



Consumer protection – essential element in building a deeper and fairer internal market

(EIR Conference Hall)

The European Institute of Romania and InfoCons Association organised in partnership, on 22 September 2017, a debate on *Consumer protection – essential element in building a deeper and fairer internal market*, as part of a public debates campaign dedicated to the preparation of Romania's EU Council Presidency. The event was attended by representatives of the central government, academics, experts in areas relevant to the topic and the media.

Opening the event, Mrs. **Gabriela Drăgan**, Director General of EIR, underlined the relevance and the opportunity of such a debate topic in view of the existing discussions at European level on the differences in quality between products which are marketed in the Western European countries and the Eastern European countries respectively, and also the fact that the field of consumer protection is a heterogeneous one. Mrs. Drăgan also indicated that the first programme of consumer protection was introduced in 1975, and currently there is a programme covering the 2014-2020 multiannual financial framework.

In his official discourse, Mr. **Victor Negrescu**, Minister Delegate for European Affairs, noted the following: "We cannot have a balanced Internal Market without an effective legislation on consumer rights in all key sectors defined by the European Commission: food, energy, financial services, transport and digital. It is indeed necessary for consumers to be equal throughout the European Union, and it is not normal for a product bought in one country to have a lower quality than the similar product sold under the same label, in another Member State. As the President of the European Commission, Jean-Claude Juncker, stated, "in a Union in which we are all equal, there can be no second-class consumers". Consumers' confidence in digital networks and services is also essential for developing a competitive European digital economy. The topic will also be found on the agenda of Romania's Presidency of the Council of the European Union."

The National Sanitary Veterinary and Food Safety Authority (NSVFSA) was represented by Mr. **Traian Constantin Petcu**, Deputy State Secretary. Mr. Petcu stated that the products made in Romania are supervised and controlled throughout the entire production chain. NSVFSA relies in its activities on a team of approximately 4000 inspectors at national level, who are responsible for control at county level. Mr. Petcu mentioned that Romania is part of the Rapid Alert System for Food and Feed — RASFF, an instrument for exchange of information between Central Competent Authorities for food and feed in the Member States in cases where a risk has been identified at European Union level for public health and appropriate measures have been taken, such as withholding, recalling, seizure or rejection of the products concerned.



The president of InfoCons Association, Mr. **Sorin Mierlea**, mentioned the complaint transmitted to NSVFSA on the fact that approximately 40% of the meat semi-finished products on the market in Romania are counterfeit. Mr. **Mierlea** argued that the existence of rights without being exercised cannot lead to change or improvement in consumer safety. The President of InfoCons also underlined the fact that there is no strategy in the field of consumer protection in Romania and there is no public institution to monitor the level of "E" additives in marketed food products. At the same time, there is no clear policy for supporting Romanian products at domestic and international level. Mr. Mierlea supported the idea that the fines imposed for food safety issues should be known to the public and asked for support from the audience to address a petition to the Ministry of Justice to qualify food counterfeiting as a criminal offence. Furthermore, Mr. Mierlea informed the audience that the fiscal bill is a consumer protection measure and that there should be no fear of closing the units that receive fines or sanctions related to food safety.

Mr. **Călin Rangu**, Director of the Public Relations, Petitions and Financial Education Direction of the Financial Supervision Authority (FSA), continued the debate by bringing into discussion the fact that FSA is in charge of the non-banking area – insurance, private pensions and capital market. He mentioned the fact that Romania is the only country not registered in the alternative dispute settlement mechanism. However, at local level, FSA established a dispute settlement mechanism for the fields they supervise, while the National Bank of Romania established one for the banking domain. FSA published a list of the companies who received complaints related to the quality of their services and this has led to an improvement in services in 2017, as compared to the previous year. Mr. Rangu maintained that making petitions to FSA public contributes to improving services. In the same context, he brought into discussion the concept of *business conduct* – by which the whole lifecycle of the product or service is observed. Giving the example of insurance, Mr. Rangu mentioned that issues might occur when the client is not aware of the potential exclusions, the so-called "safeguard clauses" of the insurer.

The second panel of the event was moderated by Ms. **Eliza Vaș**, Expert from the Studies and Analysis Unit, the European Institute of Romania. In the opening of the second session of the debate, the moderator referred to the paradox between the multitude of information available on consumer protection and the deficit of knowledge frequently observed among the public.

Next, Mrs. **Alina Gabriela Antonescu**, Head of the Information and Petition Office, Communication Department, National Authority for Administration and Regulation in Communications, presented ANCOM's attributions regarding the protection of consumers of telecommunication services and mentioned some of the communication projects already implemented. The measures having an impact on consumers mentioned by Ms. **Antonescu** are related to number portability, roaming, minimal clauses, distance contracts and precontractual information. Lastly, she referred to the websites that consumers can access in order to find information on telecommunications services: www.veritel.ro (telecom tariffs comparator), www.netograf.ro (testing internet service quality) and www.portabilitate.ro (porting numbers to other networks).



Mr. **Mihai Şandru**, Coordinator of the Center for European Law Studies within the Institute for Legal Research, Romanian Academy, brought into discussion the situation of the questions referred by the Romanian Courts to the Court of Justice of the European Union for a preliminary ruling. Mr. **Şandru** mentioned the proceedings related to the clauses from the credit contracts signed before 2008. From 2007 to 2017, there have been 138 questions referred for a preliminary ruling, out of which 19 are related to consumer protection. Nine of the questions had no effect in the judgements ruled.

Mrs. **Simona Moagăr Poladian**, Director of the Institute for World Economy, mentioned the consumer protection situation in other countries (for example, in Austria, there is a ministry which includes in its name the field of consumer protection – *the Federal Ministry of Labour, Social Affairs and Consumer Protection*) and argued that the public in Romania needs to be educated in order to be aware of their rights.

Mrs. **Adina Mihăilescu**, Scientific Researcher, the Institute for Quality of Life Research, Romanian Academy, mentioned three factors that influence negatively the consumer's behaviour: loss of employment, low level of wages/pension and the State's inconsistent social policy.

Finally, the Q&A session especially focused on the influence of the digital revolution on services and products. Thus, Mr. **Călin Rangu** explained that, at least in the insurance field, the implementation of artificial intelligence must be done correctly, in order to ensure that no customer is discriminated against in the decisions on granting non-financial services. At the same time, Mrs. **Simona Moagăr Poladian** pointed out that Germany, alongside the United States of America, invest strongly in research in order to be prepared to manage the fourth industrial revolution.

Summary by

Tiberiu Nica, Projects Unit