



Enabling sustainable e-commerce for European consumers

Policy recommendations to foster greater consumer
choice in sustainable online shopping

Introduction

For 25 years, eBay has enabled millions of consumers and businesses to give a second life to goods. Whether through individuals selling items online that they no longer need, or by facilitating online access to spare parts for repair, eBay can be considered a key player in the circular economy.

As we collectively take conscience of the climate challenge ahead, consumers move towards more sustainable online shopping options. According to eBay data, the number of search queries for "sustainable" and "environmentally friendly" offers has increased by almost 100 percent from 2018 to 2019.

During the economic recovery from Covid-19, European SMEs will have a great interest and opportunity in responding to the ever-growing demand for second-hand, refurbished, repurposed, ecodesigned or repairable goods. The ability for them to count on a stable, protective and clear legal framework in this context will be crucial.

In 2019, the European Union adopted the "New Deal for Consumers", an ambitious reform to improve trust and transparency for consumers in the Digital Single Market era. While this legislation has yet to be implemented in many Member States, some measures, included either directly in consumer law or in other parts of legislation may help foster a larger supply in sustainable options for consumers, as well as more consumer trust in these options.

Improve access to relevant product information

Create a flexible EU standard for product sustainability information

- New environmental product information should be made easily accessible on all channels and devices that consumers regularly use. On eBay, 63% of all gross merchandise volume involves mobile technology, whether on the selling or buying end. Such information shall hence fit on mobile devices.
- In the EU, SMEs that use eBay export to an average of 21 markets every year. To support international activity, SMEs must be able to rely on a European harmonized yet flexible standard for providing consumers with information on product durability, repairability, energy consumption and other eco-design characteristics.
- Such a standard would also help online marketplaces in efficiently relaying the information to the end-consumer and competent authorities in controlling compliance from sellers.

Ensure legal protection of the retail chain against manufacturer's infringements

- As consumers increasingly expect to be comprehensively informed on a product's environmental qualities, legislation should remain clearly aimed at the operator in control of these elements, namely, the product's manufacturer. In the event of a consumer dispute, a seller should therefore benefit from a legal protection against a manufacturer (or supplier / distributor) having provided inaccurate or incomplete product information.
- Most online resellers are SMEs with little capacity to engage in legal conflicts with manufacturers. Policymakers should support SMEs against harm from inaccurate product information, for example by providing specialized B2B mediators.
- This protection should also be enforced at a every stage of the contractual chain (manufacturer, distributor, seller), in particular if it is decided to connect the period of legal guarantee with that of the product's expected lifespan.

Build trust into emerging sustainable trade options

Create a harmonized legal framework for refurbished products

- Refurbished products are in fast-growing demand, especially in the tech and parts sector. Over the last 5 years, refurbished products sold on eBay in France grew by 477%, with similar trends observed in all European markets.
- Yet, as there exists no legal definition of “refurbished product”, they are considered second-hand products under current EU consumer law, with corresponding limitations to consumer rights. A variety of commercial definitions and limited guarantees have appeared over time, leading to confusion and lack of trust from many consumers.
- To avoid further fragmentation and foster trust, the EU should take the lead in defining a European harmonized legal framework, including definitions, quality standards and related contractual rights on refurbished products.

Foster a healthy repair market

End limitations for consumers to repair their goods

- The quality of spare parts and of the repair itself must be ensured by an appropriate set of standards, that the manufacturers must contribute to. However, constraints to repair imposed for other reasons (such as competition) must be ended whenever possible.
- Consumers should be free to choose their spare parts supplier and installer without losing after-sales protection and guarantees provided by the manufacturer. Indeed, restrictions applied by manufacturers to commercial guarantees with respect to independent repairs should be prohibited, to the extent that the repair service and the parts have separately proven their equivalent quality.
- Furthermore, parts manufacturing and installation specifications should be made easily accessible by manufacturers to consumers seeking to repair their own goods.

Safeguard the inclusiveness of e-commerce

Focus on positive incentives for better access to sustainable consumption

- The emergence and growth of e-commerce over the past two decades has provided consumers located in remote or otherwise traditionally underserved areas with access to a greater variety of products at more affordable prices.
- Legal limitation of return policies or delivery options should therefore be avoided, as they could turn sustainable online shopping into a privilege for urban and upper-class populations. Examples such as penalizing the use of home delivery in favour of pick-up points are not guaranteed to work in rural areas. More evidence-based research is needed to compare the environmental footprint of online versus in-store shopping, taking into account all types of consumers, shopping areas and available means of transport.
- Positive incentives to sustainable consumer behaviors should therefore be the focus of policymaking in the area.

Increase waste management options for consumers

Simplify Extended Producer Responsibility compliance for SMEs

- Extended Producer Responsibility rules and obligations are currently made very complex for Internet-enabled SMEs. Maximum harmonization, digitization and simplification (also with an increased role of producers' schemes) should be applied to the European EPR framework as a priority, even before considering broadening it.
- A larger number of compliant SMEs will eventually lead to better access to waste management options for consumers, such as take-back in accessible collection points.