Regulation (EU) No 254/2014 of the European Parliament and of the Council of 26 February 2014 on a multiannual consumer programme for the years 2014-20 and repealing Decision No 1926/2006/EC

REGULATION (EU) No 254/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 26 February 2014

on a multiannual consumer programme for the years 2014-20 and repealing Decision No 1926/2006/EC

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 169 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[(1)],

Having regard to the opinion of the Committee of the Regions[(2)],

Acting in accordance with the ordinary legislative procedure[(3)],

Whereas:

(1) The Commission Communication of 3 March 2010 entitled 'Europe 2020 — A strategy for smart, sustainable and inclusive growth' ('Europe 2020') calls for citizens to be empowered to play a full part in the internal market, which requires the strengthening of their ability and confidence to buy goods and services cross-border, in particular online.

(2) The Union contributes to ensuring a high level of consumer protection and to placing consumers at the heart of the internal market by supporting and complementing Member States' policies in seeking to ensure that citizens can fully reap the benefits of the internal market and that, in so doing, their safety and legal and economic interests are properly protected by means of concrete actions.

(3) The multiannual Consumer Programme for the years 2014-20 ('the Programme') should help ensure a high level of protection for consumers and fully support the ambitions of Europe 2020 as regards growth and competitiveness by integrating specific concerns identified in Europe 2020 on the digital agenda for Europe in order to ensure that digitalisation actually leads to increased consumer welfare, on sustainable growth by moving towards more sustainable patterns of consumption, on social inclusion by taking into account the specific situation of vulnerable consumers and the needs of an ageing population, and on smart regulation, inter alia, through consumer market monitoring to help design smart and targeted regulations.

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EU) No 254/2014 of the European Parliament and of the Council. (See end of Document for details)*

(4) The Commission Communication of 22 May 2012 entitled 'A European Consumer Agenda — Boosting confidence and growth' (the 'Consumer Agenda') sets out a strategic framework for Union consumer policy in the years to come by supporting consumer interests in all Union policies. The aim of the Consumer Agenda is to create a strategy in which political action will efficiently and effectively support consumers throughout their lives by ensuring the safety of the products and services made available to them, by informing and educating them, by supporting bodies that represent them, by strengthening their rights, by giving them access to justice and redress and by ensuring that consumer legislation is enforced.

(5) The recent economic downturn has exposed a number of shortcomings and inconsistencies in the internal market, which have had adverse implications for consumers' and citizens' confidence. Whilst it is necessary to acknowledge the budgetary constraints under which the Union is currently operating, the Union should nevertheless provide adequate financial means to enable the targets of the Programme to be reached and should therefore support Europe 2020.

(6) The elimination of remaining unjustified and disproportionate barriers to the proper functioning of the internal market and improving citizens' trust and confidence in the system, in particular when buying cross-border, are essential for the completion of the internal market. The Union should aim to create the right conditions to empower consumers by providing them with sufficient tools, knowledge and competence to make considered and informed decisions and by raising consumer awareness.

(7) This Regulation takes into account the economic, social and technical environment and the concomitant emerging challenges. In particular, actions funded under the Programme will seek to address issues linked to globalisation, digitalisation, the growing level of complexity of decisions that consumers have to make, the need to move towards more sustainable patterns of consumption, population ageing, social exclusion and the issue of vulnerable consumers. Integrating consumer interests into all Union policies, in accordance with Article 12 of the Treaty on the Functioning of the European Union (TFEU), is a high priority. Coordination with other Union policies and programmes is a key part of ensuring that consumer interests are taken fully into account in other policies. In order to promote synergies and avoid duplication, other Union funds and programmes should provide for financial support for the integration of consumer interests in their respective fields.

(8) The Programme should ensure a high level of protection for all consumers, devoting particular attention to vulnerable consumers, in order to take into account their specific needs and strengthen their capabilities, as called for in the Resolution of the European Parliament of 22 May 2012 on a strategy for strengthening the rights of vulnerable consumers[(4)]. In particular, the Programme should ensure that vulnerable consumers have access to information on goods and services, in order to have equal opportunities to make free and informed choices, especially since vulnerable consumers may have difficulties in accessing and comprehending consumer information, and therefore risk being misled.

(9) The Programme should in particular take into account children, including by working with stakeholders to ensure their commitment to responsible advertising towards minors, in particular to combating misleading online advertising.

(10) Actions should be laid down in the Programme, providing a Union framework for their funding. In accordance with Article 54 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council[(5)], this Regulation is to provide the legal basis for those actions and for the implementation of the Programme. This Regulation builds on and continues the actions funded under Decision No 1926/2006/EC of the European Parliament and of the Council[(6)].

(11) It is important to improve consumer protection. To achieve that general objective, specific objectives should be set as regards safety, consumer information and education and support for consumer organisations at Union level, rights and redress as well as enforcement in respect of consumer rights. The value and impact of the measures taken under the Programme should regularly be monitored and evaluated to facilitate smarter policy design in the interest of consumers. In order to evaluate consumer policy and particularly the precise impact of the measures taken, indicators should be developed, the value of which should however be considered in a wider context.

(12) It is important to enhance consumer confidence. In order to achieve that objective, it is necessary to strengthen the scope for action, particularly through appropriate financial support to Union-level consumer organisations and European consumer centres, taking into account their major role in providing information and assistance to consumers about their rights, supporting consumers in consumer disputes, in particular with regard to access to appropriate dispute resolution mechanisms, and promoting consumer interests in the proper functioning of the internal market. Those organisations and centres should have the capacity to enhance consumer protection and confidence by taking action on the ground and tailoring aid, information and education to the individual.

(13) It is necessary to provide for the eligible actions by which those objectives are to be achieved.

(14) It is necessary to define the categories of potential beneficiaries eligible for grants.

(15) A financial reference amount for the Programme, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management[(7)], is included in this Regulation, without the budgetary powers of the European Parliament and the Council, as set out in the TFEU, being thereby affected.

(16) In the spirit of the principles of sound financial management, transparency and flexibility in the implementation of the Programme, the continuation of the executive agency should be permissible if all the requirements set by Council Regulation (EC) No 58/2003[(8)] are met.

(17) Expenditure of Union and Member States' funds in the area of consumer safety, education, rights and enforcement should be better coordinated in order to ensure

complementarity, better efficiency and visibility, as well as to achieve better budgetary synergies.

(18) The Agreement on the European Economic Area provides for cooperation in the field of consumer protection between the Union and its Member States, on the one hand, and the countries of the European Free Trade Association participating in the European Economic Area, on the other. Provision should also be made to open the Programme to participation by other countries, in particular the neighbouring countries of the Union and countries which are applying for, are candidates for or are acceding to, membership of the Union.

(19) In the context of the implementation of the Programme, and given the globalisation of the production chain and the increasing interdependence of markets, cooperation with third countries not participating in the Programme should be encouraged, taking into account any relevant agreements between those countries and the Union.

(20) The power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the adaptation of the indicators set out in Annex II in order to take into account changes in the legislative framework in the area of consumer protection, and in respect of amending Annex I by removing specific actions concerned in order to take into account the results of an evaluation report by the Commission. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure the simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

(21) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission in respect of the adoption of annual work programmes. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council[9]. Given that the Programme does not set out criteria for the safety of products but aims at providing financial support to tools for the implementation of product safety policy, and given the relatively small amount concerned, it is appropriate that the advisory procedure apply.

(22) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, unduly paid or incorrectly used and, where appropriate, administrative and financial penalties in accordance with Regulation (EU, Euratom) No 966/2012.

(23) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States due to the cross-border nature of the issues involved, but can rather, by reason of the greater potential of Union action, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(24) Decision No 1926/2006/EC should be repealed.

(25) It is appropriate to ensure a smooth transition without interruption between the programme of Community action in the field of consumer policy (2007-13), established by Decision No 1926/2006/EC, and this Programme, in particular regarding the continuation of multiannual measures and the evaluation of the previous programme's successes and areas that need more attention. Furthermore, it is appropriate to align the duration of this Programme with that of the multiannual financial framework for the years 2014-20 laid down in Council Regulation (EU, Euratom) No 1311/2013[(10)]. Therefore, this Programme should apply as from 1 January 2014. As of 1 January 2021, the technical and administrative assistance appropriations should cover, if necessary, the expenditure related to the management of actions not completed by the end of 2020,

HAVE ADOPTED THIS REGULATION:

Article 1

Multiannual consumer programme

This Regulation establishes a multiannual consumer programme for the period from 1 January 2014 to 31 December 2020 (the 'Programme').

Article 2

General objective

The general objective of the Programme is to ensure a high level of consumer protection, to empower consumers and to place the consumer at the heart of the internal market, within the framework of an overall strategy for smart, sustainable and inclusive growth. The Programme will do so by contributing to protecting the health, safety and the legal and economic interests of consumers, as well as to promoting their right to information, education and to organise themselves in order to safeguard their interests, and supporting the integration of consumer interests into other policy areas. The Programme shall complement, support and monitor the policies of Member States.

Article 3

Specific objectives and indicators

1 The general objective referred to in Article 2 shall be pursued through the following specific objectives:

a Objective I — Safety: to consolidate and enhance product safety through effective market surveillance throughout the Union.

This objective will be measured in particular through the activity and effectiveness of the EU rapid alert system for dangerous consumer products (RAPEX).

b Objective II — Consumer information and education, and support to consumer organisations: to improve consumers' education, information and awareness of their rights, to develop the evidence base for consumer policy and to provide support to