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Collective Redress: Examining the way forward

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Hearing of the JURI Committee: A horizontal instrument for collective redress in Europe?

Brussels, 12 July 2011

Ladies and Gentlemen, dear Chairman Mr Lehne,

I would like to thank you for this opportunity to exchange views with you on what Europe can and should be doing in the area of collective redress. The views of the European Parliament on this file are very important for our decision on the way forward. I welcome the intention of the Parliament to put forward an own-initiative report on this file.

As Justice Commissioner, I know the importance of ensuring **access to justice**. Consumers and companies should have access to adequate means of obtaining compensation where their rights have been infringed by unlawful business practices.

But as Justice Commissioner I am also aware of the sensitivity of collective redress and the diverging views of stakeholders as to whether and how the European Union should deal with this issue.

Member States have diverging approaches to the issue of collective redress. Some Member States have no such mechanisms in place. Others have only recently introduced mechanisms of collective redress into their legal systems, while others are contemplating such reforms. The Commission has to take into account these developments. It needs to assess whether an initiative at European level would make sense in these circumstances and would add value for European citizens and the European economy.

We have now reached a crucial moment. The public consultation which we launched earlier this year ended on 30 April, and we are currently examining the contributions.

The interest of stakeholders in the subject is huge. We have received around 300 contributions from "institutional" stakeholders and almost 20.000 contributions from citizens, calling for introduction of collective redress at the European level.

Collective redress is a complex issue which calls for a coherent vision. The need to ensure a coherent approach to collective redress was the main reason for carrying out the recent public consultation. We need, in the first place to be clear what we mean by collective redress. That means we need to take account of the fact that collective redress is a broad concept that encompasses both *compensatory* relief and also *injunctive* relief. We need also to take account of the crucial role played in our system by public enforcement. Finally, we also need to build into our vision how the Commission's on-going work to encourage out-of-court resolution of disputes fits into the overall picture.

That is why we are seeking to identify common legal principles that any possible EU initiative on collective redress would have to respect – be it horizontal or in a specific sector only. We need to examine how such common principles could possibly fit into the EU legal system and into the legal orders of all Member States.

We received many valuable suggestions and ideas on these points in the public consultation and are analysing these contributions with a very open mind. I am cooperating closely with my colleagues, Vice-President Almunia and Commissioner Dalli.

At the end of this year, I plan to issue a Communication on a coherent approach to collective redress which will set out the Commission's intentions in this field. This Communication will take into account the contributions to the public consultation. I see a number of options before us. The first would be to conclude the exercise with this Communication, on the basis that the arguments in favour of further EU level intervention are not compelling. The second possibility would be to conclude that there is a good case to try to steer developments in the Member States by issuing a Recommendation. The third possibility would be a legislative intervention, either a sectoral initiative or a more horizontal instrument.

At this stage, it would be premature to conclude which of these options will be taken. We have not yet taken a decision on this issue. However, it is obvious that any initiative in this area would have to respect the legal traditions of the Member States and will have to avoid abuses of the system which have occurred in other legal systems, such as in the USA.