

A smiling woman with dark curly hair, wearing a white short-sleeved button-down shirt and dark pants, is holding a large green shopping bag. She is in a boutique setting with shelves of handbags and shoes in the background. A blue text box is overlaid on the left side of the image.

▶ Module 4

Unfair commercial practices and unfair contract terms

DISCLAIMER:

The information and views set out in this publication are those of the author(s) and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this publication. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein.

This document is not legally binding, and it is not a formal interpretation of EU or national law, nor can it provide comprehensive or complete legal advice. It does not intend to replace professional legal advice on particular issues.

Readers should also remember that EU and national legislation is being continuously updated: any paper version of the modules should be checked against possible updates on the website www.consumerlawready.eu.

July 2025

Table of Contents

Introduction	5
Section I – Unfair Commercial Practices	8
What is a commercial practice?	9
What is an unfair commercial practice?	9
How can I enable my consumer to take a fully informed economic decision'?	9
How can I enable my consumer to take 'a free economic decision'?	9
Are the standards of fairness the same in all Member States?	9
What about regulation of practices towards my competitors?	9
How to check whether a commercial practice is (un)fair?	11
What are the concrete forms of unfair commercial practices which are always prohibited?	12
What are misleading actions?	21
What are misleading omissions?	23
What are aggressive practices?	25
The standards of the average and the vulnerable consumer	26
What happens if you do not comply with the fairness obligation?	27
Section II – Unfair Contract terms	28
What is a consumer contract and a contract term?	29
What are rules on fairness of contract terms and when do they apply?	29
Are the rules on unfairness of contract terms the same in all of the Member States?	30
Need to respect the consumer law standard of another country	30
What are the principle of good faith and the notion of significant balance?	30
How should the contract terms be written?	31
Are there any terms which are always unfair?	31

What are the terms which are likely to be unfair?	32
What are the legal consequences of the unfairness of contract terms?	35
What happens with cross-border sales?	36
Under which conditions can you be regarded as targeting consumers in another Member State?	36
What does this mean for you in practice?	36
When you have a dispute in such a cross border contract, what court is competent?	37
Annexes	38

“It is important to know that I am protected against traders that use unfair tricks to sell their products.”

Consumer

“Rules on unfair commercial practises and unfair contract terms allow for fair and healthy competition within the EU.”

Trader

“Rules on unfair commercial practises and unfair contract terms provide clear guidance on what practises are or are not acceptable.”

Trader

Introduction

Dear entrepreneur,

This Handbook is part of the Consumer Law Ready project addressed specifically to micro, small and medium-sized companies that interact with consumers.

The Consumer Law Ready project is a European-wide project managed by EUROCHAMBRES (the association of European Chambers of Commerce and Industry), in a consortium with BEUC (the European Consumer Organisation) and SMEunited (the Voice of SMEs in Europe). It is funded by the European Union with the support of the European Commission.

The objective of the project is to assist you in complying with the requirements of EU consumer law.

EU consumer law consists of different pieces of legislation adopted by the European Union over the last 25 years and transposed by each EU Member State in their respective national law. In 2024, the Commission concluded the Digital Fairness Fitness Check (launched in 2022)¹ that aimed at evaluating whether the current consumer protection rules are fit for purpose to ensure a high level of consumer protection in the digital environment. The Fitness Check showed that these rules remain both relevant and necessary to ensure a high level of consumer protection and effective functioning of the Digital Single Market. At the same time, it identified several harmful, evolving practices that consumers face online and points to areas for improvement which should be addressed in the future. The Consumer Law Ready project aims to enhance the knowledge of traders, in particular of SMEs, regarding consumer rights and their corresponding legal duties.

The Handbook consists of five modules. Each one deals with one particular topic of EU consumer law:

- Module 1 deals with the rules on pre-contractual information requirements
- Module 2 presents the rules on the consumer's right to withdraw from distance and off-premises contracts
- Module 3 concentrates on the remedies which traders must provide when do not conform with the contract
- Module 4 focuses on unfair commercial practices and unfair contract terms
- Module 5 introduces alternative dispute resolution schemes (ADR).
- Module 6 introduces rights and obligations in digital markets
- Module 7 introduces product safety (2026)

This Handbook is just one of the learning materials created within the Consumer Law Ready project. The website consumerlawready.eu contains other learning tools, such as videos, quizzes and an 'e-test' through which you can obtain a certificate. You can also connect with experts and other SMEs through a forum.

¹ You can find more information about the evaluation, its findings and follow-up actions on the website of the European Commission: https://commission.europa.eu/law/law-topic/consumer-protection-law/review-eu-consumer-law_en#:~:text=On%203%20October%202024%2C%20the%20Commission%20published%20a,level%20of%20consumer%20protection%20in%20the%20digital%20environment.

The Module 4 of this Handbook aims to make you familiar with the rules on unfair commercial practices and unfair contract terms. As regards commercial relations between businesses to consumers (B2C), the EU rules on fairness and transparency of commercial practices have been established by Directive 2005/29/EC on unfair commercial practices (“UCPD”). This is dealt with in the first part of the module. The second part of the module deals with Directive 1993/13/EEC on unfair contract terms (“UCTD”), which lays down the EU requirements to ensure that standard contract clauses used by traders are fair and understandable for consumers.

This handbook incorporates the legislative changes brought by [Directive \(EU\) 2019/2161](#) of 27 November 2019 on better enforcement and modernisation of Union consumer protection rules which has introduced several amendments to the UCPD and one amendment to the UCTD which are applicable since 28 May 2022. The module also introduces the amendments brought by the [Directive \(EU\) 2024/825](#) of 28 February 2024 as regards empowering consumers for the green transition through better protection against unfair practices and through better information (“ECGT Directive”). To anticipate the legislative changes, this module already covers the main amendments to the UCPD that may have an impact on you. These new changes are presented in this module in separate boxes with the title “New rules from September 2026.”.

Moreover, Directive 2006/114/EC on misleading and comparative advertising which applies to business-to-business (B2B) situations, protects traders, especially SMEs, against misleading advertising of other traders and lays down the conditions under which comparative advertising is permitted.

For more in-depth information about the provisions of the UCPD and UCTD, in particular their application in the different EU countries, please consult the Guidance Documents of the European Commission². The [Consumer Law Database](#)³ and the [Your Europe Business Portal](#)⁴ can help you find the relevant information or you can contact your local business organisation.

We hope that you find the information provided in the Handbook useful.

² See guidance document on UCPD <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021XC1229%2805%29> and guidance on UCTD: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C..2019.323.01.0004.01.ENG&toc=OJ:C:2019:323:TOC>

³ See https://e-justice.europa.eu/content_consumer_law_database-591-en.do

⁴ See <http://europa.eu/youreurope/business/>

Section I – Unfair Commercial Practices

What is a commercial practice?

Under the Directive on Unfair business-to-consumer Commercial Practices, a commercial practice is any act, omission, behaviour or representation, commercial communication (as advertising) by a trader which may affect the consumer's economic decision to buy or not to buy a product or to use or not to use a service.

What constitutes a commercial practice is a very broad notion. It is meant to cover the widest possible number of real-life situations and business behaviours that may affect consumers' choices. These rules apply to both online and offline commercial practices and to all types of goods and services. They are thus relevant for you, no matter whether you sell books in a shop or provide different types of services online.

What is an unfair commercial practice?

A commercial practice is unfair, under EU law, when it prevents the consumer from taking a fully informed and free economic decision. Unfair commercial practices are prohibited across the EU.

How can I enable my consumer to take a fully informed economic decision'?

All your commercial practices, such as advertisements, oral offers, product pages on your website, which may affect the consumer's decision to buy your products or adhere to your services must contain all the information consumers need to decide. The provided information must be true and accurate.

For example, if you offer a product claiming that it enables losing 10kg weight in 2 months, that product must have a proven capacity to make consumers lose 10kg in 2 months.

How can I enable my consumer to take 'a free economic decision'?

In all your commercial practices, you must make sure that you do not exert any disproportionate pressure on the consumer, when you attempt to convince him/her to buy your products or adhere to your services.

The trader who offers for sale vacuum cleaners at consumers' doorsteps must never ignore a consumer's request to leave his home.

Are the standards of fairness the same in all Member States?

All Member States must, under EU law, have the same standards of consumer protection against unfair commercial practices. Indeed, the rules in this area have been fully harmonised (with the only exception of those applicable to financial services and real estate property, for which Member States may impose more stringent requirements). This means that the rules are the same across the EU and that thus, if you comply with the rules in one Member State, you automatically comply with the rules in all other Member States. In practice, this means you can freely operate in the other Member States without being worried about compliance with national law.

What about regulation of practices towards my competitors?

The commercial practices that may affect other businesses are outside the scope of Unfair Commercial Practices Directive. However, please note that some EU Member States have extended their national rules

transposing the Unfair Commercial Practices Directive to business-to-business situations or may have adopted specific rules on unfair business-to-business

practices.  These Member States are Austria, Belgium (partially), Czech Republic, France (partially), Germany, Italy (microenterprises only), Netherlands, Portugal (partially), Sweden⁵.

Moreover, at European level, the Directive 2006/114/EC on Misleading and Comparative Advertising ⁶ protects traders against misleading advertising by other traders and lays down the conditions under which comparative advertising is permitted (i.e. advertisements that involve a competitor or products offered by a competitor).

The misleading advertising is any advertising which, in any way, including in its presentation, is capable of deceiving the persons to whom it is addressed; of distorting their economic behaviour; or as a consequence, of harming the interests of competitors.

Moreover, the rules established by this Directive will apply when you advertise your product by comparing it with a similar product of a competitor. For instance, you need to make sure that the product you are comparing with the product of your competitor meets the same needs or that it is intended for the same purpose. For example, you can compare the electrical efficiency of your fridge only with the electrical efficiency of another producer's fridge, and not with the electrical efficiency of an oven. Moreover, the product you advertise can never present imitations or replicas of goods or services bearing a protected trademark or trade name of your competitor.

⁵ See Pages 363-368 of the 2017 Study for the Fitness Check Main report

http://ec.europa.eu/newsroom/document.cfm?doc_id=44840

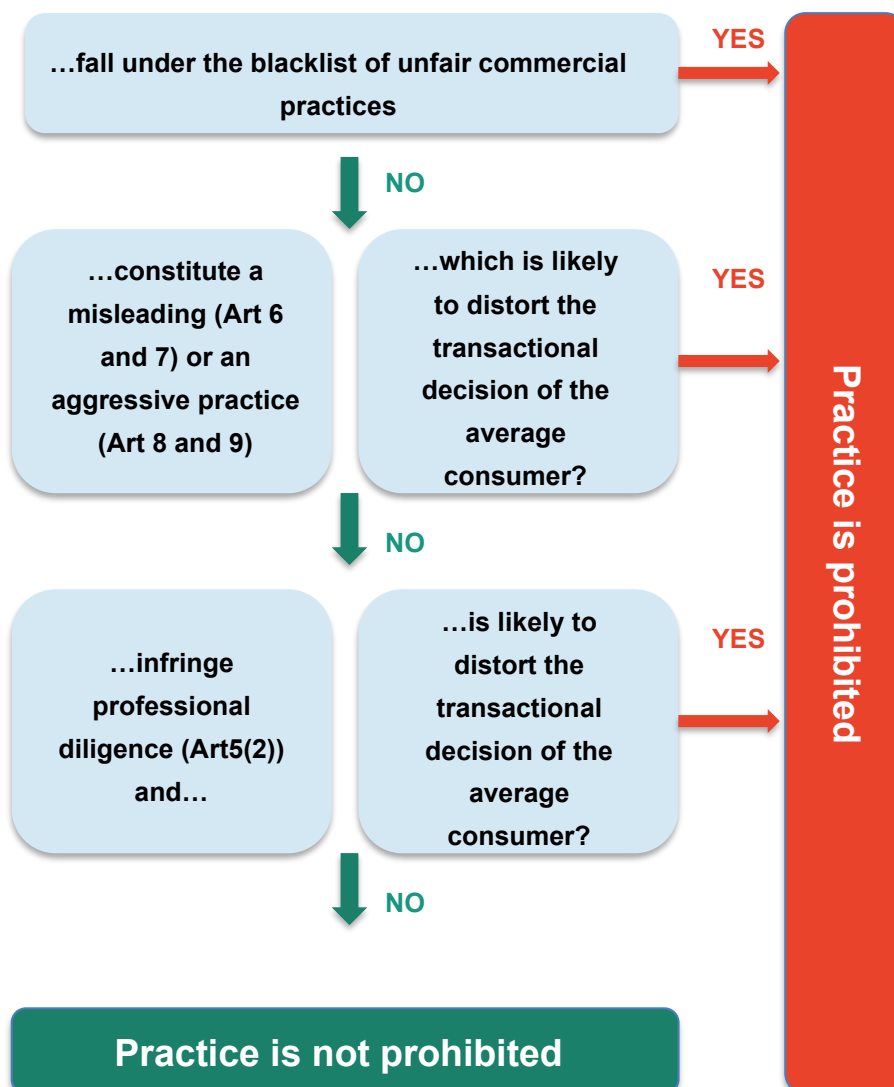
⁶ See <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32006L0114>

How to check whether a commercial practice is (un)fair?

The functioning of the UCPD – Directive flowchart

This flowchart illustrates the relationship between the **'blacklist' of commercial practices in the Annex** which are unfair in all circumstances, and the **general clauses of the UCPD**, namely Articles 6 to 9 and Article 5 respectively. In order to be considered unfair and therefore prohibited under the UCPD, it is sufficient that a commercial practice fulfils only one of these tests.

Does the commercial practice:



What are the concrete forms of unfair commercial practices which are always prohibited?

The Directive defines **35 black-listed practices**⁷. They include both online and offline commercial conducts which may negatively impact a consumer's free and fully informed economic decision. The first 27 black-listed practices concern misleading behaviour of the trader and the last 8 are prohibited aggressive practices.

New rules as of September 2026.

The blacklist will be extended by 12 new prohibited practices (see point 36 below).

1) Claiming to be a signatory to a code of conduct when you are not.

Example: a trader that sells fruits claims to be a member of an association of producers of organic fruits, when in reality s/he is not part of it. This provision protects the consumer from misleading statement related to the codes of conducts as forms of private regulation developed by the group of traders united in various associations such as the association of producers of organic fruits or the association of travel agencies.

2) Displaying a trust mark, quality mark or equivalent without having obtained the necessary authorisation.

Example: the trader who uses EU or national eco-labels (e.g. EU ecolabel) without authorisation.

⁷ See the [Consolidated text of the Unfair Commercial Practices Directive](#) including the amendments made by the Modernisation Directive of 27 November 2019.

3) Claiming that a code of conduct has an endorsement from a public or other body which it does not have.

Example: an association of supermarkets claims that their code of conduct was endorsed by a national consumer organisation, when it is not true.

4) Claiming that a trader (including his commercial practices) or a product has been approved, endorsed, or authorised by a public or private body when s/he/it has not or making such a claim without complying with the terms of the approval, endorsement, or authorisation.

Example: put on the packaging of a toy the sentence 'products safety tested' by a renowned certification body although it was not.

5) Making an invitation to purchase a product at a specified price without disclosing the existence of any reasonable grounds the trader may have for believing that s/he will not be able to offer sufficient supply or to procure another trader to supply the product or an equivalent product at that price for a period that is, and in quantities that are, reasonable having regard to the product, the scale of advertising of the product and the price offered ("bait advertising").

Example: a trader luring consumers with attractive special offers or discounts, when the trader knows or should know that s/he can either not offer these products at all or only an inadequate number thereof. Moreover, products are offered under special conditions without the trader making it clear that the

offer is valid for only a limited quantity of products or limited period of time.



6) Making an invitation to purchase products at a specified price and then:

- a) refusing to show the advertised item to consumers;
or
- b) refusing to take orders for it or deliver it within a reasonable time;
or
- c) demonstrating a defective sample of it, with the intention of promoting a different product ("bait and switch").

Example: a shop-owner advertises a camera of a renowned German producer for the total price of 100 EUR. However, when the consumer goes to the shop to buy this camera, the trader:

- a) refuses to show that camera to the consumer;
or
- b) refuses to sell it to the consumer,
or
- c) shows only a defective sample of that camera.

Please note that all these three alternative actions have to be done by the trader to induce the consumer to buy another product, e.g. a camera other than the advertised one.



7) Falsely stating that a product will only be available for a very limited time, or that it will only be available on particular terms for a very limited time, in order to elicit an immediate decision and deprive consumers of sufficient opportunity or time to make an informed choice.

Example: an offer which states: *Buy the advertised mobile phone in the next 24 hours and you'll pay half the normal price! Don't delay! The offer expires today at midnight. This product will never be offered again. Buy now!*

In case such an offer would be valid also after the expiry of the mentioned period of time, this conduct would amount to a black-listed commercial practice.

Another example: an online advertisement for a hotel room saying "book now, last room available" whilst, in reality, several more rooms are still available.

8) Undertaking to provide after-sales service to consumers with whom the trader has communicated prior to a transaction in a language which is not an official language of the Member State where the trader is located and then

making this service available only in another language without clearly disclosing this to the consumer before the consumer is committed to the transaction.

Example: the trader claims that buying any of his computers includes free after-sales technical support for one year after their purchase. However, following the purchase, the consumer realises that all after-sales services are offered in English only and not in the language the consumer could have expected based on his prior communication with the trader, which is something the trader did not inform the consumer of.

9) Stating or otherwise creating the impression that a product can legally be sold when it cannot.

Example: the trader advertises that s/he is selling a protected species of a plant whose sale is prohibited under the law.

10) Presenting rights given to consumers in law as a distinctive feature of the trader's offer.

Example: the trader presents a legal guarantee (which is required by law – see Module on consumer sales) for a product, claiming that it is a particular, additional feature of a specific product that the trader offers for sale.

11) Using editorial content in the media to promote a product where a trader has paid for the promotion without making that clear in the content or by images or sounds clearly identifiable by the consumer (“advertorial”).

Example: the trader provides the scientific-like descriptions of the virtues of a new toothpaste by a doctor, without making clear that the trader has actually paid for the scientific-looking editorial.



12) Making a materially inaccurate claim concerning the nature and extent of the risk to the personal security of the consumer or his family if the consumer does not purchase the product; unduly playing on fear of security risks.

Example: the trader presents false or inaccurate statistics of burglaries or crimes in the area to attract consumer to buy an alarm system in order to protect their homes.

13) Promoting a product similar to a product made by a particular manufacturer in such a manner as deliberately to mislead the consumer into believing that the product is made by that same manufacturer when it is not.

Example: creating confusion over brand names through the usage of a similar presentation or labelling than the ones of other producers. For example, that would be the case when selling a bag that resembles

so much to the bag of another producer that the average consumer cannot easily distinguish between the branded and the other bag.



14) Establishing, operating, or promoting a pyramid promotional scheme where a consumer gives consideration for the opportunity to receive compensation that is derived primarily from the introduction of other consumers into the scheme rather than from the sale or consumption of products.

Example: a network marketing scheme that works like a pyramid: a person wishing to join as a seller a network selling beauty products must pay an entry fee and their main remuneration comes from recruiting other people into this same network.



15) Claiming that the trader is about to cease trading or move premises when s/he is not.

Example: the trader falsely claims that his shop is about to close down in order to attract consumers to buy his products (e.g. *End of lease – everything must go by this Friday; Closing down sales*).

16) Claiming that products are able to facilitate winning in games of chance.

Example: trader's offer which states: *Finally, you can win the lottery! Buy the new algorithm system that will help you win the lottery.*

17) Falsely claiming that a product is able to cure illnesses, dysfunction, or malformations.

Example: a trader states that a certain product can cure baldness, when in fact it cannot: *"How would you feel with a full head of hair? 10 years younger? MiracleGrow Hair Gel is a tried and tested product for hair rejuvenation⁸!"*.

18) Passing on materially inaccurate information on market conditions or on the possibility of finding the product with the intention of inducing the consumer to acquire the product at conditions less favourable than normal market conditions.

Example: the trader falsely presents himself as an exclusive seller so that s/he can charge a higher than market price for a certain product: *"This tennis racquet brand is used by a famous and successful tennis*

⁸ Please note that the health-related claims in advertising could also be covered by other sector-specific EU and national health and pharmaceutical legislation.

player! You can buy it too – only on our website. Buy it now, as long as the supply is available!” whereas in reality, the brand is available on multiple websites from different retailers and at a much lower price.

19) Claiming in a commercial practice to offer a competition or prize promotion without awarding the prizes described or a reasonable equivalent.

Example: the trader advertises that the consumer who buys a specific tub of ice cream will automatically participate in a lottery that offers numerous prizes. However, in reality, no prize is offered to anyone; it is a misleading statement to encourage people to buy the tub of ice cream.

This provision applies whenever competitions or prize promotions are used as commercial tactics to attract consumers into buying a particular product, although eventually no prize at all – or no prize comparable to the one described - is eventually awarded to any consumer.

20) Describing a product as free if the consumer has to pay anything other than the cost of responding to the commercial practice and collecting or paying for delivery of the item.

Example: The bookseller advertises that the books are given for free when actually the consumer needs to pay for the books and only every third book is given for free.

21) Including in marketing material an invoice seeking payment which gives the consumer the impression that s/he has

already ordered the marketed product when s/he has not.

Example: the trader sends a brochure about a newly published encyclopaedia to the consumer together with an invoice to be paid, in a way which makes the consumer believe that s/he has ordered the book and is now supposed to pay for it.

22) Falsely claiming or creating the impression that the trader is not acting for purposes relating to his trade or falsely representing oneself as a consumer.

Example: the trader presents himself as a consumer when drafting positive online reviews about a certain hotel, when actually s/he is the hotel owner.

23) Creating the false impression that after-sales service in relation to a product is available in a Member State other than the one in which the product is sold.

Example: the trader is selling a computer to the consumer in France, saying that telephone support for any questions related to the product is available free of charge in all other Member States of the European Union when in fact telephone support exists only in France and in French.

24) Creating the impression that the consumer cannot leave the premises until a contract is formed.

Example: It is sufficient that the trader gives the consumer the impression that s/he cannot leave the premises; it is not required that s/he physically locks in the consumer.

25) Conducting personal visits to the consumer's home ignoring the consumer's request to leave or not to return except in circumstances and to the extent justified, under national law, to enforce a contractual obligation.

Example: a trader who sells cutlery at the doorstep and who insistently tries to persuade the consumer to buy cutlery, although the consumer has made it clear s/he does not wish to buy any product from the trader. Such persistent commercial behaviour may press consumers into buying the offered product as a way to get rid of the trader.



It will not be considered that this form of unfair commercial practice is taking place in a situation in which the trader continuously returns to the consumer's home despite his request not to do so when it is about seeking payment from the consumer for something that the consumer has actually ordered and not yet paid.

26) Making persistent and unwanted solicitations by telephone, fax, e-mail, or other remote media except in circumstances and to the extent justified under national law to enforce a contractual obligation.

Example: the trader sends an exaggerated number of emails or text messages to the consumer regarding a particular product although the consumer clearly requested that this practice stops. Of course, this does not prevent a trader from making persistent solicitations to seek payment from the consumer for something s/he has ordered and not yet paid.



In some Member States, 'cold calls' are prohibited, in line with the e-Privacy Directive⁹. Several Member States, for instance, Germany, require that consumer opts in to allow traders to make unsolicited calls. This is also the case in Denmark, where contacting the consumer by phone, email, SMS, at his doorstep or at work without the consumer's permission is strictly limited and possible only if they have given their permission previously (with few exceptions regarding phone sales). For the few situations where it is allowed, it is possible to be added to a special list to avoid unsolicited telephone contacts like in Italy and Belgium.

27) Requiring a consumer who wishes to claim on an insurance policy to produce documents which could not reasonably be considered relevant as to whether the claim was valid or failing systematically to respond to pertinent correspondence, in

⁹ Directive 2002/58/EC on privacy and electronic communications.

order to dissuade a consumer from exercising her/his contractual rights.

Example: the insurer requires that the consumer, who wishes to claim compensation for the theft or loss of personal items from luggage, presents receipts for all items to which the claim is related. Requiring the receipts for all items would not be reasonably considered as relevant. This provision secures that the consumer can easily and efficiently enforce her/his insurance policy.

28) Including in an advertisement a direct exhortation to children to buy advertised products or persuade their parents or other adults to buy advertised products for them.

Example: "This video is now on the market – be the first one to have it among your friends, so tell immediately your mum to get it for you as soon as possible! Hey kids! Get your parents to buy the Batman Trilogy DVD! Read about the adventures of Fluffy the Bunny in this new comic book – ask your mum to buy it for you."

This rule aims to protect children (and their parents) to be targeted by direct advertisements. A necessary element for the unfairness of this practice is the "direct exhortation" aspect, which means that the advertisement must aim to put pressure on the children or their parents.

29) Demanding immediate or deferred payment for or the return or safekeeping of products supplied by the trader, but not solicited by the consumer (inertia selling).

Example: a trader provides a consumer with goods or services which have not been ordered beforehand (e.g. the trader sends a book to the consumer, without the

consumer having asked for it, and then asks for the relevant payment).

Please note that according to the Consumer Rights Directive, consumers are not obliged to pay for any unsolicited supply of goods or services. Consumers are also not obliged to contest or to send the unsolicited good back.

30) Explicitly informing a consumer that if s/he does not buy the product or service, the trader's job or livelihood will be in jeopardy.

Example: the trader who comes to the consumer's home selling a vacuum cleaner would claim that s/he will lose her/his job if the consumer does not buy the vacuum cleaner. For the application of this provision, it is irrelevant whether this is true or not.

31) Creating the false impression that the consumer has already won, will win, or will on doing a particular act win, a prize or other equivalent benefit, when in fact either there is no prize or other equivalent benefit, or taking any action in relation to claiming the prize or other equivalent benefit is subject to the consumer paying money or incurring a cost.

Example: the trader informs the consumer that s/he has won a car as a prize when in fact there was no such prize, or when in order to obtain a prize, the consumer needs to buy another product or make a payment such as calling a premium rate hotline.

32) Providing search results in response to a consumer's online search query without clearly disclosing any paid advertisement

or payment specifically for achieving a higher ranking of products within the search results.

Example: A consumer searches for the cheapest flight from Brussels to Rome on an online booking platform. In the search results in response to the query, some offers appear on top of the list because the airlines paid a higher commission to the platform to be top-ranked and the fact that the search results are influenced by payments is not clearly and prominently disclosed to the users.

33) Reselling events tickets to consumers if the trader acquired them by using automated means to circumvent any limit imposed on the number of tickets that a person can buy or any other rules applicable to the purchase of tickets.

Example: A trader resells at a higher price 200 football game tickets that it acquired by using a software application ("bot") that enabled circumventing the limit of maximum 4 tickets per buyer imposed by the primary seller.

34) Stating that reviews of a product are submitted by consumers who have actually used or purchased the product without taking reasonable and proportionate steps to check that they originate from such consumers.

Example: A retailer who collects and gives access to reviews on its website must not present them as "consumer reviews", or otherwise make them appear as reviews from buyers or users of the product concerned, if that retailer does not restrict the

possibility of posting reviews only to its consumers who have actually bought the product concerned on its website. Retailers collecting and making available consumer reviews must take also additional measures that are commensurate with their business model and the identified risks to prevent and remove fake reviews. Such measures can include, for example, deploying digital and artificial intelligence tools to continuously analyse the submitted reviews and stop the fake ones.

35) Submitting or commissioning another legal or natural person to submit false consumer reviews or endorsements, or misrepresenting consumer reviews or social endorsements, in order to promote products.

Example: An online seller of skin care products engages consumers via social networks to post positive 5-star reviews of its products on online marketplaces in exchange for full reimbursement of the price paid¹⁰. The same retailer does not allow posting of negative reviews or makes negative reviews less accessible for the readers or does not take negative reviews into account when presenting consolidated review scores of their products.

36. New 'black-listed' practices as of September 2026

¹⁰ For more information and examples, see also the European Commission's [Report](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52024DC0258R%2801%29) on the implementation of the Directive on the better enforcement and modernisation of Union consumer protection rules, published in 2024., available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52024DC0258R%2801%29>.

1. Displaying a sustainability label that is not based on a certification scheme or not established by public authorities..

Example: A trader decides to introduce its own sustainability label, which is not established by public authorities or not based on any certification scheme.

2. 'Making a generic environmental claim for which the trader is not able to demonstrate recognised excellent environmental performance relevant to the claim.

Example: A trader wants to introduce on its packaging for a motor oil that it is "green". Such generic claims will be forbidden if recognized excellent environmental cannot be demonstrated.

3. Making an environmental claim about the entire product or the trader's entire business when it concerns only a certain aspect of the product or a specific activity of the trader's business.

Example: A trader wants to label its yaourts with a "100% recycled" claim, however, only the pot is recycled, not the lid.

4. Claiming, based on the offsetting of greenhouse gas emissions, that a product has a neutral, reduced or positive impact on the environment in terms of greenhouse gas emissions.

Example: An airline offers its passengers several types of tickets, one of which is marked as 'climate compensated', however this claim is not linked to that flight specifically and only linked to the offsetting of greenhouse gas emissions elsewhere .

5. Presenting requirements imposed by law on all products within the relevant product category on the Union market as a distinctive feature of the trader's offer.

Example: A trader indicates in these commercial communications that its new products are asbestos-free, even though these substances are already banned at European level.

6. Withholding information from the consumer about the fact that a software update will negatively impact the functioning of goods with digital elements or the use of digital content or digital services.

Example: A consumer wants to update its computer but is not informed by the seller prior to the update that it will slow down the computer functioning.

7. Presenting a software update as necessary when it only enhances functionality features.

8. Any commercial communication in relation to a good containing a feature introduced to limit its durability despite information on the feature and its effects on the durability of the good being available to the trader

Example: A computer manufacturer introduces in its products a software which stops working or significantly slowdown the functioning of the good after a period of time which limits its durability. Advertisements for such goods are forbidden.

9. Falsely claiming that under normal conditions of use a good has a certain durability in terms of usage time or intensity.

Example: A consumer buys a dishwasher which is supposed to last 500 cycles in normal use according to the producer. However, the product in reality fails after 200 cycles.

10. Presenting a good as allowing repair when it does not.

Example: A consumer buys a baby phone in a shop which is presented as being repairable. A few months

later, the baby phone stopped working and the consumer went to the shop to ask for it to be repaired. He was refused because the baby phone was in fact non-repairable.

11. Inducing the consumer to replace or replenish the consumables of a good earlier than necessary for technical reasons.

Example: A consumer who bought a printer, is urged, via the settings of the printer, to change the printer ink cartridges before they are actually empty in order to stimulate the purchase of additional ink cartridges.

12. Withholding information concerning the impairment of the functionality of a good when consumables, spare parts or accessories not supplied by the original producer are used, or falsely claiming that such impairment will happen.

Example: A consumer buys a smart phone that is designed in such a way that its use is limited when using chargers or spare parts that are not supplied by the original producer. This information should not be withheld from the consumer, as such a practice could result in buying alternative brand chargers that cannot be used for that phone. This would lead to additional costs for the consumer. Similarly, as trader you must not mislead consumers into believing that the use of consumables, spare parts or accessories not supplied by the original manufacturer will impair the functionality of a good when this is **not** the case.

What are misleading actions?

The prohibition of misleading actions secures that every commercial practice contains only information which are true and accurate, and that the information is not provided in a misleading context to the consumer. The fairness of the commercial practice is always to be assessed by analysing whether it would be misleading

for an average consumer.

For example, the following cases would qualify as misleading actions based on false information:

1. Food products advertised as containing no additives, when they actually do;
2. A hotel room advertised as having a direct view on the sea, when it does not;
3. A car advertised to produce less CO2 emission than it does in reality;
4. Incentivising the consumer to buy a commercial guarantee together with a new fridge, stating that otherwise the consumer would have no available remedy in case the fridge does not work, although by law the seller is liable for the conformity of the product under the EU rules on the legal guarantee¹¹.

The following cases would qualify as misleading actions based on true information which is however provided in a misleading manner:

1. Offering a small portion of chocolate in a significantly bigger package that gives the impression that the package contains substantively more chocolate than it contains in reality.
2. Offering dry cleaning services in a way that makes the consumer believe that professional ironing of the clothes is included in the price, when this is not the case.

The misleading actions test should be based on the information related to the following elements of a commercial practice:

1. The existence or the nature of the product;
(e.g. used product being sold as a new one);

¹¹ See the Module 3 on consumer rights and guarantees

2. The main characteristics of the product or service; geographical or commercial origin or the results to be expected from its use; (e.g. composition: sugar-free, preservative-free, nutritional allegations; availability of complaint handling procedures; methods of production: free of hormones, bio-products; quantity of the product advertised: 1 l bottle, while the bottle only contains 90 cl; technical specifications: fuel consumption, energy consumption);
3. The extent of the trader's commitments, the motives for the commercial practice and the nature of the sales process, any statement or symbol in relation to direct or indirect sponsorship or approval of the trader or the product (e.g. the purchase of the product will financially support a humanitarian organisation, when this is not true);
4. The price or the manner in which the price is calculated or the existence of a specific price advantage (e.g. presentation of a fake price, for instance, a train ticket for 59 EUR, when the price in reality is 109 EUR);
5. The need for a service, part, replacement, or repair (e.g. falsely claiming that spare parts for the sold model of the car will be available for the next ten years);
6. The nature, attributes and rights of the trader or her/his agent, such as her/his identity and assets, qualifications, status, approval, affiliation or connection and ownership of industrial, commercial, or intellectual property rights or awards and distinctions (e.g. false claim that the trader has been awarded with the best tailor prize);

7. The consumer's rights, including the right to replacement or reimbursement or the risks s/he may face (e.g. any of the consumer rights secured by different pieces of legislation such as the legal guarantee)¹².

Since May 2022 new rules apply to marketing of goods as being identical to goods sold in other Member States despite their significant differences (so-called 'dual quality' ¹³). Concretely, when goods sold in identical or similar packaging have significantly different composition or characteristics compared to the same goods marketed in other EU Member States, may mislead consumers into believing that they are buying the same product when they are not. Whilst such misleading practice already fell under the UCPD, the amendments under Directive (EU) 2019/2161 have added to the UCPD a specific provision on this issue to facilitate enforcement. It expressly prohibits marketing a good, in one Member State, as being identical to a good marketed in other Member States, while that good has a significantly different composition or characteristics, unless justified by legitimate and objective factors (e.g. the use of local or seasonal ingredients, national rules on the composition of products, progressive roll out of new version of the good). Subject to case-by-case assessment by the competent enforcement authority, this UCPD provision could apply, for example to the marketing as being identical of:

- Soft drinks with different juice content
- Mayonnaise with different egg content
- Fresh cheese with different fat percentages.

¹² See Module 2 on the right of withdrawal

¹³ "Dual quality" name might give the impression that the goods differ with respect to their quality. In reality, the differences are in terms of characteristics or composition which may not translate at all in the quality of a good.

New rules as of September 2026

The “ECGT Directive” will introduce new amendments to the **Article 6 UCPD**, concerning misleading practices to be assessed on a case-by-case basis.

Those amendments aim to ensure that consumers are not misled about a product’s environmental or social characteristics or circularity aspects, such as durability, reparability or recyclability, through the overall presentation of a product. **Paragraph 6(1)(b) UCPD** relating to the main characteristics of products will thus be amended and completed to also include “environmental or social characteristics”, and “circularity aspects such as reparability, recyclability or durability”.

Article 6(2) UCPD will also be amended and will contain two new paragraphs. The new **paragraph (d)** will aim to tackle environmental claims that refer to so called “future performance” (e.g. an airline stating that it will be climate neutral by 2050). Such claims give consumers the impression that they are contributing to the emergence of a more sustainable economy. The new rules will aim to ensure the fairness and credibility of such claims. Thus, such allegations will be prohibited if they are not substantiated by clear, objective commitments, accessible to the public, and verifiable by independent professionals. A realistic and detailed implementation plan will also have to be provided by the traders for the realisation of the objective, including for example the resources (budget) allocated to achieve the latter.

The new **paragraph (e)** will aim to regulate another practice which consists of advertising and highlighting consumer benefits which are not relevant to consumers and unrelated to the products themselves, and which could lead consumers to mistakenly believe that the product or service is better for them. For example, highlighting the fact that a bottle of water is gluten-free.

What are misleading omissions?

Misleading omissions are forms of unfair commercial practices whereby the trader fails to give 'material' information to the consumer, i.e. information that the average consumer needs to make an informed economic decision. All relevant information needs to be presented to the consumer while advertising the product and before selling it.

Example of a misleading omission: *Fly to Paris for 99 EUR*, but the advertisement does not say that there are additional charges, such as a significant airport surcharge, so that the total price ends up being over 150 EUR. Similarly, a misleading omission would be advertising a high-speed Internet connection for 29 EUR per month, whilst omitting to inform that, to benefit from such an offer, the consumer must subscribe to a 3-year contract.

A commercial practice will also be classified as a misleading omission if the trader provides the consumer with all material information, but does so in an unclear, unintelligible, ambiguous, or untimely manner. Therefore, improper presentation of information from which the consumer cannot benefit, such as using hardly legible letter fonts, is equal to the situation where information is not provided at all¹⁴.

Please note that the information requirements are stricter if the trader’s commercial communication represents a so-called **"invitation to purchase"**, a narrower concept than the advertising. With an 'invitation to purchase', the trader provides information

¹⁴ For more information on how to provide information in a clear manner, please refer to the Module 1 on pre-contractual information duty.

about the characteristics of the advertised product and its price in a way that enables the consumer to make a purchasing decision.

Whenever you make a commercial communication which amounts to an 'invitation to purchase', you must provide the following material information, unless it is already apparent from the context:

1. The main characteristics of the product or service;
2. Your geographical address, identity and trading name, or the geographical address and identity of the economic operator on whose behalf you are acting;
3. The final price (i.e. inclusive of taxes and all additional charges, transport, delivery, postage); where the price cannot be calculated in advance (due to the nature of the product or service) you need to explain the manner in which the price is calculated; when the additional charges cannot be calculated in advance, you need to indicate the fact that such charges will or may have to be paid;
4. The arrangements for payment, delivery, performance, if they depart from the requirements of professional diligence and
5. The right of withdrawal, if applicable¹⁵.

Since May 2022 (entry into application of Directive 2019/2161/EU), new material information needs to be provided to consumers:

- If as a trader, you provide access to consumer reviews of products (e.g., you are the retailer who collects and gives access to reviews on its website), information about whether and how you ensure that the published reviews originate from consumers who have actually used or

purchased the product. These requirements apply to online platforms and also individual traders which provide the possibility for consumers to inform other consumers about their experience with different products or traders.

- This information should cover both the specific measures to ensure authenticity of the reviews (see above regarding prohibited practices) and also explain more generally the processing of reviews. This includes an explanation on whether all reviews are published, how they are sourced, how average review scores are calculated and if they are influenced by sponsored reviews or by contractual relations with the traders hosted on the platform.
- If on your website, you¹⁶ offer consumers the possibility to search for products offered by different traders or consumers via keywords or other entries, you should clearly inform consumers (in a specific section of the online interface that is directly and easily accessible from the page where the offers are presented), of the main parameters determining the ranking of the results displayed and the relative importance of those parameters.
- **Finally, online marketplaces** offering products to consumers in the context of an invitation to purchase must inform the consumer whether the third party offering the product is a trader or not. **The definition of online marketplace is broad and mean for instance a website, a part of a website or an app allowing consumers to conclude contracts with other**

¹⁶ This requirement only applies to traders that allow consumers to search for products offered by **other**, third party, traders or by consumers, i.e. online marketplaces and comparison tools.

¹⁵ See Module 2 on the right of withdrawal.

traders or consumers¹⁷. Thus, if you, as a **trader, qualify as marketplace** (e.g. you develop a website or an app that allows a third party to sell products on it), you must inform consumers at pre-contractual stage what is the status of their other contractual party, i.e. whether the third party selling the goods, services or digital content is a trader or not. You also have additional pre-contractual information requirements which are applicable to you (see Module 1). This information shall be given to consumers by you, on the basis of the declaration of that third party to you, as the online marketplace provider.

If as a trader, you sell to your consumers via an online marketplace, its provider, as explained above, has an obligation to inform the consumers about the status of the sellers that it hosts. Accordingly, the marketplace provider will ask you to indicate or confirm your status of trader (professional seller or service provider on the platform).

The general idea behind this information requirement specifically for online marketplaces is to make sure that consumers always know from whom they are buying a product on the online marketplace – a trader or another consumer.

New rules as of September 2026

New Article 7(7): Comparing one product with another based on environmental or social characteristics, or on or on circularity aspects, such as durability, reparability or recyclability, is increasingly common and considered by consumers in their purchasing decision. It is therefore important that these comparisons are not misleading for consumers. To ensure that these comparisons are reliable, Article 7 UCPD on misleading omissions has been amended to help consumers make informed decisions when relying on comparisons. For example, advertisers will have to provide consumers with information on the comparison method, the products being compared and the suppliers of these products, as well as the measures in place to keep that information up to date should also be provided to consumers. These comparisons must be objective, and relate to the same types of products that perform the same functions (two washing machines with the same capacity, etc.).

This information will be considered as “material” information under the UCPD

What are aggressive practices?

Aggressive practices are the forms of unfair commercial practices where the trader impairs the consumer’s freedom of choice or conduct in an illegitimate manner.

In practice, the occurrence of aggressive practice is the consequence of some of the following forms of trader’s behaviour: harassment (e.g. irritant, constant phone calls), coercion (threatening the consumer to buy a product), including the use of physical force, or undue influence (i.e. exploiting a position of power in which the consumer is not free to decide).

Examples would be:

¹⁷ Under Article 2(n) of the Modernisation Directive, ‘online marketplace’ means a service using software, including a website, part of a website or an application, operated by or on behalf of a trader which allows consumers to conclude distance contracts with other traders or consumers.’

1. If a trader makes it practically very difficult for the consumer to terminate a long-term service contract or to switch to another operator, by trapping them into automatic contract renewals.
2. If a courier asks a consumer to sign a contract in their presence at the door, without sending them a copy of the contract terms beforehand, and while putting pressure on the consumer to impair her/his freedom of choice and confuse her/his thinking¹⁸.

Since May 2022 new rules for unsolicited “door-step-selling” and commercial excursions may have been implemented by Member States.

The UCPD already prohibits aggressive and misleading practices also in the context of doorstep selling. Since May 2022, beware that some Member States¹⁹ (for instance, Austria, Belgium, Croatia, Czechia, France, Germany, Slovakia and Spain) have further strengthened the rules to better protect consumers from aggressive and misleading practices during unsolicited visits to the consumer’s home and/or during commercial excursions. If implemented, the additional rules have to be justified, proportionate and non-discriminatory²⁰. We recommend you to check the national transposition of the Modernisation Directive of the Member States you are active in.

The standards of the average and the vulnerable consumer

The assessment of the fairness of a commercial practice under the general fairness clause or under the rules on misleading practices, misleading omissions and aggressive practices is to be performed against the standard of expected behaviour of the average

consumer. In case a trader would be targeting vulnerable consumers, the standard of the expected behaviour of the vulnerable consumer is relevant.

EU legislation considers that there are two different types of consumers: the *average consumer* and the *vulnerable consumer*. Depending on the consumer you are dealing with, you need to adjust the manner in which you deal with the consumer.

EU legislation defines a *vulnerable consumer* as the consumer who is vulnerable because of her/his age, mental or physical infirmity, age, or credulity, such as children, elderly people, or persons with disabilities.

Vulnerable consumers have special needs when it comes to the protection from unfair commercial practices. It is therefore important that you pay more attention to the commercial practice you use when targeting vulnerable consumers.

In order to avoid the engagement into a misleading omission, you can adapt the methods through which you provide the information to the particularities of the vulnerable consumers. For example, if you sell products to elderly persons, you can increase the font size of the information provided. The information provided has to be clear, comprehensible, and accessible.

Similarly, in the case of a visually impaired consumer, the information should be provided using appropriate media and symbols. There are experts that can help you find out what the appropriate media and symbols are. You can find their contacts online.

¹⁸ Inspired by the scenario in case C-628/17 Orange Polska.

¹⁹ Please see also information published at: [Regulatory choices under the Unfair Commercial Practices Directive 2005/29/EC - European Commission](#).

²⁰ For more detailed information, you can consult the Section 9 of the implementation [Report](#) of the European Commission on the of Directive (EU) 2019/2161 as regards the better enforcement and modernisation of Union consumer protection rules.

What happens if you do not comply with the fairness obligation?

UCPD requires Member States to provide for effective means and procedures to stop infringements of the rules on unfair commercial practices and to provide for penalties in case of infringements. Those must be proportionate, effective, and deterrent. 

Whilst the penalty regimes vary between the Member States, most commonly they are pecuniary fines up to specific maximum amount or percentage of the infringing trader's turnover.

For more in-depth information on the rules on business-to-consumer unfair commercial practices and how they are interpreted by the European Court of Justice, national courts and national authorities, you may consult the Guidance published by the European Commission²¹.

The guidance contains a chapter that specifically explains how the rules apply to new business models that have been emerging in the online sector, such as platforms, collaborative economy, comparison tools, user reviews etc.

Since May 2022 (entry into application of the Modernisation Directive), the UCPD contains **minimum standard of remedies** for EU consumers in case of unfair practices by traders breaching the Directive.

The updated UCPD introduced an explicit obligation for Member States to provide for proportional and effective

individual remedies for victims of unfair commercial practices. Those must include, depending on the circumstances of the case:

- termination of the contract,
- price reduction or,
- compensation for damages.

Member States retain the possibility to offer also other remedies to the victims of unfair commercial practices.

Also, since 28 May 2022 (entry into application of the Modernisation Directive), more effective penalties for cross-border infringements have been introduced.

The updated UCPD now better equip national consumer protection authorities and/or courts to deal with infringements affecting many consumers across the EU. The new rules provide national authorities the power to impose effective, proportionate and dissuasive sanctions in a coordinated way when working together on cross-border infringements²² that affect consumers in several EU Member States.

Notably, in such cross-border cases, national laws of the Member States have to provide for the fines of at least up to 4% of the trader's turnover, or up to €2 million where turnover information is not available. Member States are free to maintain or introduce higher maximum fines²³.

Please also note that since June 2023, consumers are also able to enforce the rights defined by the UCPD also in collective proceedings in line with the new rules laid down by the [Directive \(EU\) 2020/1828](#) on Representative actions for the protection of the collective interests of consumers ('RAD') and the national transpositions.

²² Widespread infringements or widespread infringements with a Union dimension, as referred to in Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004.

²³ For further information on the level of fines, please see 2024 Report by the Commission on the implementation of the Modernisation Directive; COM/2024/258 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52024DC0258R%2801%29>.

²¹ [Commission Notice](#) C/2021/9320) – Guidance on the interpretation and application of Directive 2005/29/EC of the European Parliament and of the Council concerning unfair business-to-consumer commercial practices in the internal market, (Note to translators: put, if possible, the link to the relevant language version in the various linguistic versions of the module. Delete this comment afterwards)

Section II – Unfair Contract terms

What is a consumer contract and a contract term?

A consumer contract is any contract that a trader concludes with a consumer, irrespectively of whether it has as its object the supply of goods, services and/or digital content.

For instance, a contract concluded online with the consumer for the sale of books²⁴.

Most contracts contain as their integral part standard Terms and Conditions (T&Cs), which set out standardised (non-negotiable) rules and procedures on which the consumer needs to agree. Often, they are complex and voluminous legal texts. Studies show that most consumers do not read them, especially when stipulated online. Even when formal acceptance of T&Cs is required online, such as ticking a box, most consumers take no notice of the content.

When you use T&Cs in your contract with consumers, you should, as a first step, clearly identify their purpose. Maybe T&Cs are not needed at all because the default legal situation under national or EU rules constitutes an adequate and sufficient framework for the contract performance.

In case of dispute, T&Cs are subject to a fairness control by the judge following the rules that are explained in the following sections.

What are rules on fairness of contract terms and when do they apply?

Directive 93/13/EEC on unfair contract terms requires that the terms in consumer contracts need to fulfil

certain standards, in particular, to be in line with the principle of good faith and not to cause a significant imbalance in the rights and obligations between the contractual parties to the detriment of the consumer.

The Directive applies to all consumer contracts; however, it does not apply to all contract terms. Contract terms which reflect mandatory statutory or regulatory provisions, as well as provisions or principles of international conventions to which the EU Member States or the EU are party, such as those in the transport area, are not covered.

These EU rules only cover **standard** contract terms and conditions, i.e. contract terms which have been drafted in advance and the content of which the consumer has not influenced/negotiated individually. However, please note that some Member States have extended the application of the EU fairness requirements also to individually negotiated contract terms. These Member States are Austria, Belgium, Czech Republic, Denmark, Finland, France, Luxembourg, Malta. 

The EU fairness requirements do not apply to the contract terms related to the main subject matter of the consumer contract and to the adequacy of the price and remuneration stipulated therein, provided that these terms are in plain intelligible language.

Please be aware that some Member States have extended the application of these EU fairness requirements also business-to-business contracts. These Member States are Austria, Bulgaria (according to case law), Croatia, Czech Republic (only if the entrepreneur's act is unrelated to her/his business), Denmark, Estonia, France, Germany, Greece,

²⁴ See Module 1 on Pre-contractual information requirements

Hungary, Luxembourg, The Netherlands, Poland, Portugal, Slovenia, Sweden²⁵. 

Are the rules on unfairness of contract terms the same in all of the Member States?

The rules on unfair contract terms at EU level only set a minimum standard of protection. Member States are free to adopt additional rules to provide for a higher – but never for a lower – level of consumer protection. Therefore, while the guiding principles are always the same, there may be, depending on the country where you offer your products, more specific rules on unfair contract terms in place. This concerns in particular national laws that establish so-called 'black' or 'grey' lists of contract terms that are always or generally considered to be unfair. You can find the information about which Member States have adopted such rules on the [website of the European Commission](https://ec.europa.eu/consumer/index.cfm)²⁶. If you want to check how the individual EU countries have transposed the Unfair Contract Terms Directive in their national legal order, you can also use the [European Commission's new Consumer Law Database](https://ec.europa.eu/consumer/index.cfm)²⁷.

Need to respect the consumer law standard of another country

When you sell products or offer services to consumers outside your country, you need to respect the consumer law standard of the Member State in which the consumer lives. So, you need to check compliance

of your consumer contracts with all of the Member States separately if you operate your business activities in these countries. This is especially important when it comes to the list of unfair contract terms. If you include in your standard contract terms a choice of law clause, specifying for example that the law of your country applies to the contract, you need to inform consumers from other Member States that you will still respect their rights ensured by mandatory rules of the country of their residence²⁸. 

What are the principle of good faith and the notion of significant balance?

The principle of good faith is linked to whether a contract term is compatible with fair and equitable market practices that take the consumer's legitimate interests into account. It requires that the contract terms should be such that the consumer would have agreed to it had he/she individually negotiated it.

The main element of the general fairness criterion is that an unfair contract term causes a **significant imbalance** in the parties' rights and obligations, to the detriment of the consumer. The notion of *significant imbalance* means that the trader is abusing her/his position of power vis-à-vis the consumer - the trader is typically in a stronger position than the consumer as it has more knowledge in relation to the products and services at stake.

In order to ascertain whether a term causes a 'significant imbalance' to the detriment of the consumer, it must, in particular, be considered which rules of national law would apply in the absence of an agreement by the parties in that regard. The aim is to check whether the contract places the consumer in a legal situation less favourable than that provided for by

²⁵ See pages 372-374 of the Study for the Fitness Check Main report http://ec.europa.eu/newsroom/document.cfm?doc_id=44840

²⁶ https://ec.europa.eu/info/notifications-under-article-8a-directive-93-13-eeec_en

²⁷ https://e-justice.europa.eu/content_unfair_contract_terms_directive_9313-627-en.do

²⁸ See Module 3 on consumer sales: the part on cross-border sale.

the national law in force. In the absence of national rules, a 'significant imbalance' can be identified in light of other points of reference, for example, a comparison of the rights and obligations of the parties under a specific term. In addition, one needs to consider the nature of the contract and other related contract terms that can lead together to a 'significant imbalance'.

An example would be a contract term authorising the trader to terminate the contract without reason, where the same possibility is not granted to the consumer. Another example would be a contract term allowing the trader to retain the sums paid by the consumer for goods/services not yet supplied, where it is the trader himself who terminates the contract.

For a contract term to be deemed unfair, the intention of a trader is irrelevant: it does not make a difference whether s/he intentionally wanted to stipulate an unfair contract term or whether this happened as a consequence of negligence or ignorance of the applicable rules.

How should the contract terms be written?

The terms included in the consumer contracts must be written in plain and intelligible language, both in terms of form and content.

An example of a contract term which has not been written in a plain and intelligible language would be that of contract terms in a very small font size.

The European Court of Justice has consistently held that the requirement for contract terms to be "written in plain and intelligible manner" cannot be reduced to the fact that they have to be formally and grammatically intelligible. Indeed, this transparency requirement means that the consumer must be put in a position to fully understand the legal and economic consequences of agreeing to a specific term.

Be also aware that, if the meaning of a contract term is ambiguous, unclear, or imprecise, the interpretation of that term which is the most favourable to the consumer will always prevail.

For example, if you include in your contracts a term whereby the deadline for payment by the consumer is 15 days, but you do not clarify as from when this deadline runs, the moment of the actual delivery of your product to the consumer will be taken as the starting point, rather than the day of the conclusion of the contract. So, it is very important that your contract terms are very precise and are checked by a person with knowledge of consumer legislation.

Are there any terms which are always unfair?

The answer to this question is: it depends. EU law itself does not lay down any lists of contract terms which are always to be considered as unfair, under any circumstances. However, some of the Member States have introduced in their national laws 'blacklists' of terms which under any circumstances are to be considered as unfair²⁹.

The Member States that have extended the fairness control to individually negotiated terms are the following: Austria, Belgium, Czech Republic, Denmark, Finland, France, Luxembourg, Malta. Therefore, in order to be on the safe side, get familiar with what are the rules of your relevant national legislation and whether there are any contract terms which are always

to be considered as unfair.



For example, some Member States have 'black-listed' the use of contract terms whereby the competent court

²⁹ See http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=59332, Report on the fitness check of consumer and marketing law.

in case of dispute can only be the one where the trader has her/his principal place of business. 

What are the terms which are likely to be unfair?

The Directive 93/13/EEC on unfair contract terms lists a number of contract terms which are usually, but not automatically, considered to be unfair. Please note that this is an indicative and non-exhaustive list.

Their fairness still needs to be assessed on a case-by-case basis through the general fairness test. However, in practice, it is likely that these terms will be considered as unfair, so the best is to simply avoid using them.

The indicative list includes the following contract terms:

- a) excluding or limiting the legal liability of a seller or supplier in the event of the death of a consumer or personal injury resulting from an act or omission of that seller or supplier;

Example: A clause in a contract (e.g. gym, car rental) stipulating that the professional is in no way responsible for any damage or injury caused to consumers by the use of the facilities is not valid and will be deemed unfair.

- b) inappropriately excluding or limiting the legal rights of the consumer vis-à-vis the seller or supplier or another party in the event of total or partial non-performance or inadequate performance by the seller or supplier of any of the contractual obligations;

Example: a term that says that the consumer has no right to remedies (e.g. repair, replacement) if the oven s/he bought turns out to be defective and

thus cannot be used.

- c) making an agreement binding on the consumer whereas provision of services by the seller or supplier is subject to a condition whose realisation depends on her/his own will alone;

Example: a term whereby the trader reserves himself the right to perform the contract only if and when that trader wishes to do so.

- d) permitting the seller or supplier to retain sums paid by the consumer where the latter decides not to conclude or perform the contract, without providing for the consumer to receive compensation of an equivalent amount from the seller or supplier where the latter is the party cancelling the contract;

Example: a term which makes any substantial prepayment or deposit entirely non-refundable, while the trader reserves the right to unilaterally terminate the contract without reason.

- e) requiring any consumer who fails to fulfil her/his obligation to pay a disproportionately high sum in compensation;

Example: a term whereby the consumer is required to pay very high storage costs if he/she fails to take delivery as agreed.

- f) authorising the seller or supplier to terminate the contract on a discretionary basis where the same facility is not granted to the consumer, or permitting the seller or supplier to retain the sums paid for services not yet supplied by him where it is the seller or supplier himself who terminates the contract;

Example: a term whereby the consumer cannot

cancel the contract in any circumstances, or can only do so with the trader's agreement, whereas the trader reserves the right to cancel the contract unilaterally. The logic behind this provision is that consumers and traders should be on an equal footing as regards rights to end or withdraw from the contract.

- g) enabling the seller or supplier to terminate a contract of indeterminate duration without reasonable notice except where there are serious grounds for doing so;

Example: a term whereby the trader reserves himself the right to end a contract on the provision of access to Internet without notice, which would not allow the consumer enough time to find another provider before the contract expires. With the exception of serious circumstances entailing a real risk of loss or harm to the trader or others if the contract continues even for a short period (for instance, in case a fraud is detected), a unilateral right for the trader to terminate contracts of indeterminate duration will usually be qualified as unfair.

- h) automatically extending a contract of fixed duration where the consumer does not indicate otherwise, when the deadline fixed for the consumer to express this desire not to extend the contract is unreasonably early;

Example: a contract term indicating that the consumer can cancel the automatic extension of a contract expiring on 1 July 2019 by 1 February 2019. The term would add that the contract is automatically extended if the consumer fails to do so. In principle, it is allowed to have a contract term which automatically extends a contract of fixed duration. However, to pass the fairness test such a term must give the consumer a reasonable

time to express her/his wish to extend the contract. Here it is not the case.

- i) irrevocably binding the consumer to terms with which s/he had no real opportunity of becoming acquainted before the conclusion of the contract;

Example: a term which refers to the terms in another document (which is not accessible to the consumer) and states that the consumer is irrevocably bound by these (other) terms.

- j) enabling the seller or supplier to alter the terms of the contract unilaterally without a valid reason which is specified in the contract;

Example: a term whereby a trader reserves himself the right to unilaterally change the costs of a daily newspaper's subscription without any valid reason that would be mentioned already in the contract itself.

- k) enabling the seller or supplier to alter unilaterally without a valid reason any characteristics of the product or service to be provided;

Example: a term whereby the trader reserves himself the right to provide the consumer with the Internet service with significantly lower speed than initially agreed without any valid reason.

- l) providing for the price of goods to be determined at the time of delivery or allowing a seller of goods or supplier of services to increase their price without in both cases giving the consumer the corresponding right to cancel the contract if the final price is too high in relation to the price agreed when the contract was concluded;

Example: a term which leaves it up to the trader alone to double the gym's monthly fee after the

consumer has concluded an annual subscription contract, without granting the consumer the right to cancel the contract.

- m) giving the seller or supplier the right to determine whether the goods or services supplied are in conformity with the contract or giving him the exclusive right to interpret any term of the contract;

Example: a term which allows a trader to decide by himself whether s/he is liable for the performance of a fridge s/he sold to the consumer.

- n) limiting the seller's or supplier's obligation to respect commitments undertaken by her/his agents or making her/his commitments subject to compliance with a particular formality;

Example: a contract term stating that the seller will not be liable for any commercial guarantees sold by her/his agents.

- o) obliging the consumer to fulfil all her/his obligations where the seller or supplier does not perform her/his;

Example: a term whereby consumers are required to continue paying even when the relevant goods or services are not provided as agreed.

- p) giving the seller or supplier the possibility of transferring her/his rights and obligations under the contract, where this may serve to reduce the guarantees for the consumer, without the latter's agreement;

Example: a term whereby the trader reserves himself the right to transfer her/his business to a different trader, allowing the other trader to

shorten the duration of the commercial guarantee given initially to the consumer for the acquired product (e.g. from 5 years to 3 years).

- q) excluding or hindering the consumer's right to take legal action or exercise any other legal remedy, particularly by requiring the consumer to take disputes exclusively to arbitration not covered by legal provisions, unduly restricting the evidence available to him or imposing on him a burden of proof which, according to the applicable law, should lie with another party to the contract;

Example: a term whereby the consumer is obliged to have to resort to arbitration to solve a dispute (for instance: "In case of complaint, the consumer will first submit the case to the arbitration court designated in the contract, before s/he has the right to bring action before the court.").

Likewise, a compulsory mediation clause (for instance: "*In case of complaint, the consumer will first submit the case to the mediation system run by ABC*") could be considered as unfair. The use of mediation schemes must remain voluntary, and the consumer must have (as well as the trader) a free choice as to whether to go to mediation.

Moreover, the consumers should not be prevented from starting legal proceedings before their local courts. An example would be, if a consumer lives in Rome and a trader has the seat in Athens: "*For the settlement of disputes arising from this contract, only the courts of Athens are declared competent*". This is an unfair clause. Likewise, you may not stipulate contract terms which reverse the burden of the proof.

What are the legal consequences of the unfairness of contract terms?

The contract term which is found to be unfair is not binding on the consumer – without the need for any action from the consumer - and will be declared null and void by a court. The consumer contract which contains an unfair contract term will continue to bind the parties if it can continue to exist without the terms which are deemed unfair. For instance, if the contract term which establishes the place of the competent court in case of dispute is declared unfair, this will typically not affect the validity of the contract as a whole, so the remaining contract will continue to exist without the unfair term.

If the consumer contract can no longer exist without the term which was found to be unfair, the legal consequences (e.g. that each party is obliged to return what they have received under the contract) are defined by the national laws of the Member States.  Other sanctions, such as pecuniary fines, for the breach of the rules on the fairness of contract terms, differ across the Member States. 

Since 28 May 2022 (entry into application of the Modernisation Directive), more effective penalties for cross-border infringements have been introduced.

The updated UCTD now better equip national consumer protection authorities and/or courts to deal with infringements affecting many consumers across the EU. The new rules provide national authorities the power to impose effective, proportionate and dissuasive sanctions in a coordinated way when

working together on cross-border infringements³⁰ that affect consumers in several EU Member States.

Notably, in such cross-border cases, national laws of the Member States have to provide for the fines of at least up to 4% of the trader's turnover, or up to €2 million where turnover information is not available. Member States are free to maintain or introduce higher maximum fines³¹.

For more information, please consult the relevant national transposition legislation of Directive (EU) 2019/2161³² and the implementation Report of the European Commission on the Directive (EU) 2019/2161 as regards the better enforcement and modernisation of Union consumer protection rules³³.

Please also note that since June 2023, consumers are able to enforce the rights defined by the CRD in collective proceedings in line with the new rules laid down by the [Directive \(EU\) 2020/1828](#) on Representative actions for the protection of the collective interests of consumers ('RAD') and national transpositions.

³⁰ Widespread infringements or widespread infringements with a Union dimension, as referred to in Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004.

³¹ For further information on the level of fines, please see 2024 Report by the Commission on the implementation of the Modernisation Directive; COM/2024/258 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52024DC0258R%2801%29>.

³² You can check in Eurlex: via the amending Directive 2019/2161 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019L2161&qid=1614949003293> or via the UCTD: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:31993L0013>

³³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52024DC0258>

What happens with cross-border sales?

Below you will find some information concerning specific rules applicable, if you proactively reach out to consumers living in another country.

These provisions are relevant to take into account where national rules protecting consumers may be different, such as on unfair contract terms. For those issues that are fully harmonised, such as unfair commercial practices, these elements are of less importance.

Please note, however, that in case of cross-border disputes, specific provisions are applicable across all areas, please read carefully the paragraph below.

Specific treatment of sales that you direct to consumers residing in other Member States

Under EU law³⁴, if you direct your business activities to consumers in EU countries different from your own, it is usually the law of the country in which the consumer lives that applies to your contract with that consumer. If you have both chosen a different law, that choice cannot deprive your consumer of the protection granted by the mandatory provisions of the country of residence.

Therefore, if, for example, and as seen in Module 3, your website is directed at the consumers in a Member State where a free choice of remedies is available under Article 3 of the Consumer Sales and Guarantees Directive, you must, in case of a lack of conformity, enable your consumer to choose between a repair of the product, its replacement, a price reduction or a full refund, unless one or the other of such options is materially impossible or disproportionately difficult for

you. More generally, whenever you advertise or offer your goods or services in other Member States, you must respect the standard of consumer law protection of the countries you target.

Under which conditions can you be regarded as targeting consumers in another Member State?

The Court of Justice of the European Union has laid down a number of non-exhaustive criteria for establishing whether your commercial or professional activities are 'directed' at a specific Member State. Such criteria entail, for example, the use of languages or currencies other than those generally used in the Member State of your company's place of establishment, the mention of telephone numbers with an international code, the use of a top-level domain name other than that of the Member State in which your company is established³⁵.

If you are not directing your activities to other EU countries, however, and a consumer from another EU Member State approaches you on her/his own initiative, then your national law applies.

What does this mean for you in practice?

What law will be applicable to your cross-border contracts?

At first sight, it might appear complex for a small trader to comply with the law of the country of its different consumers, in different countries. It might prevent some traders to offer their goods or services across the border. However, in practice:

³⁵ For more information, see CJEU, joined cases C-585/08 and C-144/09, Peter Pammer and Hotel Alpenhof GesmbH..

³⁴ Notably the so called "Rome I" Regulation 593/2008.

1. EU legislation provides, as we describe under the Consumer Law Ready modules, for an important amount of harmonised provisions of consumer protection. These rules apply all over the EU.
2. Even if, on some elements, there are differences left between Member States, this does not mean that you are not allowed to have your contracts with consumers designed under your own legislation: as explained above, you can agree with the consumer that another law should be applicable, in which case you only have to respect the mandatory consumer law of the Member State where the consumer lives.
3. In practice, the mandatory consumer legislation of another Member State will only be relevant if its rules are more protective than those of your legal system or the law you have agreed upon with the consumer. This might be the case where, for the legal guarantee period of the consumer's law is longer than the one under your own law.
4. Through the Consumer Law Ready training modules, you will be able to know in advance which additional requirements may apply in which other Member State to which you're considering directing your business activities.
5. The question of the applicable law will often be relevant only if there is a disagreement with the consumer. Many misunderstandings can be solved amicably or by using your in-house complaint service.

lives. You cannot sue the consumer before a court of another country. If you stipulate such an option in your terms and conditions, you would risk a severe fine and the contract term will be non-binding on the consumer. The consumer, by contrast, has the option to sue you before the courts of her/his Member State or your home court as well.

Example: if you are a French trader based in Lille (FR) selling your products to Belgian consumers in Belgium, you cannot establish in your terms and conditions that, in case of a dispute, the only competent courts to solve the case are the courts

When you have a dispute in such a cross border contract, what court is competent?

If you offer your products or services to consumers in other EU countries and happen to have a dispute with one of your consumers, be aware that the competent court to decide over such a dispute will always be, under EU law, notably the so called "Brussels I" Regulation, that of the country in which the consumer

Annexes

Checklist for the trader

1. Do you use standard contract terms? ☐
2. Are your contract term(s) indeed not on any list of potentially/always unfair contract terms? ☐
3. Are the contract term(s) written in an easily legible and comprehensible manner? ☐
4. Are the contract term(s) not causing significance imbalance between your rights and obligations and the consumer's rights and obligations to the disadvantage of the consumer? ☐

The European Commission issued a [guidance](#) document³⁶ on the rules on unfair terms in consumer contracts based on the interpretation of the rules by the European Court of Justice, national courts and national authorities. It is available on the website of the European Commission.

³⁶ Commission Notice - Guidance on the interpretation and application of Council Directive 93/13/EEC on unfair terms in consumer contracts C (2019) 5325 final of 22/7/2019.



Consumer Law Training for European SMEs



Funded by
the European Union

consumerlawready.eu