

verbraucherzentrale
Bundesverband

COLLECTIVE REDRESS – GERMAN STATE OF PLAY

ECCG 13-14 April 2016

50 YEARS OF INJUNCTION ACTIONS

VZBV ORGANISED A CONFERENCE

- History
- Latest developments
- What worked well, what is lacking?
- Outlook
- Conclusions
- Presentation of a study

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SUCCESS STORY

FIRST INTRODUCTION OF THE INJUNCTION INSTRUMENT FOR CONSUMER ORGANISATIONS

- In 1965 in the German unfair competition law
- Abuse of the instrument - as often feared by traders – has not materialised

WHAT REMAINS UNSOLVED

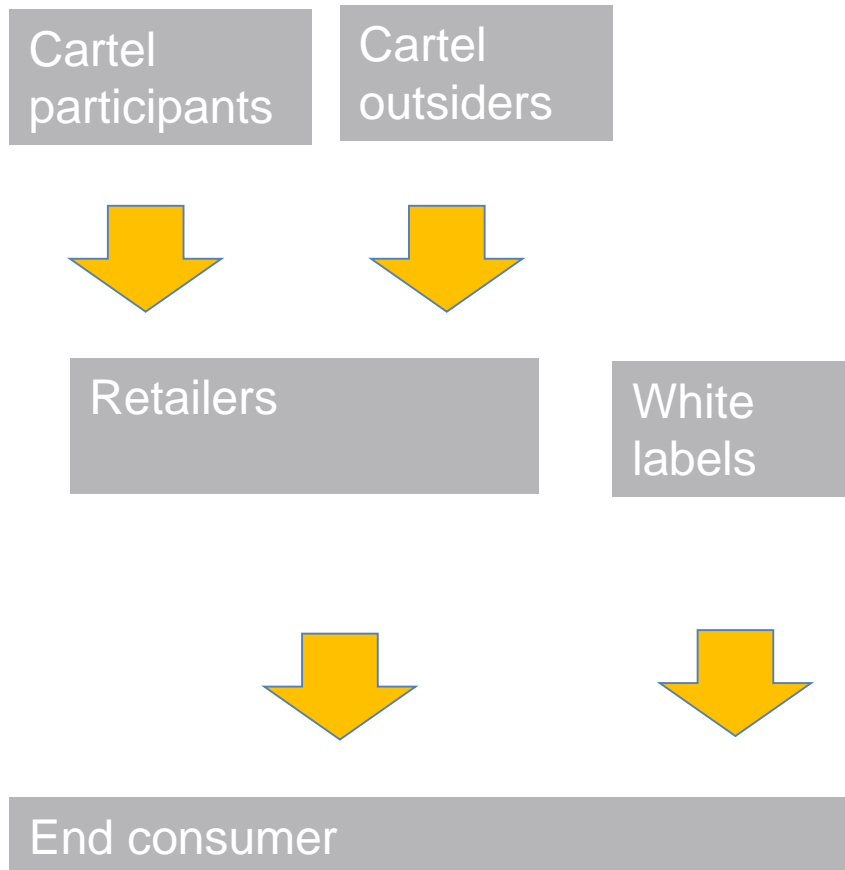
HOW CARTELS DAMAGE CONSUMERS

CONSUMERS STRUGGLE TO GET COMPENSATION

PERIOD OF LIMITATION – SEE VW #DIESELGATE PROBLEM

HOW CARTELS DAMAGE CONSUMERS

ESTIMATED DAMAGES (PROF. INDERST)



Everyone pays the bill!

- 1) Damage induced by higher product prices due to cartel participants and outsiders
189 Mio. Euro
- 2) Damage induced by higher product prices of white labels
117 Mio. Euro
- 3) Missed value induced by consumers not buying products because of excessive prices
112 Mio. Euro

Total damage

418 Mio. Euro

CONSUMERS STRUGGLE TO GET COMPENSATION

INJUNCTIONS DO NOT LEAD TO COMPENSATION (PROF. HALFMEIER)

Missing possibilities for compensation lead to lack of prevention

- “rational” lack of interest from consumers
- “rational” breach of law
 - First experimental evidence for this “rational” behaviour
- Civil law sanctions also needed
- Consumer organisations need to be able to claim unlawfully acquired benefits to increase the pressure on traders
- Introduction of instruments are needed with which consumers can bundle their claims

CRITERIA FOR NEW INSTRUMENTS OF COLLECTIVE REDRESS

PROF. HALFMEIER

- **Wide scope** – for the moment DE only has a sort of collective redress tool for retail investors
- **Suspension of the limitation period**
- **Low entry barriers** for consumers to claim their rights
- No diversion from basic procedural rights
- Promotion of alternative dispute settlement
- A realistic way to finance such a tool

PLANS OF THE GERMAN GOVERNMENT

JUST ONE WEEK AFTER THE VOLKSWAGEN #DIESELGATE BROKE...

... the German Federal Ministry of Justice and for Consumer Affairs announced it wanted to propose a law that would

- Introduce a new procedure by which consumers could make courts determine whether there is a damage
- It could be introduced by consumers or consumer organisations on their behalf
- One court only would then rule the very basics of that case (instead of several)
- In parallel, a complaints registry would be established where consumers could notify their claims. This notification process should
 - ❖ Have low entry barriers
 - ❖ Be free of charge
 - ❖ Interrupt the period of limitation

Impressum

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