

COULD A COMPLAINING EUROPEAN CONSUMER BE HAPPY?

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Abstract

Protecting the consumer's interests is a priority for the European officials' policy, representing a way to improve the EU citizens' way of life in the attempt to have a secure market in a united Europe. The paper carried out an analysis regarding the evolution of the complaints expressed by European consumers and the main causes which led to their complaints, by means of the records from the European Consumers Complaints Registration System platform, which was especially designed for this purpose. The obtained results indicate a decrease in the number of complaints recorded in the last period, after a historic high recorded in 2015. European citizens are unhappy mainly because of the poor quality of consumer goods, because of their improper marketing or because of the unfair practices used in financial services. Monitoring and analysing the causes of the European consumers' complaints may represent valuable clues for the European and national authorities in adopting the adequate legislation and in forming a friendly market for the European Union citizens.

Keywords: consumer, complaints, protection, market, policy.

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Introduction

Consumer protection represents a priority in European policy and an essential element for the proper functioning of the common market. The purpose of the European consumer's protection strategies is to guarantee consumer rights in their relationship with merchants and to offer supplementary protection measures for vulnerable consumers. Consolidating consumer position and the efficient protection of the European consumer's safety and economic interests are the main goals of European policy in the domain of consumer protection. According to the European Parliament (2016), an efficient policy in the domain of consumer protection is mandatory for an efficient and functional European market. The European Parliament acts constantly in order to improve the European consumers' protection regulations in view of achieving a "Europe of citizens". The consumer protection measures at a European level propose strict safety requests in order to guarantee a high level of trust to consumers in the following areas: toys, electrical equipment, cosmetic and

pharmaceutical products, food, lighters, individual protection equipment, equipment or recreational vessels. EU also protects the general interests of consumers in areas such as fair trade practice, misleading advertising that denigrate competing brands (comparative advertising), price indicators and labelling schemes, unfair contract terms, distance and door-to-door selling, package holidays and contracts regarding timeshare contracts on real estate or passenger rights (for leisure or business trips).

1. Relevant European legislation in the domain of consumer protection

According to the European Parliament (2017), the main legislative regulations in the consumer protection domain are represented by Article 4 paragraph (2) letter (f) and articles 12, 114 and 169 from the Treaty on the Functioning of the European Union (TFEU) and Article 38 from the European Union Charter of Fundamental Rights.

Article 114 from TFEU represents the legal basis for the standardising measures that focus on the establishment of a common European market, laying the emphasis on ensuring a high degree of protection, including consumer protection, in line with the scientific progress.

Article 169 from TFEU introduced a legal basis for a complete range of measures that must be taken at a European level in the consumer protection domain. The above-mentioned article stipulates that “in order to promote consumers’ interests and in order to ensure a high degree of consumer protection, EU contributes to protecting health, safety and consumers’ economic interests as well as promoting their right to information, education and organisation in view of defending their interests.” Also, the article promotes an increased focus on consumer interests within the other EU policies. In this regard, article 169 consolidates article 114 and broadens its scope beyond the single market so that it could include access to goods and services, access to courts of law, public service quality and certain aspects regarding nutrition, food, housing and the policy regarding health. Moreover, the article mentions the fact that the EU measures cannot prevent a Member State from maintaining or introducing more stringent protective measures as long as they are compatible with the treaties. Consequently, the consumer protection policy is part of the EU’s strategic objective to improve the life quality of its citizens. Apart from the direct actions meant to protect rights, EU also makes sure that consumer interests are included in the European legislation from all relevant policy areas. In compliance with article 12 from the TFEU, the requirements from the consumer protection domain must be taken into account when the other policies and actions of the EU are defined and applied.

Article 38 from the European Union Charter of Fundamental Rights (Official Journal 2012/C 326/02, 2012) consolidates consumer protection by mentioning the fact that the EU policies must ensure a high level of protection to consumers.

According to the European Commission (2016), the EU’s consumer policy has four key objectives: to protect from unsafe products; to ensure that the spending choices are based on clear, accurate and consistent information; to give access to fast and efficient ways of resolving disputes with traders and ensuring they respect consumer rights and keep rights up to date with economic and societal changes.

2. Short literature review

Stanciu (2015) tries to establish a connection between the Romanian consumer’s complaints submitted at the National Authority for Consumer Protection and the Romanians’ income and food consumption, reaching the conclusion that there isn’t a strong

correlation between these variables on the Romanian market. Recent papers from the economic literature deal mainly with the consumer's attitude and complaints regarding online commerce. Thus, Girneata and Dobrin (2015) carry out a study in Romania regarding the online buyer behaviour, online shopping safety and the information system on consumer rights. Romanian consumers are quite cautious when it comes to online commerce as compared to other European states, also being reserved to make complaints about non-compliant products. Nica (2015) deals with consumer psychology in the decision-making process as an online client, analysing the main elements which affect the online customer's satisfaction and his loyalty to e-commerce. Goga (2014) examines mediation in civil and commercial matters at a European and national level, correlating these aspects with statistical analysis and with the potential applications in the amicable resolutions of the Romanian consumer's complaints.

Achim and Borlea (2014) analyse the Romanian consumer's satisfaction in the domain of financial services from the perspective of business ethics, of the specialised companies' attitude and of the complaints coming from customers. Although Romanian companies are trying to comply with the EU regulations, the study reveals an alarming increase in consumer complaints, due, in particular, to unfair contract terms, during 2009 – 2013.

Resnik and Harmon (1993) draw a parallel between consumer complaints and the managers' actions on receiving a complaint. A suitable reaction from the part of a company's management may lead to an amicable resolution of consumer complaints and to a cost reduction for companies with dissatisfied customers.

3. Modern tools used in managing consumer complaints

The information regarding the European consumers' complaints was taken from the official site of the European Commission, the European Consumers Complaints Registration System (ECCRS), the European Office Statistics, the European Consumer Centres Network Romania, and specialised journals. The data was statistically processed, graphically represented and interpreted. The obtained results were compared to the relevant information from the domain-specific literature for a proper interpretation.

The modern management of the European consumers' complaints reached a higher level by creating an electronic system for registering complaints ECCRS (European Commission EC, 2017). The platform offers real-time information regarding the total number of complaints, the main categories of complaints at a European level and the most important complaining reasons of the European consumers.

The European Consumer Centres Network (ECC-Net) has an information centre and an office in each of the Member States, in Norway and Iceland, respectively. The other 30 offices offer free counselling services to consumers and free advice regarding cross-border shopping performed either online or in shops. With their help, the ECCRS-specific information is collected, the ECC-Net being connected with approximately 100,000 consumers every year and handles about 40,000 consumer complaints (EC, 2015).

During the period January 2006 – March 2017, there were recorded a number of 2,461,712 complaints on the ECCRS site (figure no. 1). Over 50% of the complaints were submitted in 2015, year in which most European consumers' complaints were recorded.

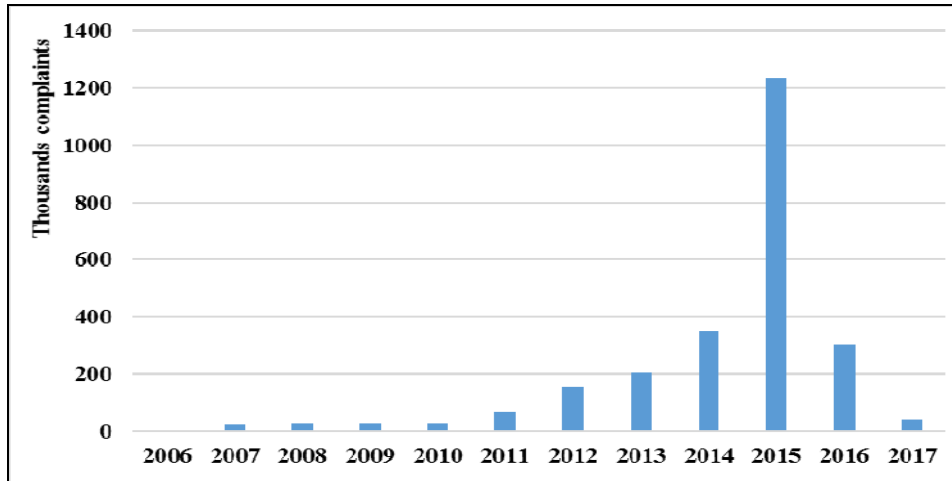


Figure no. 1: Total number of complaints, by year

Source: Author, by using European Commission Data (ECCRS, 2017)

After the period 2010 – 2015, characterised by a sharp increase in the number of consumer complaints, the number of complaints decreased, reaching, in 2016, almost a quarter of the value recorded in the previous year. Among the main areas in which consumer complaints are manifest, we can mention: Consumer Goods, with over 35% of the total number of complaints, followed by Financial Services (11.77%) and Postal services and electronic communications (11.44%), respectively (figure no. 2).

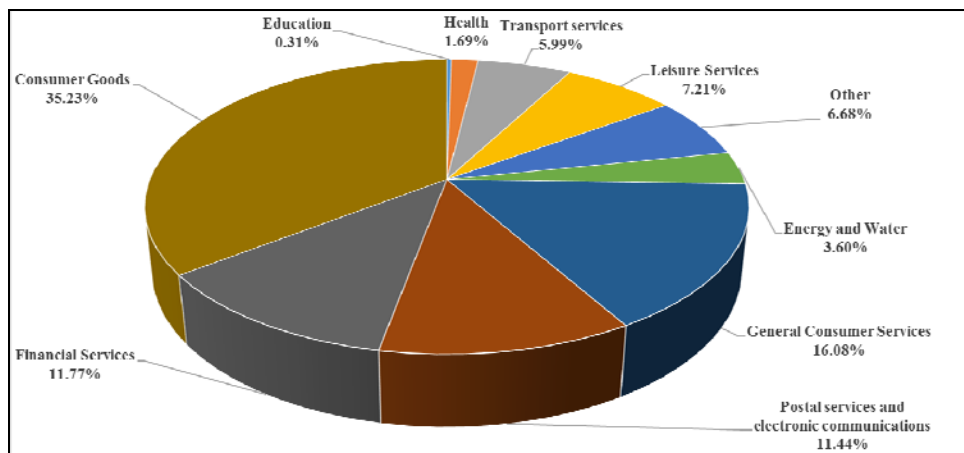


Figure no. 2: Main areas of complaints 2006-2017

Source: Author, by using European Commission Data (ECCRS, 2017)

On the last places in the ranking regarding the European consumers' complaints are the following areas: Education (0.31%), Health (1.69%) and Energy and Water (3.60%). The evolution of consumer complaints, registered on the ECCRS platform during 2006 – 2017 is presented in figure no. 3 (a, b).

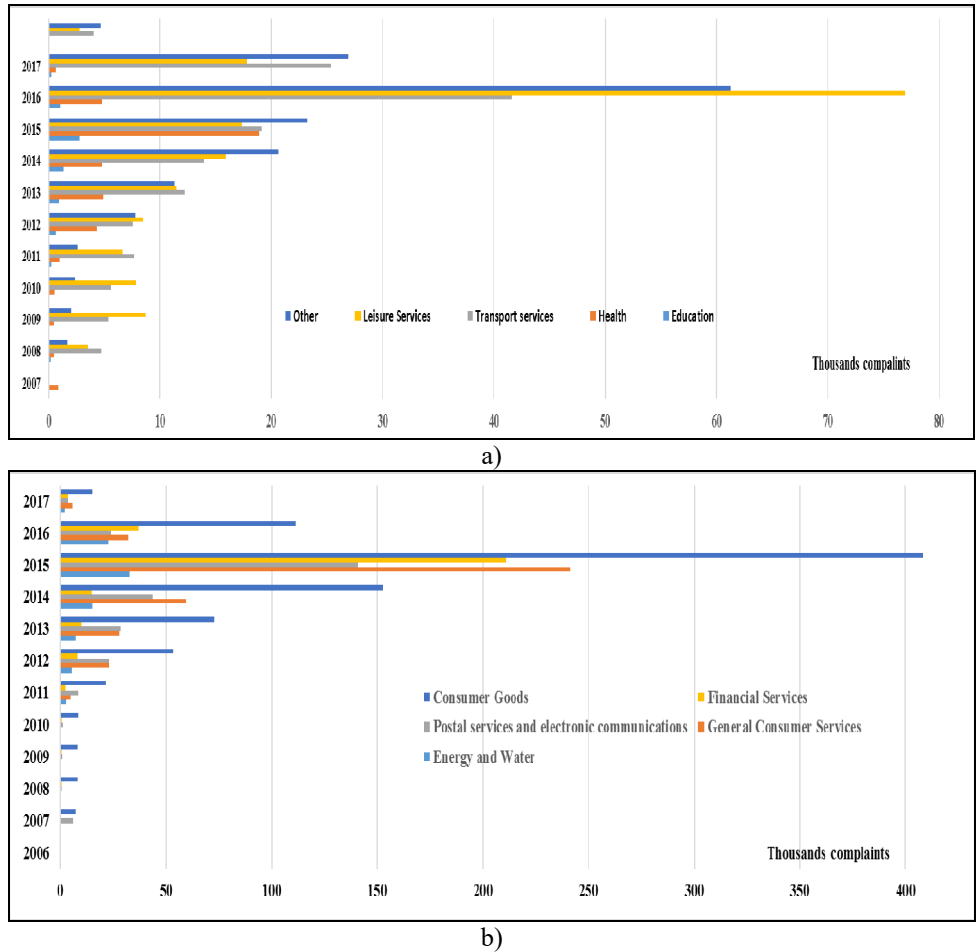


Figure no. 3 (a), (b): Evolution of consumer complaints in the main areas
 Source: Author, by using European Commission Data (ECCRS, 2017)

According to the data presented in figure 3 (a), (b), the year 2006 can be considered an adjustment period for European consumers as far as the ECCRS system is concerned, the number of complaints being insignificant as compared to their cumulated value throughout the period evaluated. Basically, with the exception of the Consumer Goods area, in which there were 88 registered complaints, the total number of complaints submitted in the first year of operation of ECCRS was of 224, representing under 0.01% of the total. In the areas Health and Education there wasn't any complaint recorded in 2006 (figure 3a).

The first significant consumer complaints regarding the poor quality of Postal services and electronic communications (5969), Transport Services (4733), Leisure Services (3566), and Health (908) become manifest in 2007. The European citizens' complaints regarding consumer goods and services from the European market have a spectacular evolution during 2012 – 2015, period in which there are also registered over 75% of the total number of complaints made by using the European electronic system.

The first months of the year 2017 indicate a dramatic increase in the number of complaints regarding consumer goods, which, with 14,948 complaints, cover approximately 35% of the total number of complaints registered during the period January – February (figure no. 4). If this trend continues, chances are that the complaints made on this segment exceed the value recorded the previous year, by taking into account the fact that the main period during which most consumer complaints are registered is the holiday season, when consumption increases significantly.

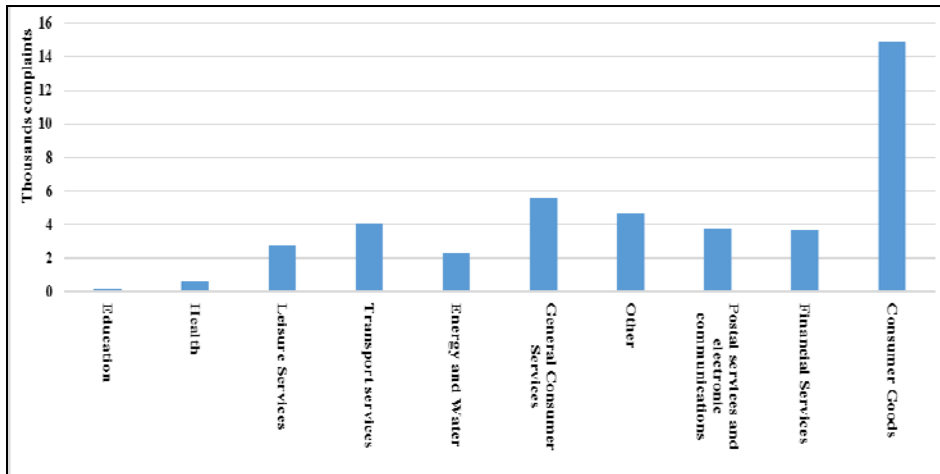


Figure no. 4: Main complaints on areas in January- February, 2017
 Source: Author, by using European Commission Data (ECCRS, 2017)

The main causes of dissatisfaction for European consumers were Contracts and sales (22.49%), followed by Unfair Commercial Practices (10.76%), and Delivery of goods/Provision of services (9.47%) (figure no. 5).

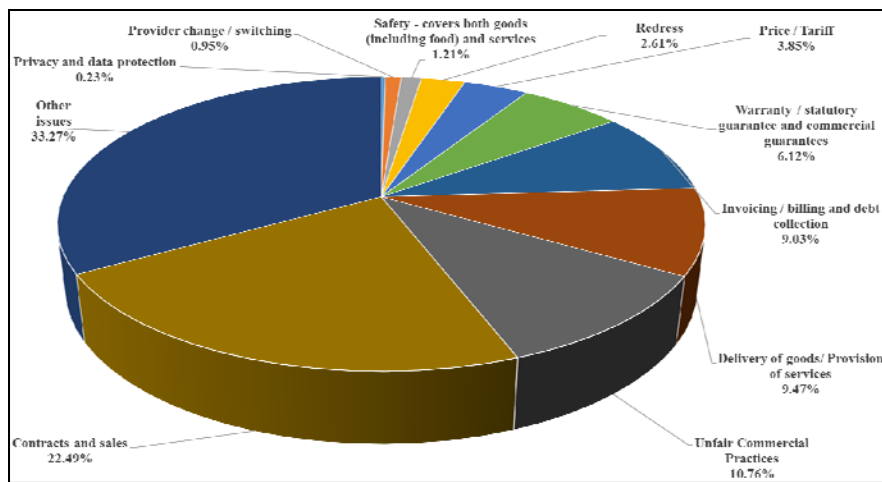


Figure no. 5: Main reason of complaints
 Source: Author, by using European Commission Data (ECCRS, 2017)

On the last places in the ranking regarding the causes of consumer complaints were Privacy and data protection (0.23%), Provider change/switching (0.95%), and Safety - covers both goods (including food) and services (1.21%), with the specification that, for these causes, the ECCRS records start from 2011. In 2017, almost 20% of the registered complaints were in the following areas: Delivery of goods/ Provision of services, followed by Quality of goods and services (17.60%), and the unfair contract terms in Contracts and sales (15.5%) (figure no. 6).

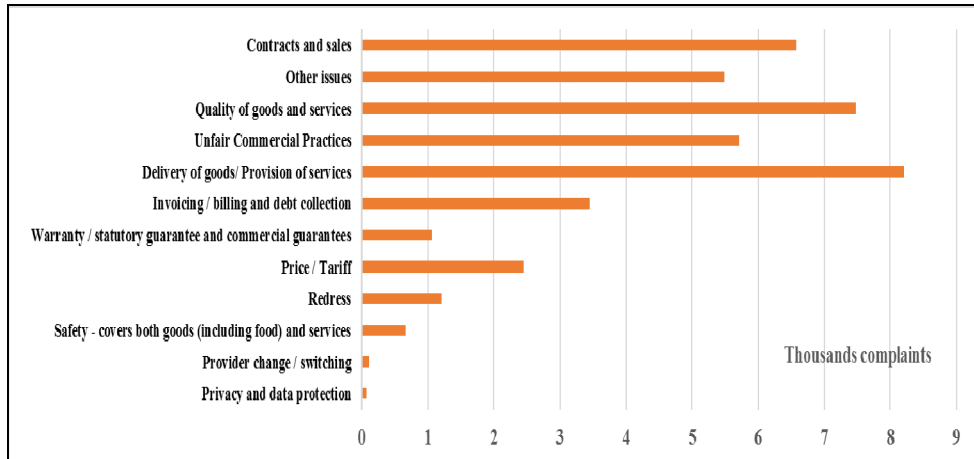


Figure no. 6: The main dissatisfaction causes of European consumers in 2017

Source: Author, by using European Commission Data (ECCRS, 2017)

On the last places in the complaint ranking in 2017, were the following areas: Privacy and data protection (0.16%), Provider change/switching (0.27%) and Safety, which covers both goods (including food) and services (1.57%).

Conclusions

The paper focused on research regarding consumer protection at a European level and the modern complaint monitoring ways that could be used by the European consumers in the last decade by means of the ECCRS network. The topics addressed are of interest for the business environment, for the EU and national officials and for the consumers. The decrease in complaints, registered in recent years at a European level, indicates an increased efficiency of European policies in the consumer protection domain, the application of the best legislative regulations and of a number of efficient safety systems, and an increase in the quality of goods marketed on the EU market.

As a final answer to the question asked in the title of the paper (Could a complaining European consumer be happy?), as a result of the conducted research, we could assert that a consumer that submits a complaint can be happy when his/her complaint is addressed and solved and he/she realizes that the European consumer's protection system is efficient.

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