

Least bad approach on collective redress

EUROCHAMBRES regrets today's decision by the European Commission to recommend Member States to adopt collective redress mechanisms, but recognises that – given the considerable political pressure to act in this area – this represents the 'least bad' approach available and to an extent mitigates the threat of a dramatic increase in legal costs for business.

Arnaldo Abruzzini, Secretary General of EUROCHAMBRES, said: *"The decision of the Commission to recommend Member States to adopt collective redress mechanisms is not welcome by the business community. Besides the absence of a legal basis to take action, this is definitely not the right moment, given the current economic climate, to adopt procedures that will dangerously inflate legal costs for companies"*.

An alternative dispute resolution approach to collective claims would have been preferred.

"While Chambers would have preferred no such initiative at EU level, we are relieved that the Commission has at least stressed the need to develop a number of safeguards which should limit the possibility of an uncontrolled escalation in the legal procedural costs in collective claims," concluded Mr Abruzzini.

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