



"The voice of crafts and SMEs in Europe"

Consumer rights directive must not harm small entrepreneurs, SMEs warn Council

UEAPME calls for a narrower definition of "off premises contracts" ahead of meeting of EU Permanent Representatives

Brussels, 7 December 2010 – The latest version of the Consumer Rights Directive risks harming small entrepreneurs who tend to work often outside their business premises, according to UEAPME, the European craft and SME employers' organisation. The most recent draft of the text, which will be discussed by the EU Permanent Representatives tomorrow, stipulates that all contracts negotiated outside the trader's shop should be subject to a 14 days withdrawal period and to onerous information requirements, even when the business contact was established by the consumer. This would cause excessive burdens for SMEs and craftsmen, who frequently need to visit consumers' homes to be able to make an offer. UEAPME therefore urged the Council to insert a distinction between solicited and unsolicited contracts in the directive, warning that the current text is incompatible with the "Think Small First" principle and may lead to less choice, higher prices and longer delivery times for consumers.

"While nobody questions the necessity to protect consumers' rights, the latest draft of the directive is a step too far. Small entrepreneurs and craftsmen, who must visit consumers' homes to assess what needs to be done and make an offer, would be subject to heavy information requirements on aspects that are impossible to predict at such an early stage, for instance the exact cost breakdown and a detailed description of how the work will be performed. To add insult to injury, they would also see their contracts hanging by a thread for two weeks after the signature, even if their call was solicited by customer in the first place. This is imbalanced and unacceptable", said Enterprise Policy Director **Luc Hendrickx**.

The Permanent Representatives Committee of the Council (COREPER), which will meet and discuss the directive tomorrow, was warned in writing by UEAPME at the beginning of November. In its letter (1), UEAPME stressed that the blanket approach to "off premises contracts" in the latest draft of the Consumer Rights Directive is in blatant contradiction with the "Think Small First" principle and with the goals of removing and avoiding unnecessary burdens, enhancing SMEs' growth potential and facilitating market access for small companies set by the Competitiveness Council in December 2008.

Therefore, UEAPME urged the Council to take the practical reality of the everyday business life into account during the legislative procedure. According to the organisation, all solicited contracts concluded in the consumer's premises should not be considered as "off premises contracts" and should not be regulated as such.

"Under the current text, small entrepreneurs and craftsmen would be discouraged from visiting consumers' homes. They would begin charging more for their services to cover the costs associated with 'off premises contracts', and most would only start working on the order after the two weeks withdrawal period to minimise the risks. Consumers would be worse off due to less choice, higher prices and longer delivery times. We hope that the Council will understand what is at stake and insert a clear distinction between solicited and unsolicited contracts to avoid this scenario", concluded Mr Hendrickx.

**** END ****

(1) The letter is available at http://www.ueapme.com/IMG/pdf/101103_Letter_Council_Consumer_Rights.pdf

EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 85 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

FOR FURTHER INFORMATION PLEASE CONTACT:

Luc Hendrickx, Director for Enterprise Policy, Tel. +32 (0)2 230 7599, Email: l.hendrickx@ueapme.com

Dora Szentpaly-Kleis, Legal Affairs Advisor, Tel. +32 (0)2 230 7599, Email: d.szentpaly@ueapme.com

Francesco Longu, Press and Communications Officer, Tel. +32 (0)496 520 329, Email: pressoffice@ueapme.com