**Resolution for ACR AGM 2022**

**Title of Resolution**

Empowering Maltese consumers with information on their rights and responsibilities

**Name of individual submitting the Resolution**

Cynthia Busuttil (Vice-President)

**Current situation and justifications to be addressed**

The Treaty on the Functioning of the European Union **Article 169** enables the EU to follow the ordinary legislative procedure to protect consumers’ "health, safety and economic interests" and promote rights to "information, education and to organise themselves in order to safeguard their interests" (European Consumer Law).

Since Malta joined the EU in 2004, it has benefitted in a myriad of ways from knowledge-sharing, up-to-date information, new laws, funds and much more. In 2020 European Commissioner Ursula von der Leyen hosted over 500 delegates at the European Consumer Summit 2020 in Brussels to join her in ‘’shaping a future Consumer Policy’’ and where Commissioner for Justice Didier Reynders addressed delegates present.

However, the subject of consumer rights appears to be still challenging here in Malta, and this includes consumer protection and also responsibilities. Despite the best of intentions, Maltese consumers still find themselves turning to lawyers and the law courts to settle litigation and seek justice because the mechanisms in place to protect them are not adequate. Only two consumer associations exist and both are unfunded NGOs, namely the Association for Consumer Rights, Malta (ACR Malta) and the Ghaqda tal-Konsumatur.

While an Authority does exist, the MCCAA’s role is mainly:

1. to promote and enhance competition;
2. to safeguard consumers’ interests and enhance their welfare;
3. to promote voluntary standards and provide standardization related services;
4. to promote the national metrology strategy;
5. to promote the smooth transposition and adoption of technical regulations; and
6. to perform such other function that may be assigned to it under this or any other law or regulations.

The MCCAA has legal advisors available to consumers offering advice (**[https://mccaa.org.mt/home/complaint](https://mccaa.org.mt/home/complaint" \t "_blank))**, however because the process is long, it is not often that they reach a positive result.

Notwithstanding a Parliamentary Secretary is assigned to consumer protection ([Parliamentary Secretary Home (gov.mt)](https://tourism.gov.mt/en/parlsec/Pages/default.aspx), an Authority, the European Centre for Consumers (**[Email:ecc.malta@gov.mt](mailto:Email%3Aecc.malta@gov.mt" \t "_blank))** and two NGOs, there is a dire need for a serious revision of a situation which is persistently challenging consumers’ rights and leaving them inadequately protected from unscrupulous traders and often uncompensated. Information to the consumer has been noted to fall short by not sharing enough information, be hidden or camouflaged or not given at all.

**Areas of concern**

On a regular basis, our Association for Consumer Rights (Malta) observes instances of bad practice towards the consumer through unfair commercial practices, such as bait advertising, false claims, misleading offers or aggressive selling.

Here are some examples observed in this regard:

**Example 1**

Property

It has been noticed on some estate agency websites that sellers advertise property at an enticing price, only for purchasers to find on closer scrutiny that an additional few thousand euros (on average 10,000 per property were observed) must be added to the advertised price ‘for the common parts’. This generally means the normal use of a common staircase, the lift and the front entrance plus main door. Our Association feels that just like VAT is added to the price, the common parts should obviously be included in the advertised price of a property. We conclude that this is nothing short of bait advertising where the real price is made to appear lower than the actual selling price.

Also often encountered is the shortcoming in meeting the finish deadline of a property which is advertised, and generally appears on a contract, within a time-frame. Customers end up waiting several months and sometimes years for their property to be completed and purchase to go through, while the contractor starts other projects. In the meantime, clients are left without their new property, sometimes having to rent a temporary residence while waiting for their new home to be completed, long after the stipulated date on the contract

Examples of adverts from an agency website:

**Price: € 135,000**

‘’Agents from our Gozo office are offering this Apartment for sale …..

Offered in shell form with finished common parts. Block is being built now. Optional garages are also available for an additional price and **13,500 for common parts.**’’

**Price: € 127,000-136,000**

‘’Agents from our real estate Gozo are presenting, these three Apartments in ………for sale. Property are being built and will be sold in shell form state with finished common parts. Garages are available at an additional price. **5000 euro for common parts**. **Completion date of whole project** **by end of**…..

**Example 2**

Fresh food products

An abundance of fresh food products are sold in retail outlets, food markets or by street vendors. Some come pre-packed with information such as expiry date, source of origin, price per kilo, and so on. Regrettably to the contrary, a number of products that are sold loose, by weight and not pre-packed offer limited, minimal or no information.

The present situation is such that very often information depends on a consumer requesting it, such as whether for example the **fruit** is local or imported, what is the price, which country is it imported from or which part of Malta it was grown (since the water quality is known to differ from the Northern to the Southern regions). This leaves the consumer at the mercy and the honesty of the trader.

The situation with regards to the purchase of **fish** is a bigger concern since some hawkers do not even name the fish displayed, and 99% do not indicate if the fish being sold is local, wild or farmed, imported or other pertinent information once again pushing the consumer to enquire and depend on the trader’s information and honesty. This is also experienced in restaurants where menus offer no information of where food is sourced.

**Example 3**

Advertising

When **advertising** products for sale, some sellers make an announcement in such an enthusiastic way that makes the legal two-year guarantee on purchases sound like a special offer. This could mislead unknowing consumers into thinking that they have an opportunity and seize it hastily. This is common in telesales and radio.

Traders, rather, should inform customers that the normal legal guarantee will be given and add a commercial guarantee if they want to make an offer.

**Recommendations**

* A formal study of the situation faced by consumers on a daily basis is urgently recommended. Following the study which should concentrate on the weaknesses of consumer protection, a national campaign can be launched, possibly on TV and radio, to educate both consumer and trader on their rights and responsibilities respectively and a frame-work be set up to ensure protection at a European level. Funds can be sought from the EU for training and dissipating such information.
* All information that consumers might need should be easily and immediately accessible on the internet. A hotline can be provided to a designated source of assistance as well as a Q&A.
* The MCCAA’s authority should be extended to be given legal clout and the mechanisms to handle enquiries and complaints by representing consumers in Court free of charge and to monitor trading closely. Their website should provide up-to-date information that is relevant to the man in the street. The Authority should ideally collaborate closely with local NGOs.
* The ECC (Malta), while sharing news coming from Brussels, should provide information and assistance at a local level and of a local nature by keeping themselves informed of issues that are faced by consumers here. They too should collaborate closely with NGOs.
* NGOs need to be supported in any way possible to help them function efficiently. Without funds, volunteers are very limited in what they can do to assist their members.
* The use of mystery shoppers should be funded and engaged in an on-going in order to assess the relations between consumers and traders.

**Conclusions**

It is felt that consumer rights are weakened when consumers do not know their rights. Information and advice must be readily available and free of charge.

Trained personnel are needed that specialise in this field to constantly monitor the ongoings.

Mechanisms must be put in place that will be there as a point of reference for everyone seeking to know what is expected. If everyone is aware of their rights and responsibilities, conflict can be avoided. If all parties involved are empowered with information, time, money and stress will be avoided.

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