Value of Marketing. *Journal of Targeting, Measurement and Analysis for Marketing*, **99**, 357 -369 (2001)
11. M. E. Silva, M. D. Figueiredo. Practicing sustainability for responsible business in supply chains. *Journal Of Cleaner Production*, **251**, 119621. (2020)
12. T. Ambler, F. Kokkinaki, S. Puntoni, Assessing Marketing Performance: Reasons for Metrics Selection, *Journal of Marketing Management*, **20**, 475-498 (2004)
13. V. S. C. Tunn, N. M. P. Bocken, E. A. van den Hende, J. P. L. Schoormans, Business models for sustainable consumption in the circular economy: An expert study. *Journal of Cleaner Production*, **212**, 324-333. (2019)
14. A new agreement for consumers. 2018. Representation in Slovakia Available on the Internet: http://ec.europa.eu/news/new_deal_for_consumers_sk [accessed 02.05.2021].
15. European Commission: Communication from the Commission to the European Parliament and the Council. A new program for consumers. Available at: <https://www.mhsr.sk/uploads/files/MxnYjl9a.PDF> [accessed 02. 05.2021]
16. European Commission: Factsheet. November 2020, New Consumer Agenda, New Consumer Program. Measures to protect European consumers 2020-2025. Available at: https://ec.europa.eu/info/sites/default/files/novy_program_pre_spotrebitelov_-_informacny_prehlad.pdf [accessed 02. 05.2021]