

Adoption of Council position on collective redress: a flawed approach

The Competitiveness Council adopted today its position on the harmonisation of national collective redress systems across the European Union following the European Commission’s legislative proposal launched in April of last year in its New Deal for Consumers.

A majority of Member States already offer the possibility, in one form or another, to consumers to bring forward collective claims. One of the stated objectives of the Commission proposal therefore is to ensure that all consumers in the EU can enjoy this legitimate right.

The Council decided to take a wholly different approach by making an artificial distinction between “domestic” and “cross-border” representative actions. In effect, the Council’s position would allow Member States to keep applying their own criteria on top of the Directive’s provisions. This is especially true for the entities who would be eligible to bring forward so-called “domestic” cases. In short, the Council’s two-pronged approach does not harmonise national systems, thereby opening the door for confusion and a lack of legal certainty for businesses.

Arnaldo Abruzzini, Secretary General of EUROCHAMBRES said: “If kept in its current form, the Council’s text will lead to the emergence of parallel cases and forum shopping. These are genuine risks for the business environment in Europe and will not benefit anyone, except for litigation lawyers making use of legal loopholes. We therefore very much hope that the triilogue negotiations will refocus on the inclusion of proper safeguards against abusive litigation.”

EUROCHAMBRES also signed a [joint business statement](#) on the proposal on Representative Actions, which was shared with the Member States on 12 November.

Further information: Mr Erwan Bertrand, Tel. +32 2 282 08 67, bertrand@eurochambres.eu
Press contact: Mrs. Karen Albuquerque, Tel. +32 2 282 08 62, albuquerque@eurochambres.eu
All EUROCHAMBRES’ press releases can be found [here](#)

