

17. Consumer Rights Directive

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ABI Lead Committees: European Committee

Other interested committees: Consumer Strategy

Issue: In October 2008, the Commission adopted a proposal for a new Directive on Consumer Rights. The proposed Directive is likely to have a limited impact on insurers as financial services are outside the scope of most of the Directive's provisions. There are, however, a number of provisions that do apply to the insurance sector, notably the Articles on unfair contract terms, and there are concerns about the effect of the provision on inertia selling on auto-enrolment of pensions and tacit renewals of insurance contracts.

Status: Discussions in the Council Working Group have continued under the Swedish Presidency. Member States are seeking to resolve the substantial differences that exist between them as a result of the Directive's maximum harmonisation approach, which means that consumers in almost all Member States will face some form of reduction in the rights they currently enjoy. There is an on-going discussion about whether financial services should be included within the scope of the Directive at all.

Work has now commenced in the European Parliament. The Internal Market and Consumer Protection Committee (IMCO) is the lead Committee and Adreas Schwab (Germany, EPP) has been appointed the Rapporteur. The Legal Affairs Committee (JURI) will prepare an opinion to be drafted by Diana Wallis (UK, ALDE) which will focus on the Directive's linkage to the Common Frame of Reference and the Economic and Monetary Affairs Committee (ECON) will also prepare an opinion to be drafted by Sirpa Pietikainen (Finland, EPP). As in the Council, MEPs have also been critical of the Directive's maximum harmonisation approach. First reading is scheduled for November 2010.

ABI Action: The Secretariat has provided written responses to consultations undertaken by DBERR, the IMCO Committee of the previous European Parliament and the European Committee of the House of Lords. We have maintained close contact with government officials in London and UKRep in Brussels to monitor developments as they arise.

Background: The Directive is the result of the Commission's review of the consumer acquis, which considered a number of Directives on consumer protection. The proposed Directive will merge the rules currently set out in the Directives covering unfair contract terms (93/13/EEC), sales and guarantees (1999/44/EC), distance selling (97/7/EC) and doorstep selling (85/577/EEC) into one new Directive.

Useful documents:

[ABI response to the DEBER consultation](#)

[ABI response to the IMCO consultation](#)

[ABI response to the House of Lords consultation](#)

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