

Why do we need Group Actions in Europe?

Consumers are more than 493 million in the EU and play a key role in the Internal Market. Within the Internal Market the illicit behaviour of one trader can affect a great number of individuals across border, and can be found in every sector: anti-competitive practices allow companies to set higher retail prices, a defective or harmful product may damage the health of consumers, a bank applies unlawful contractual conditions... However, consumers are unlikely to pursue individual claims when poor business practices has affected a large number of them and costs outweigh any damages they may receive.

We strongly welcomed the European Commission's intention to take an initiative in the field of collective redress¹ as it would significantly improve consumers' chances of getting redress.

But what type of collective redress do we need?

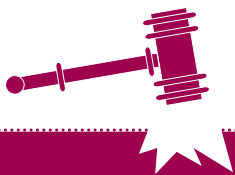
We want Group Actions which allow a large number of people, such as consumers, to jointly defend their rights in court if they have been ripped off by the same trader. We also want Group Actions that work in the European context and not a US style class-action.

Group Actions at a European level would

- **Improve** the functioning of the internal market: consumers will have much more confidence shopping across borders if they have an effective means to resolve their disputes.
- **Increase** access to justice: 70% of European Union citizens would be prepared to defend their rights in court if they could join with other consumers who had been affected by the same problem².
- **Be advantageous to business:** legal certainty can be achieved at an early stage when all potential claims about the same issue are settled at once.
- **Minimise** litigation costs for both consumers and defendants.
- **Reduce overloading** of courts.

To be effective Group Action procedures need

- **A broad definition** of the consumer interest should be chosen to allow a wide scope of consumer claims.
- **Ease of access:** for consumers, a group action needs to be easily understandable with a minimum of paperwork and low administrative costs.
- It should allow **Groups of consumers to self-organise** and consumer organisations to take Actions on behalf of consumer groups.
- **Funding:** it is imperative to resolve cost issues, as if consumers are in danger of running up large bills the procedure will be rarely used.
- **All kind of damages should be covered**, for example damages based on tort as well as contractual relations, for financial damage, physical damage and other forms of non-pecuniary harm.



**Right to redress is a fundamental consumer right.
Group action will turn rights into a reality.**

¹ As expressed in its Communication on the EU Consumer Strategy for 2007-2013, 13 March 2007, COM(2007) 99 final

² Eurobarometer survey on EU citizens and access to justice, 2003

