

ICT and the consumer

**Abstract**

**SIER**

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# **Information and Communication Technology and the consumer**

**SEER**

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## 1. Introduction

In its advisory report of February 1997 entitled *The Consumer on New Markets (De consument op nieuwe markten)*, the Committee for Consumer Affairs (*Commissie voor Consumentenaangelegenheden, CCA*) of the Social and Economic Council (*Sociaal-Economische Raad, SER*) came out in support of the Cabinet's intention to keep watch on developments in the field of information and communication technology (ICT) together with consumer organizations.

In the present advisory report (May 1998), the CCA identifies consumer-related aspects of ICT and elaborates upon its support of the Cabinet. This unsolicited report contains conclusions and recommendations for government and market participants. Having published this advisory report, for the time being the CCA thus regards its task in the field as complete.

The structure of this abstract is as follows. Chapter 2 discusses the identified consumer-related aspects of ICT. Chapter 3 illustrates the way in which the CCA has given further expression to its support, with a focus on the legal position of the consumer. Finally, Chapter 4 contains the CCA's most important conclusions and recommendations.

## 2. Consumer-related aspects of ICT

*On balance, the position of the consumer is becoming stronger*

The present report gives a brief outline of the most important developments in the field of ICT, and of the impact of ICT on consumers. The most important consequences for consumers are:

- the appearance of new products and markets for ICT services;
- increasing transparency of markets resulting from gradual, improved accessibility of information, for example through data banks;
- increasing opportunities for teleshopping which widens the freedom of choice for consumers, enabling them to benefit from lower prices;
- enhanced competitiveness between companies;
- companies now have access to technical and commercial tools whereby, through product differentiation, they can respond to diverse consumer tastes and to the increased readiness among consumers to pay to have their own specific requirements met. Consumers, therefore, have more opportunity of satisfying their specific wishes. A further factor here is that it is becoming easier for consumers (and consumer organizations) to communicate their experiences with certain products on a large scale. As a result, companies are having to reassess their relationships with consumers.

Although the trends carry certain risks for consumers, on balance, a strengthening of the position of this group of market participants can also be anticipated. This requires fulfilment of various framework conditions, however; one being that the consumer must acquire the skills to be able to use ICT, and a second being the presence of reliable information. The wider introduction of electronic media for consumer transactions should be accompanied by thorough instruction being given by companies and consumer organizations to the individual consumer about their rights and obligations, and the opportunities and risks inherent to the use of the media in question (such as payment transactions). In this regard, cooperation with the government is self-evident given its obligation to provide information in conformity with the European Directive on the protection of consumers in respect of distance contracts.

*No major differences for the time being ...*

Mutual trust between parties is an important basis for concluding a transaction, no less in an electronic environment. Familiarity with the identity of the other party need not play a role. Problems in identifying the other party can be avoided by specifying accountability in contracts on the division of the burden of proof. For example, payment orders are considered to have

been given by the person who has been issued access to the bank or to his or her own account, even if used by a third party.

It is important that consumers are aware of the kind of company they are dealing with, the nature of the service, how reliable it is and who they can consult if the product is defective. The growing need among consumers for this kind of information will likely gradually be met by way of certificates, such as that introduced in early 1998 concerning electronic security. The consumer will want to be sure that he gets what was agreed. In the event this does not happen, there should be an option of recourse, perhaps through a third party: Trusted Third Parties (TTPs). The consumer should not be held accountable for shortcomings in the system of division of burden of proof.

The nature and character of electronic transactions does not yet differ from the more traditional kinds. That is why the CCA's working hypothesis in this assessment is that the principles of existing laws also apply to electronic transactions, unless the ratio of a law renders this unfeasible. Whatever applies *off line*, applies *on line*. Conversely, the (statutory) execution and structure of electronic transactions can differ from ordinary ones in such areas as:

- the applicability of a particular legal system. Transactions concluded across the world soon present the question of which legal system actually applies or should apply. There are also the concrete differences between the legal systems in various countries.
- the periods of time which need to be taken into account. Electronic transactions take place relatively quickly. Are the current legislative time intervals and self-regulation, for example to allow a certain legal consequence to take effect, not too lengthy for electronic transactions?

Moreover, electronic transactions constitute a new method of communication which cannot automatically be equated with traditional contracts concluded at a distance. That is why problems of a different nature can arise during electronic transactions, and we must therefore decide whether existing legislation and self-regulation provide a concrete solution.

*... but perhaps later on. The merging of roles*

We are considering a phenomenon that is not yet actually visible. In the present transition to an information society, electronic media is still used primarily in a traditional manner. It is likely that transactions between consumers and companies will, *later on*, differ considerably from the present situation. At the moment, it makes sense to build on the concept "consumer", but in the future new definitions may be necessary; the concepts

consumer and company - weak and strong parties respectively - may shift, with companies finding themselves performing less professionally on the Internet than outside, and consumers starting up businesses, perhaps incorporating "professional" technology. In the future it will probably be more a question of protecting economic market participants.

### 3. Legal aspects of electronic transactions

#### 3.1 The approach

##### *Assessment of framework conditions*

In this advisory report, the CCA assesses, from the perspective of the market participants, the legal framework conditions for consumer transactions on their applicability to situations in which transactions are carried out using electronic media. Despite the immaturity of the technology, the CCA thus reviewed the practical and theoretical aspects of various issues which could constitute, and which to an extent are already constituting, a problem for the consumer. For practical purposes, the CCA confined itself to problems on the Internet, though not losing sight of the broader concept of electronic commerce.

In order to gain insight into current practice, the CCA was able to make use of information provided by the Consumers' Union (*Consumentenbond*) on its own study into the usefulness of the Internet for the consumer. The organization's initial conclusions about the Internet ran, "confusing, incomplete, extraordinarily time-consuming and largely one-way traffic." There appears to be a huge need for clarity, structure and methods of performing targeted searches for goods and services (such as a page which takes the user straight to providers of independent consumer information as well as to a register of all goods and services which can be accessed through the Internet). According to the study, outdated information is the greatest source of irritation among Internet users. Compared with purchasing through a mail-order firm, however, buying through the Internet was assessed relatively favourably. According to the Consumers' Union, people like the greater anonymity of placing orders through the Internet.

The CCA itself examined current practice in the field of electronic shopping. It then subjected all the identified (and potential) problems to the question of whether or not they were important and whether the CCA could exercise any influence. The conclusion "could not exercise influence" applies to the problem of outdated information, because if a company sees enough potential in a particular market it will automatically provide updated information. The same applies to the inadequate means of comparing the products offered. The solution to problems concerning market and product transparency usually lies in the area of market dynamics and self-regulation rather than in changes to existing legislation. Consumer organizations have a pioneering role in fostering market transparency, a role which they can develop further by addressing companies more specifically about the consumer need for comparable product information.

Throughout the various stages of the project, information was obtained on activities undertaken by the government at national, European and international level. The phenomenon discussed in this report should obviously not be considered from only the Dutch perspective.

#### *Identifying problems facing consumers*

The point of departure in assessing the framework conditions are those consumers who wish to enter into an agreement from the Netherlands, using electronic media for the purpose of fulfilling an economic objective. The entire process of drawing up and executing such agreements was observed with a view to establishing which problems can arise when the consumer decides to exercise a consumer right. These are the rights of the consumer as provided for in legislation: his right to information, protection of health and safety and legal protection. The European Directive on the protection of consumers in respect of distance contracts provides the electronic consumer with a degree of protection in all three of those areas. In so far that legal problems surrounding ICT transactions cannot be resolved by these and various other European directives, the CCA investigated whether, and if so to what extent, this is already happening under existing Dutch contract law.

Before describing the entire transaction process, the next section will discuss private international law and the applicability of national public law.

### **3.2 Private international law and national public law**

#### *Applicable law: the need for clear criteria*

The most important rule of private international law regarding applicable law does not refer to transactions concluded through such a medium as the Internet. This is Article 5(2) of the EC Convention on the Law applicable to Contractual Obligations which states that the law of the nation in which the consumer has his habitual residence is applicable, provided the contract was preceded *in that country* by a specific invitation or by advertising, and that the consumer had taken in that country all the steps necessary on his part for the conclusion of the contract. Private international law assumes geographic parameters which are not suitable for application in an electronic environment. The CCA thus calls for clear criteria and points of reference concerning a suitable legal framework for electronic transactions, preferably regardless of where the provider is located.

It should not automatically be assumed that there are already treaties, including private international law ones, and that these will offer adequate scope for the parties in an electronic transaction to get what they are

entitled to. At the same time, the market does not seem to be manifesting problems: thanks to the rules of conflict under private international law, and the same applies to public law cooperation between national governments, things appear to be proceeding smoothly.

Electronic transactions are potentially cross-border by nature. It is for this reason that the CCA advises contracting parties concluding such a transaction always to choose the applicable law, preferably combined with a jurisdiction clause or an arbitration clause. This is frequently not done for electronic transactions, though the moment problems arise, issues relating to private international law become relevant. A choice of law provision can probably prevent problems relating to applicable law from arising later on. If the company opts for the law of the country where the buyer is located, it will be doing its customers a huge favour. As is usually the case in international arbitration cases, companies could well specify in their general terms and conditions that consumer matters are subject to the laws of the Netherlands.

### **3.3 The pre-contractual stage**

#### *Problems for consumers*

The moment consumers begin exploring the market, product information and advertising play an important role. In a virtual world where people cannot get hold of the actual product, some form of detailed product description is required, using multi-media if possible. Consumers want to receive adequate information about the product to enable them to make comparisons with products they know and/or products which can be bought elsewhere. Transparency is not only important to the consumer as regards the most important characteristics of the goods and services offered electronically, but also as regards prices and instructions for use. This reminds us that consumers do not want to be misled by advertising. It is not always clear in an electronic environment which system of regulations applies to a form of advertisement. A further problem is how consumers are supposed to distinguish between electronic advertising and information dissemination (the dividing line can be determined more easily on television, for example, than on the Internet). On the whole, consumers do not wish to encounter aggressive forms of electronic selling nor be bombarded with too much information.

#### *The legal framework*

The distance factor is becoming less and less of an obstacle in the pre-contractual stage of electronic transactions: commercial communication is increasingly cross-border in nature. European harmonization has begun

and brought with it the anticipation of huge leaps forward in the voluntary development, application and distribution of European best practices. Companies could swap experiences in the area of electronic commerce and try to convince one another of their shared interest in developing, applying and distributing such commendable trading strategies. Best practices can also play a role in the implementation of European harmonization measures.

In the Netherlands, misleading advertisements on such a medium as the Internet can be dealt with by means of the advertising laws (some of which have been harmonized) and by existing self-regulation. Considering its broad definition of advertising, the Dutch Press Advertising Code must also be deemed applicable; the Advertising Standards Organization (*Stichting Reclame Code*) however, should consider adapting this code to take account of advertising on the Internet.

The practice of telephone sales (the sale of products by telephone) is governed by adequate self-regulation in the Netherlands but the Door-to-Door Sales Act (*Colportagewet*) cannot be applied to electronic transactions, as physical presence is a principal criterion in the Act. The application of price quotation rules is an area requiring attention.

Furthermore, the CCA spotlights the importance of brand names for boosting consumer confidence in electronic trade. Reliable providers, including those on such a medium as the Internet, link their product to a brand which provides consumers with a guarantee of quality. The greater the economic importance of a brand to its owner, the more this guarantee increases in value. After all, a disappointed consumer will jeopardise the reputation of the brand in question.

### **3.4 The contractual stage**

#### *Problems for consumers*

Once the consumer has determined his or her choice for a particular product the contractual stage begins. Assuming the parties involved have sufficient confidence in one another, and that the nature of the product on offer is clear, at some point before the electronic transaction is concluded the consumer will want clarity as to each party's responsibilities. A similar problem can arise here to those which occur during the more traditional type of transactions, specifically that neither the consumer nor the supplier is clear as to their own rights and obligations, nor to their legal position in the event of errors and defects. This point is all the more relevant if foreign law is applicable. Nor may the parties be entirely aware of the status of the

electronic legal acts they perform. At what point during an electronic transaction has consensus been reached between the parties? How long may the consumer wait before accepting an offer through an electronic medium? And when does a declaration of intention submitted by the consumer take effect? What, for example, constitutes the material evidential value of an order placed by electronic means? This also gives rise to the question of when and according to which legally correct manner the contract is drawn up (if, under present law, a contract is drawn up at all).

Furthermore, consumers want to be certain that following payment the product offered through electronic channels will actually be delivered and that it corresponds to the product information they received beforehand. Consumers will also require certainty with regard to the accompanying warranty and any prepayment. Finally, an important requirement among consumers who conclude a contract through electronic channels is that payment is carried out smoothly and reliably. Companies, in turn, need to be confident that they will be paid. Not only must methods of payment be secure but they must also provide means of proving that payment took place later on.

#### *The legal framework*

Electronic signatures and TTPs are concrete tools for providing further identification of parties, and TTPs also reduce risks in electronic transactions in other areas. Moreover, various sections of the Netherlands Civil Code (*Burgerlijk Wetboek*) provide a suitable framework for a further definition of electronic transactions in the contractual stage (see below).

Specific areas in the contractual stage of electronic transactions, such as offer and acceptance by parties, and dissolution on expiry of the withdrawal period, are also appropriate topics for the dialogue on general terms and conditions between trade organizations and consumer organizations; these topics have to be dealt with in the same way as in non-electronic transactions. Further, agreements can be made on various issues such as those relating to law of evidence, within the framework of general terms and conditions or otherwise. These could contain elements of Electronic Data Interchange contracts, which always include arrangements regarding proof.

The CCA deems the consumer's right of withdrawal set out in the European Directive on the protection of consumers in respect of distance contracts to be inadequately formulated for transactions carried out entirely by electronic means. One of the exceptions to this right of withdrawal concerns the supply of computer software of which the *seal* has been broken by the consumer. Obviously, this covers only software on a separate CD-ROM or

floppy disc, incorrectly ignoring downloaded computer software. Although such software cannot literally be sealed, the same effect can be reached through encryption, encoding the contents of a message. The text of the Directive should have made clear that consumers also lose their right of withdrawal once they "decode" the software they have downloaded, otherwise an unlimited number of copies of this software could be made, after which they could still go ahead and dissolve the contract. Consumers should, however, be able to replace software which contains bugs, or receive compensation.

#### *Protection of contracting parties*

*As far as possible*, the CCA would like to see the supply of relatively simple software (such as music that can be downloaded) which now generally takes the form of goods (such as CDs) defined as the supply of goods. Firstly, it is practical to make as little distinction as possible between the forms in which a product is supplied. Secondly, this principle corresponds to the CCA's aim of taking the consumer as its point of departure. In this way, use can also be made of the provision in the Netherlands Civil Code governing sale and exchange (Title 7.1), which offers consumers more protection than the Code's provision on contracts for services (Title 7.7). The CCA believes that the latter type of contract applies only to software modifications. Further, the Civil Code sale and exchange provision applies *unquestionably* to the purchase of software on a CD-ROM or floppy disc as well as to orders placed for physical goods through such a medium as the Internet. The CCA recommends that one of the two courses be adhered to as far as possible, that the legal definition be kept as simple as possible (i.e. it should not be viewed as something different), and that solutions should be sought primarily in the dialogue on general terms and conditions. Legal amendments are not necessary for the time being.

Regardless of which legal definition the parties have conferred upon the electronic transaction, in the event of a dispute the court will always act autonomously in defining the contract. It should be remembered, however, that parties are loathe to go to court, which is a further reason for them to be as clear as possible about the terms of the contract, whether or not laid down in general terms and conditions. Business transactions and legal certainty are thus fostered.

#### *General terms and conditions*

The CCA believes that in addition to the provision on sale and exchange, the Civil Code title governing general terms and conditions (6.5.3) is highly appropriate in offering protection to parties in an electronic environment, and as a basis for the dialogue on general terms and conditions. Legal

amendments are again unnecessary for the moment. The CCA does point out, however, that the Civil Code provision was intended only for stipulations in writing, which invites the question of whether stipulations used for an electronic environment should be regarded as written in the sense inferred by this regulation. The CCA urges clarity in regard to this point, in conformity with the European Directive on the protection of consumers in respect of distance contracts, which does not provide for such a restriction.

The existing Protocol and Manual for the dialogue on general terms and conditions (see back cover) provide a framework for further elaboration of self-regulation in this field. In the first instance, both these tools in their present form can be used effectively in the dialogue on general terms and conditions governing electronic transactions. The CCA has not found any special problem areas in regard to general terms and conditions which cannot be resolved through standard negotiations and by using existing tools. The issue of whether the Protocol and the Manual should be geared towards such transactions can be considered later on the basis of the findings in actual practice.

A special point of attention for sectors in which electronic transactions (can) take place, is the inclusion in the general terms and conditions of a provision regarding choice of law. Such a provision can avoid any problems later on in the area of applicable law. The CCA advises the Dutch government to bring up the issue of choice of law at a suitable moment within the EU.

### *Electronic payment*

The CCA has observed that electronic payment can be carried out in a huge variety of ways. There are numerous technical options and many legal frameworks. The CCA deems it essential that every single form of electronic payment is subject to some kind of security and that the consumer must in no way suffer from any failings in the security system. The CCA also believes that consumers should be aware of the risks associated with using a particular method of payment, and that they should receive objective information on the advantages and disadvantages of the various forms available to them.

The CCA advises the government and market participants to redefine the concept "prepayment" within the framework of electronic payment. The statutory prepayment ceiling of 50% should not apply to transactions concluded entirely by electronic means. The CCA is of the opinion that if the market is unable to implement appropriate solutions in the short term, the option of further self-regulation or laws should be considered with a view

to tackling problems concerning security and information. Finally, the CCA would like to draw attention to the necessity of European harmonization in this field.

### 3.5 The post-contractual stage

This stage focuses on handling consumer complaints about electronically-concluded transactions and about opportunities for recourse following errors or fraud. In such cases, consumers in the Netherlands who have concluded such a transaction (perhaps with a foreign supplier) will need a reliable, inexpensive and speedy solution to the problem. The European Commission's pending report within the framework of the European Directive on the protection of consumers in respect of distance contracts, as well as current developments surrounding various Dutch consumer complaints boards (see back cover), are both relevant to settling disputes related to electronic transactions. Such settlements, however, are no *different* from those related to non-electronic ones.

### 3.6 Some final remarks

#### *"In writing"*

The text of the European Directive on the protection of consumers in respect of distance contracts assumes on more than one occasion that relevant action takes place "in writing". Article 5, for example, refers to the information with which the consumer was furnished prior to concluding the contract as being "available and accessible to him in writing or on another durable medium" (if not, the consumer must receive written confirmation of the information later on). The CCA regards this requirement of durability in an electronic environment to be too strict and unpractical. How, in entirely electronic transactions, can a company meet this requirement without the consumer *having* to download the information?

With regard to the legislative requirement of providing information in writing, the ratio of a particular law generally determines whether "written" can also be taken to mean electronic. The CCA believes that, in principle, consumers themselves should be free to choose whether to download information - including general terms and conditions - provided on the Internet. It would however be unwise to abandon existing requirements pertaining to information in writing too soon (in regard to this point, neither should electronic transactions be treated *differently* from non-electronic transactions too soon).

*Sound provisions for privacy*

The CCA is of the opinion that companies and consumers should make sound provisions for the important consumer issue of privacy in all relevant transactions, by way of self-regulatory contracts supplementing the legal framework, and that there should be simple procedures for submitting any associated disputes to an independent body. This applies both to transactions in an electronic environment as well as outside.

## 4. Conclusions

### *Harmonization as the underlying principle*

The CCA's working hypothesis "whatever applies *off line* also applies *on line*" proves to be correct on a number of points, but not when applied to time intervals, applicable law, information in writing and prepayment. All in all, the CCA feels that from now on harmonization of *on line* and *off line* can be regarded as the underlying principle. Existing legislation, including the majority of the most important Dutch consumer laws, is fully applicable to electronically concluded transactions. At the same time, during the actual execution and designing of electronic transactions, variations can occur which require further consideration. Wherever problems come to light in the transaction process, further clarification of the law and identification of solutions should be pursued.

The advisory report mentions various examples of points in existing laws and self-regulation which, when considering electronic transactions, give rise to questions. A number of European directives contain outdated text, such as that on the protection of consumers in respect of distance contracts concerning written information, while for example the European recommendation on electronic payment transactions is not formulated at all clearly on the issues of scope and definitions. It is not for the first time that the CCA stresses the tremendous importance of adequate definitions in European laws so as to delineate the area of application. The CCA further urges that the text of any European directive on financial services concluded at a distance, take account of the possibility that such services may also be offered electronically.

### *Preference for self-regulation*

Whenever existing rules do not adequately provide for electronic transactions, further arrangements can be developed by means of organized dialogue. In such an instance, given the rapid developments in the field, the CCA strongly favours flexible self-regulation by market participants as opposed to legislation. Legislation could impede electronic trade and have a restricting effect.

The CCA has intended to illustrate how market participants can handle these kinds of contracts against a background of self-regulation, the types of agreements they can reach with one another, regardless of whether they engage in new dialogue on specific electronic transactions or on whether they can use existing general terms and conditions to govern electronic transactions. Offer and acceptance by parties are typically issues which should be set out more clearly in general terms and conditions for situa-

tions in which transactions are electronic in nature. Safeguarding electronic products and guaranteeing their reliability are important tools for boosting consumer confidence in electronic transactions. The CCA believes that TTPs can have a significant role in the design of such processes on the basis of self-regulation. Further, sound encryption methods must be permitted. The CCA regrets that this is still an uncertain area in the Netherlands.

#### *International aspects*

The investigation carried out by the CCA has confirmed its suspicions that the legal aspects of electronic transactions require an international framework. The Dutch government and market participants, with the cooperation of international organizations, must try to construct a sounder (legal) framework for the Internet. The CCA appreciates the proactive approach adopted by the Dutch government and market participants, but observes that the result of their efforts is often contingent on progress within the EU. A complicating factor is the differences in attitude between the various countries concerning the role of government and market participants in self-regulation. The CCA observes that the attitude of the Dutch government towards the system of self-regulation deviates from those in some other countries. The CCA thus urges the Dutch government to encourage the EU to pursue the necessary clarification of the legal position of parties in electronic transactions, also through "harmonization" of self-regulation at European and global level.

The CCA appreciates the attitude taken by the EU that countries should not try to resolve such issues individually and in their own way. The CCA believes that the Dutch government and market participants are in a position to opt for what it believes to be the "simple" solution of complying with existing Civil Code regulations, until the moment agreements are reached within the EU as to an alternative approach.

#### *International guidelines*

The CCA is of the opinion that international guidelines must be drawn up which offer a legal foundation for the electronic highway. Initial steps should be taken at a general, fairly abstract level, and later on the possibility should be examined of developing the guidelines further. One positive initiative in this direction were the guidelines published in February 1998, designed to offer small and medium-sized businesses access to electronic commerce. The Organization for Economic Cooperation and Development (OECD) must have a main role in drawing up international guidelines to underpin legislation governing the electronic highway. With a view to resolving substantive problems, the Principles of European Contract Law drawn up by the Lando Committee can be used as a basis. The

CCA recommends incorporating solutions introduced in the Netherlands which have been deemed acceptable by the market participants at international level, such as the flexible and equitable provision in the Netherlands Civil Code governing sale and exchange (Title 7.1), as well as the dialogue on general terms and conditions and the institution of consumer complaints boards.

### *Analogies*

The CCA is aware that it has not been able to present solutions for all the legal and non-legal problems which consumers face with respect to electronic transactions. It is unfeasible at the present stage of development to find answers to all of them. Generally speaking, problems will have to be tackled by applying analogies of existing solutions. The CCA anticipates that as the electronic highway continues to develop, more solutions will present themselves.

## Translated publications

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## **THE COMMITTEE FOR CONSUMER AFFAIRS**

*The SER Committee for Consumer Affairs (CCA) has operated for more than thirty years as the main consultative body to the Dutch government on consumer policy. Consumers, business associations and independent members are all represented on the CCA, each holding six seats. The consumer members are appointed by the Consumers' Union (Consumentenbond). Four of the business members represent the Federation of Netherlands Industry (Vereniging VNO-NCW), and the remaining two the Association of Small and Medium-Sized Enterprises (MKB-Nederland). Officials attend the meetings and give a briefing on the requests for advice received from the government. So far, the CCA has issued more than forty advisory reports, some of which were unsolicited such as ICT and the consumer, and a dozen or so reports focusing on a variety of issues affecting the position of the consumer. The CCA's activities are derived from the advisory task performed by the SER, in conformity with the Industrial Organization Act.*

## **THE COORDINATION GROUP SELF-REGULATION DIALOGUE**

*The SER Coordination Group Self-regulation Dialogue offers a framework for the dialogue between consumer organizations and business associations in various economic sectors on their general terms and conditions governing consumer contracts. These discussions are supported by an independent chairperson and an independent secretariat, according to a Protocol which sets out rules of conduct and procedures. An accompanying Manual provides examples of general terms and conditions which are equitable for both the company and the customer. Business associations and the Consumers' Union are represented in the Coordination Group, both holding two seats under an independent Chair. To date, more than twenty sectors of trade and industry have reached agreement with the Consumers' Union and occasionally another consumer organization on their contractual terms and conditions. Once the self-regulation dialogue has been successfully concluded, it will be "crowned" with the foundation of a bipartite voluntary Complaints Board, under the flag of an independent foundation.*

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