



EESC public hearing: Advertising for modern, responsible consumption

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Developments in EU consumer protection

- New Consumer Agenda (November 2020) - key objective to have empowered consumers that can play an active role in both the **green and digital transitions**
 - Digital Services Act, Digital Markets Act (December 2020) – more transparency in online advertising
1. New guidance on EU consumer law
 2. Green empowerment
 3. New rules from the Better Enforcement and Modernisation Directive

New guidance on EU consumer law

- New Consumer Agenda announcement to **update the Commission's Guidances** on consumer law (action 7)
- 3 guidance Notices (Unfair Commercial Practices Directive 2005/29/EC, Consumer Rights Directive 2011/83/EU, Price Indication Directive 98/6/EC) for adoption by end of 2021
- New content: applicability to new market practices, amendments from Directive (EU) 2019/2161, CJEU case law, and other issues flagged by authorities and stakeholders

Advertising practices

- Full harmonisation Directive 2005/29/EC covering all B2C commercial practices before, during and after a transaction
- **Technology-neutral:** applies to online platforms (incl. marketplaces, app stores, search engines) and to any B2C practices involving algorithms, AI, tracking, personalisation etc.
- **Dark patterns:** digital manipulations exploiting consumer biases → could be misleading or aggressive practices (Commission study due in 2022)
- **Influencer marketing:** social media influencers are considered 'traders' or acting on 'behalf of a trader' → must clearly label sponsored content (taking into account the context, placement, timing, duration, language, target audience etc.)

Greenwashing in advertising

- Consumer Protection Cooperation (CPC) Network – January 2021 **co-ordinated screening of green claims** in various business sectors such as garments, cosmetics or household equipment
https://ec.europa.eu/commission/presscorner/detail/en/IP_21_269
- 42% or 344 of the screened claims were considered **exaggerated, false or deceptive** and, therefore, potentially unfair under the Unfair Commercial Practices Directive
- In particular, many of these claims were **vague and general statements** such as “conscious”, “eco-friendly”, “sustainable”, without providing information or evidence substantiating such claims.

Green empowerment

- Additional **guidelines on environmental claims** in the updated Commission's Guidance on the Unfair Commercial Practices Directive 2005/29/EC
- Upcoming legislative proposal to **empower consumers** for the green transition:
 - better information on products' sustainability
 - better protection against certain practices, such as greenwashing and early obsolescence
- Upcoming legislative proposal on the **substantiation of green claims** based on the Environmental Footprint methods

Better Enforcement and Modernisation Directive (EU) 2019/2161 – main changes in the 'digital' area

Clarity about
rights and
obligations when
buying on online
marketplaces

Transparency of
online search
results

Transparency and
reliability of
consumer reviews

Extension of
consumer
protection to cover
also 'free' online
services

Personalised
prices, ticketing
'bots', voice
assistants...

Transparency of search results

Information on default ranking parameters

Prohibition of hidden advertising and hidden paid placements in search results

Online consumer reviews

Information
requirement about
the authenticity

Prohibition of
misrepresenting
**reviews as actual
consumer
reviews**

Prohibition of
submitting false
consumer reviews

Thank you for your attention!