

ANEC position on the European Commission Green Paper 'An integrated parcel delivery market for the growth of e-commerce in the EU'

ANEC is the European consumer voice in standardisation, defending consumer interests in the processes of technical standardisation and conformity assessment, as well as related legislation and public policies. ANEC was established in 1995 as an international non-profit association under Belgian law and represents consumer organisations from 33 European countries. ANEC is funded by the European Union and EFTA, with national consumer organisations contributing in kind.

ANEC is pleased to contribute to the questionnaire in the Green paper on parcel delivery services and provide its views based on its postal services standardisation expertise at the European level. ANEC in fact has been actively involved in postal services standardization in CEN TC 331 'Postal services', its WG 1 on 'Quality of Postal Services' and WG 5 on revision of EN 13724 'Apertures of letter boxes and letter plates' for several years.

ANEC agrees that buying online is likely to be the only growth section in postal services. However, as the surveys have outlined on page 3 of the Green Paper, problems with delivery and product returns procedures are the major consumer concerns relating to on-line shopping. While these are relevant to national on-line shopping they are likely to be exacerbated when shopping cross-border.

This seems to be reflected in the numbers of people who make a distance purchase from local sellers compared to those distance purchasing from another EU country. Eurobarometer found - while in the last year 52% of consumers had made a distance purchase from retailers in their own country - only 12% had made one from a retailer in another EU country¹.

ANEC replies to the Green Paper's questionnaire are reported below with reprise of the questions:

Questions: the regulatory and institutional framework for the EU parcel delivery Market

1) For the purpose of this Green Paper, 'parcel' is defined in the broadest sense and includes all items weighing up to 30 kg. Are there particular elements which in your view are of crucial relevance for the qualification as 'parcel' in the context of the ambition to achieve a more integrated, well-performing parcel delivery market in the EU?

It is positive that the definition of parcel is very broad. There should not be a differentiation in first class / second class parcels. In Germany for example there are parcels that can be tracked and parcels that are not tracked (and get lost...)

¹ Consumer attitudes towards cross-border trade and consumer protection. Eurobarometer, June 2012

but for the consumer differences are not apparent, nor is it evident why there is a difference.

2) Is, and if so to what extent, the existing framework an obstacle to the creation of a truly integrated European parcel delivery market that meets the needs and expectations of-retailers, consumers and workers in the sector?

To promote an increase in cross-border trade whether online or otherwise, other consumer concerns will need to be addressed. While the Consumer Rights Directive does address some of these, a key barrier from the consumer's confidence point of view is the lack of effective means of redress - this is confirmed by the Cion's own data: In 2010, 62% of online consumers did not buy across a border because they were afraid of fraud, 59% did not know what to do if problems arose and 49% were worried about delivery (Consumer Market Scoreboard, 5th Edition).

We hope the proposed Directive on Alternative Disputes Resolution will address the concerns about enforcement.

At the EU Postal Forum meeting in November 2012, a representative of the SME sector mentioned the problems the varying customs policies of individual Member States caused her on-line business.

3) What are the top three challenges posed by the regulatory framework? What could be done to help you respond, in the short and long term, to these challenges?

Information, tracking, delivery (to the right person/place).

Customs duties could also make it more expensive for consumers living in certain Member States to make cross-border purchases. At the Single Market Forum held in Krakow in October 2011, an small business representative advised the problems she faced by incurring huge postal price increases for cross-border parcels when the actual geographic distance was far less than other locations within her country. These made it uneconomic for her to take orders from these cross-border customers.

The findings of FTI Consultancy quoted in the Green Paper would seem to indicate this is the case in all Member States. This found that cross-border parcel prices for non-account customers charged by national postal operators were on average twice as high as domestic prices. Higher delivery prices are likely to have a negative effect on consumers purchasing cross-border online products.

4) Do you consider there are regulatory gaps or a need for additional measures/regulation? If so, please specify.

Tracking should be a pre-requisite.

A discussion may be needed with regards to differences in customs process.

Questions: improving consumer experience and convenience- more transparency**5) Information on delivery options and modalities**

a) Which information should be made available to consumers on the e-retailer's website (name and contact details of the delivery operator(s), the delivery price, the time and place of delivery, information about complaint handling, track and trace options, return options)?

We believe that the delivery price, information about complaint handling and track and trace options need to be available on the retailer's website. We also think it is particularly important that there should be full information about their returns policy. This pre-contractual information is already included in the Consumer Rights Directive, so a correct transposition and enforcement is necessary to ensure that consumers are well-informed about this important features of the delivery. Standardisation of pre-contractual information could be useful.

Information on the name and contact details of the delivery operator could be useful but only if they are prepared to be contacted by the consumer and to answer their queries, particularly with regard to delivery details. We think some operators may not be prepared to deal with the consumer since there is no contractual arrangement.

Given the findings of the IMRG UK Consumer Home Delivery Review 2012 quoted in the Green Paper that 43% of respondents were concerned the item may not arrive on time, we think there should be the possibility for consumers to indicate that time is of the essence in the contract. For example, the Christmas period is likely to be a very busy one for retailers. However, a consumer may only want to make the purchase if it can be delivered before Christmas and they should be able to make this a condition of purchase. At the moment most retail websites do not allow this possibility and we think they should be required to do so. Additionally, this could be a criterion to be taken into account to assess cases of late / non-delivery and lack of conformity that could entitle the consumer to terminate the contract.

Track and trace options are usually limited to consumers being told by the retailer when the goods have been despatched with a relatively wide estimate of the time it could take to be delivered. So apart from the more expensive option of next day delivery, consumers cannot specify which day their parcel should be delivered. This is the case even when the consumer can track where the parcel is at any particular time. There is no option for the consumer to respond to this information to advise the postal operator whether there are days when they would not want the parcel to be delivered because they will not be at home.

As the research quoted above found, consumers would prefer more certain delivery times to be quoted. 65% of the respondents said that the risk of no-one being at home to receive the item would prevent them shopping online. 43% of the respondents said that too vague delivery time slots were a major concern.

It is encouraging to hear that postal operators are trying to find ways of improving the delivery options for consumers. Also a working group of CEN TC 331 is currently working on a standard that will allow for letter boxes to be large enough to take bigger parcels. However, these options are likely to depend on the cultural preferences of individual Member States².

b) Taking into account the risk of information overload, what could be done to provide consumers at the right moment with clear, transparent and comparable information on delivery?

Information templates in some cases (see also reply to question 6.a)

6) Information on the quality/performance of delivery

a) **Performance indicators** relate, for instance, to the speed of delivery, the geographic coverage of the delivery operator, delays, damaged or lost items. How can such performance-related information be measured and gathered? Would publishing the results of such performance indicators create added value for consumers? Is there a need to develop standards to monitor such performance levels?

We do not see information on the quality and performance of delivery would be of particular use for consumers. They have no choice but to accept the postal delivery systems the retailer has chosen. We doubt that consumers buying from a retailer online would break off the purchase to seek performance indicators of the postal operator used. We think this would more certainly be the case where there is more than one postal operator involved (which is particularly likely to be the case in cross-border purchases).

However, performance indicators may be of interest to retailers, particularly SMEs to better inform their choice. We think creating relevant standards would be the obvious answer to developing performance indicators whether at CEN or ISO level. However, standards are only voluntary and therefore may not be adopted by all operators involved in parcel delivery.

b) Would **trust labels** (e.g. a certificate given by an industry association that the delivery process of an operator can be trusted as they meet requirements based on best practice) offer a more efficient way to increase consumers' confidence?

Not without standardized PI and measurement methods

c) Would **ISO certification** of a quality process aiming at efficient delivery be an appropriate tool to increase consumers' confidence?

Depending on what the criteria is. Again: PI need to be defined, standardized and measured.

² It was, for example, a surprise to ANEC that recent research conducted by the UK regulator found that, despite having letter plates which can only take parcels of the size of single CDs and DVDs, there was significant opposition from UK consumers to having letter boxes or parcel kiosks. 50% were strongly against the idea of mail being delivered to the boundary of the property and 77% strongly against delivery to a alternative delivery point Review of postal users' needs. Ofcom. October 2012.

7) Independent supervision:

Who should take the lead to monitor performance: an industry organisation, an independent body, a regulator?

A regulator or an independent body

Questions: increasing consumer experience and convenience – better services and more safeguards

8) Possible need and scope of a universal delivery service for parcels:

a) Is there a need for a new universal service obligation to address the ubiquity, affordability and quality of parcel delivery services?

We don't think a universal service obligation is needed. Quality issues can be addressed (and shall be addressed) for all providers and on a free market.

We do not understand how the Universal Service Obligation (USO) could be developed for this market. The USO only applies to postal operators designated to fulfil the universal service obligation and the services that have been designated to form the universal service. To date these remain the original monopoly suppliers in most Member States, mainly due to their ability to fulfil delivery in the 'last mile'.

The reason that the USO only covers parcels up to 20 Kg was because it was deemed the parcel market was sufficiently liberalised not to need to be subjected to regulation. Further the USO is designed in recognition that in a liberalised market, certain customers may not be attractive and so may be excluded from a market of general interest.

We agree that the USO may need to change over time to reflect changing situations. So for example ANEC argued that access to broadband should be included in the concept of Universal Service of electronic communications in order to increase accessibility³ because it was considered that access to broadband had become basic to enable full participation in society.

However, we are not aware of any sections of society that are excluded from buying online, provided they have access to the internet and that the trader can deliver in certain areas (e.g. rural areas). The pricing element is also important - depending to where the product is delivered the price can vary.

9) Improving consumer experience

a) Taking into account the existing set of consumer rights, how could consumer concerns and complaints about delivery be addressed most effectively?

We suggest take into account ISO 10002 and ISO 10003 standards on complaints handling and dispute resolution.

³ See ANEC Statement "Universal Service in the digital era" IMCO Committee seminar, European Parliament, Brussels, 11 April 2011 (<http://www.anec.eu/attachments/ANEC-DFA-2011-G-018.pdf>). It seems however that the issue will be more likely tackled in the Commission proposal for a directive on web-accessibility.

b) Do you have any concerns about liability regimes in the event of lost or damaged parcels? What could be done to improve the situation?

We do not have any concerns about the liability regimes. The consumer's contract is with the retailer and not with the postal operator. The contract not only implies the goods provided must meet the requirements of the Consumer Rights Directive but also the safe delivery of the goods. If the goods are lost or damaged by the postal operator, the consumer can claim for this from the retailer. The latter then has recourse to claim for this against the postal operator responsible provided this is allowed in the contract between them.

Questions: competitive but sustainable prices – sustainability and transparency of tariffs

11) Sustainability of tariffs:

a) Do you think that the current level of tariffs charged to consumers for home delivery is sustainable in the medium and long term? If not, what should be done to mitigate this?

With increase of use of e-commerce, the tariffs might even drop. The possibility to return the products without cost is a bigger problem than the delivery cost itself.