

Improving Consumer Information for Online Digital Products

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Need to act

Evidence of problem

- **Lack of comprehensible information:**
 - 2011 study of major online digital products: 42% of recent consumer problems with digital content
 - 2012 sweep on online digital content products (games, music, e-books, videos): 52% of websites apparently non-compliant
 - 2012 study on online digital content products (games, music, e-books, videos): only 13% of websites were transparent about in-game purchases, 72% of sites had no information on geographical restrictions

Expected growth of the market

- **Global digital spending**: +12,1% per year, 67% of total entertainment and media growth by 2016

Need to act

Political commitment

*A set of measures will be considered to tackle key problems faced by online users and make sure they are adequately protected when using and buying digital content. These may include **standardising key information given to consumers to facilitate comparisons [..]***

European Consumer Agenda (COM(2012) 225)

*The Commission will, by 2014, develop in close cooperation with national enforcers and relevant stakeholders, a **model for the online display of key requirements to make the information on digital products clearer and easy to compare.***

Action 9, EU Citizenship Report 2013 (COM(2013) 269)

Legal Bases

for pre-contractual information obligations for online digital products

Currently

- Unfair Commercial Practices Directive (2005/29/EC)
- Distance Selling Directive (97/7/EC)

from June 13th 2014

- Consumer Rights Directive (2011/83/EU):
 - Art. 6(1): list of pre-contractual information obligations, including on functionality (r) and interoperability (s) of digital content.
 - Art. 8(2): subset of information to be provided in "a clear and prominent manner" and "directly before" placing the order
 - Art. 8(4): subset of information to be provided when means of distance communication allows limited time and space

Legal Bases

for pre-contractual information obligations for online digital products

Consumer Rights Directive

Article 8(2)

- main characteristics (Article 6(1)(a))
- total price (Article 6(1)(e))
- duration of the contract & the conditions for terminating the contract (Article 6(1)(o)), including minimum duration of the contract, where applicable (Article 6(1)(p))

Article 8(4)

- + identity of the trader (Article 6(1)(b))
- + conditions for withdrawal (Article 6(1)(h))

The Model

The Model

for the online display of key information on online digital products

Scope of the Model

- Article 8(2)

For the purposes of the model, functionality and interoperability considered part of "main characteristics" of digital products.

- Article 8(4)

The model does not cover the conditions of withdrawal.

The Model

for the online display of key information on online digital products

Aims

- consumers get more transparent and comparable information
 - more confident consumers, more business for traders
- traders get support for implementing the key new information requirements
 - facilitates compliance with legal requirements
 - more competition also on the conditions of the offer

The Model

for the online display of key information on online digital products

Principles

- **Collaborative:** stakeholders are called to contribute to the development of the model
- **Optional:** traders are invited to use it, but it is not a legal obligation
- **Flexible:** must be adaptable to the presentational aspects of the traders' website or sales channel, and to the requirements of the different products
- **Graphical:** icons and a table-like presentation will facilitate comprehension, especially for inexperienced consumers of online digital content
- **Short:** only information and icons that apply to the product should be displayed

The Model

for the online display of key information on online digital products

1. Name of the provider

Important in particular where the provider is not evident from the context, e.g. for sales via platforms

The Model

for the online display of key information on online digital products

2. Main characteristics

Short description of the product

Functionality: e.g. language, duration, file type, size, resolution, access type, access conditions, updates, tracking, internet connection, geographical restriction, digital rights management, additional purchases needed

Interoperability: Hardware, Software

The Model

for the online display of key information on online digital products

3. Total Price

Total price (monthly price for subscriptions)

Optional costs (e.g. available in-app purchases)

The Model

for the online display of key information on online digital products

4. Duration and termination of the contract

Contract duration (+ minimum duration, where applicable)

Termination of the contract (procedures and possible cost of termination)

Implementation

Characteristics

A set of icons will be proposed to illustrate each category



Provider



Trader name



Functionality



Language



Duration



File type



Size



Access type



Access conditions



Internet connection



Geographical restrictions



Digital rights management



Updates



Tracking



Interoperability



Hardware and
Software



Price



Optional costs



Contract



Duration



Termination

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Example: Music song for download

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1. Main characteristics:



"Shoo-be-doo", Song 9 of the Album "La Vie en Rose"
by The Fabric Softeners

1a. Functionality



Language: EN



Duration: 3:51 min.



File type: WMA



Size: 2MB



Access type: downloading



Access conditions: unlimited



Internet connection: needed for downloading



Geographical restrictions: can be downloaded in DE, FR, UK, and DK



Digital rights management: no private copies, no reproductions allowed

1b. Interoperability:



Hardware and software: no specific hardware necessary,
any music player with WMA support

2. Total price:



0,99 €

Example: Weather app for smartphone

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1. Provider:



Dreams'app

2. Main characteristics:



Weather application for smartphones

2a. Functionality



Language: EN, instructions: EN



File type: .EXE



Size: 3MB



Access type: can be downloaded on up to 5 devices registered by this user within 6 months



Updates: for two years regular updates improving stability and functionality



Tracking: you must accept that we process information about your use of the product for market research (see phone privacy settings)



Internet connection: needed for downloading current weather information



Geographical restrictions: none



Digital rights management: no reproductions allowed

2b. Interoperability:



Hardware and software: Smartphone, Windows Phone 8

3. Total price:



1,89 €

Example: Video on demand subscription

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1. Main characteristics:



Monthly subscription to high definition video on demand service. More than 1000 movies on offer with regular additions (consult the full list here).

1a. Functionality



Language: website and instructions: EN, FR, IT



File type: Windows Media



Resolution: full HD (1920×1080p)



Access type: streaming



Access conditions: unlimited access to movies during the subscription period



Tracking: you must accept that we process information about your use of the product for market research (cookie settings)



Internet connection: at least 10Mbit/s download speed required for best performance



Geographical restrictions: access to the content only from FR, IT and UK



Digital rights management: no recording, no copies

1b. Interoperability:



Hardware and software: a recent PC, Windows 7 or newer, Windows Media Player

2. Total price:



Total price: 9,90€ per month



Optional costs: specified movies only available against additional payment (price list)

3. Contract



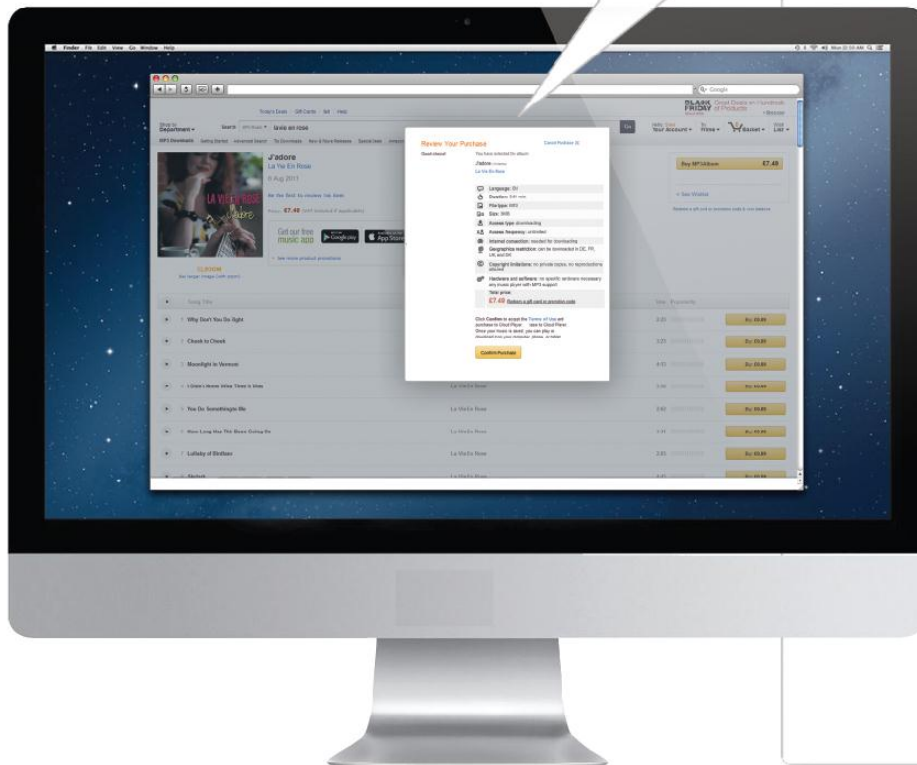
Duration: indeterminate, minimum 6 months



Termination: with one month notice by e-mail to terminate@filmcountry.it; early termination is possible but minimum 6 months must be paid

Example: Desktop environment

Information provided clearly and prominently on the same page where the consumer places his/her order.



Review Your Purchase

[Cancel Purchase](#) ✕

Good choice!

You have selected

J'adore

La Vie En Rose

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🗨️	Language: EN
🕒	Duration: 3:51 min.
📄	File type: WMA
📁	Size: 3MB
⬇️	Access type: downloading
🔒	Access conditions: unlimited
🌐	Internet connection: needed for downloading
🌍	Geographical restrictions: can be downloaded in DE, FR, UK, and DK
🔒	Digital rights management: no private copies, no reproductions allowed
⚙️	Hardware and software: no specific hardware necessary any music player with MP3 support
€	Total price: 0.99 €

[Confirm Purchase](#)

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Example: Smartphone environment









Information is accessible on an additional page together with the button that allows conclusion of the contract.

- 1 Click on "buy" — 2 Extra screen — 3



- 3 Specific Information displayed

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	Main characteristics
	Language
	File type
	Size
	Access type
can be downloaded from up to 5 devices registered by this user within the next 6 months	
	Updates
	Tracking
	Internet connection

Next steps

- Your Feedback
 - in this workshop
 - by mail by **10 January 2014**
to just-communication-a3@ec.europa.eu
- Publication
 - as annex to CRD guidance in end of March 2014

Thank you for your attention