

Collective redress vote in the European Parliament: a missed opportunity for a balanced outcome

The European Parliament's Legal Affairs Committee (JURI) approved today a report on the Commission's proposal for a Directive on Representative actions for the protection of the collective interests of consumers. Consumer have a legitimate right to have more means at their disposal for redress, however, today's report does not help consumers and will only contribute to the creation of an abusive litigation culture.

Today's text, if upheld in the current form, creates legal uncertainty and loopholes opening the door to abusive claims. Whereas the text adds a few safeguards and mirrors the MEP's will to protect consumers, it fails to use clear language and will not lead to better consumer protection but rather business opportunities for litigation lawyers.

Arnaldo Abruzzini, CEO of EUROCHAMBRES stated that: *"Good lawmaking requires from policy-makers that they consider all options before arriving at a final result. Today's vote unfortunately goes against this principle and decisions were rushed. More safeguards should have been introduced, not to make it more difficult for consumers to get access to redress possibilities, but to avoid the creation of abusive litigation system which is neither beneficial to consumers nor to businesses."*

[In a joint statement](#), Europe's largest representative business associations have expressed their main concerns with the Commission's proposal. EUROCHAMBRES fully supports the statement and reiterates that following safeguard should be included:

- A prohibition of contingency fees;
- A prevention of overlapping claims; and
- Requirement of consumer mandates to initiate collective claims ("opt-in" principle).

Arnaldo Abruzzini added: *"The text has the potential to derail carefully crafted laws in different Member States where redress options already exist. Rather than creating a solid common basis with a minimum set of harmonised set of principles, a race to the bottom has been launched today. Contrary to a widespread belief, today's vote will not only affect large companies, as Small and Medium Sized Enterprises (SMEs) will be equally subject to frivolous claims."*

Additional information:

- Joint Business Statement on the Proposal on Representative Actions (Collective Redress):
<http://bit.ly/2zLDT99>

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