

REPÈRES



DGCCRF 2018 RESULTS

Directorate General
for Competition Policy,
Consumer Affairs and
Fraud Control



MINISTÈRE
DE L'ÉCONOMIE
ET DES FINANCES

DG CCRF

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2018 was especially characterised by the DGCCRF's input regarding the tangible expression of the conclusions of the National Food Summit (États généraux de l'alimentation), by paving the way for many of the provisions of the *Balanced Trade Relations in Agriculture and Food and Healthy, Sustainable and Affordable Food Act* (EGALIM) of 30 October 2018 and its implementing orders.

The Directorate also remained primed to manage safety alerts with its departments not only tracing and withdrawing hazardous products from the market on a daily basis but also drawing on the lessons learned from the 2017 crises in order to bolster product withdrawal and recall procedures.

DGCCRF inspections are vital for ensuring effective consumer protection in terms of their health, safety and financial issues. The Directorate has to closely oversee at-risk sectors such as the toy industry as well as adjusting its activities to new consumer practices and trends, such as digital platforms and the expansion of nutrition claims.

Ensuring compliance with regulations means that businesses operate in a fair environment that is conducive to their development. As part of its assignment to regulate and oversee the smooth operation of markets, the DGCCRF made a telling contribution to fighting anti-competition practices by instigating a large number of significant decisions which were handed down by the Competition Authority in 2018. Strong priority was still given to tackling late payments in BtoB relations.

Besides its inspection work, communication is an additional means of action for the DGCCRF. The idea is to provide information to consumers so that they are able to take precautions against fraud. In addition, to foster more direct consumer involvement in remedying the anomalies to which they may fall foul, and to make professionals more accountable, the DGCCRF is in the process of developing an application for reporting these breaches to professionals that wish to sign up for the scheme. By having access to this data, the Directorate will be able to better target its inspections of the companies of which the most unresolved complaints are made.

Communication also means providing explanations and educating companies. The entry into force of the ESSOC Government Reform Act for a Trust-Based Society on 10 August 2018 has caused us to alter our relations with businesses acting in good faith to provide them with greater support in applying regulations.

The resulting heightened accountability of consumers and professionals will enable the DGCCRF to refocus its attention on investigating and sanctioning fraud which threatens both consumer safety, in particular the most vulnerable individuals, and public economic order.

Against this shifting backdrop, the DGCCRF is fully committed to the government modernisation programme in order to better cater to the expectations of French citizens and to make the best possible use of new digital resources. In 2019, this should be materialised by the adoption of a five-year strategic plan.

Virginie Beaumeunier
Director general

GENERAL OVERVIEW

Within the Ministry for the Economy, the DGCCRF ensures the smooth operation of markets, for the benefit of both consumers and businesses.

An assignment to promote economic effectiveness and the protection of consumers and businesses

The DGCCRF works to ensure:

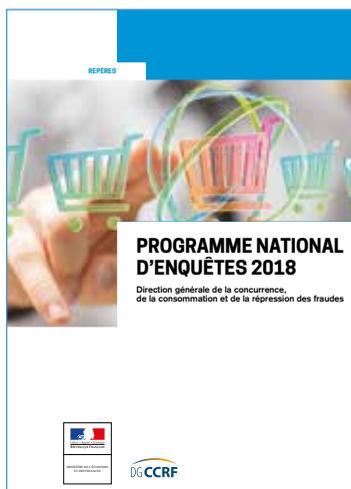
- compliance with competition rules
- protection of the economic interests of consumers
- the safety and compliance of products and services

As a Supervisory Authority, it is involved:

- in all areas concerning consumer affairs (food and non-food products, services)
- in all phases of economic activity (production, processing, importation, distribution)
- in all types of trading: stores, e-commerce websites or those connected with the sharing economy

It supports economic stakeholders:

- by informing them of its skillsets and work
- by publishing factsheets and brochures on certain regulatory issues
- by rolling out targeted initiatives in conjunction with trade associations



Targeting through annual investigations

Every year, the DGCCRF outlines a national investigation programme (PNE). The programme, which is based on government priorities in terms of competition and consumer affairs, draws on an analysis of the risks and issues concerning economic sectors and markets. The analysis factors in changes to the legal landscape (recent legislation) and economic environment (changes to market operation, new stakeholders, fresh practices), findings deriving from prior investigations (i.e. a high rate of anomalies, inadequate knowledge or incorrect application of certain regulations), emerging issues (i.e. new abusive practices), and expectations and concerns expressed by stakeholders (partner government departments, organisations representing consumers and businesses, etc.).

The national investigations are supplemented by investigations initiated by regional (Regional Directorates for Businesses, Competition Policy, Consumer Affairs, Labour and Employment and Directorates for Enterprise, Competition Policy, Consumer Affairs, Labour and Employment in Overseas France, DIRECCTE) or departments (Département Directorates for (Social Cohesion and) Consumer Protection, DD(CS)PP) to encompass issues specific to regions.

In light of the foregoing, the 2018 PNE focused on the following annual goals:

- consumer protection, in particular captive and vulnerable audiences, against a backdrop of highly volatile consumption patterns
- ensuring optimum operation of food supply chains to guarantee the standard of production and the accuracy of information provided to consumers
- safeguarding the purchasing power of consumers for households' major expenditure items



Last year, three multi-annual (2018-2020) objectives were laid down:

- protecting consumers and businesses against abusive practices having an impact on the digital economy
- bolstering the effectiveness of the economy by an in-depth analysis and proposals for improving the operation of markets
- identifying and controlling emerging risks for the health and safety of users

In 2019, the DGCCRF will continue with investigations which are part of its multi-annual objectives and will also focus on consumer protection as responsible consumption expands, and on sectors in which there are high economic stakes. It will step up its presence on agricultural and food markets to ensure proper application of the measures adopted in the wake of the National Food Summit.

In addition, the DGCCRF will remain mobilised during intensive consumption periods (summer and Christmas holidays) and carry out unscheduled inspections in light of the complaints and reports submitted to its departments.

Against the backdrop of government transformation through the Public Action 2022 programme, PNE 2019 investigations were chosen under revamped conditions with an eye to refocusing them on the DGCCRF's core assignments, sectors with high stakes, and to include investigations concerning complicated fraud scenarios.

Heightened vigilance during intensive consumption periods

Every year, the DGCCRF conducts wide-reaching inspections during the summer holidays (inter-ministerial holiday operation, OIV) or at Christmas time (OFA) to ensure the protection of consumers' economic interests and their safety throughout France.

The principal aims of OIV 2017 were renewed in 2018 to ensure multi-annual monitoring of the inspected sectors and activities. These include open-air accommodation and the online accommodation offering, products and activities relating to wellbeing, relaxation and leisure, and restaurant services in areas with high tourist footfall. The inspections of over 25,000 establishments turned up a rate of non-compliance of 26%. The inspections led to over 2,400 criminal citations and 4,500 administrative ones. This data is roughly similar to 2017.

The OFA took place from November 2018 to mid-January 2019 and involved an increased tempo of inspections of manufacturers, wholesalers and importers of food products (foie gras, honey) and non-food products (toys, Christmas trees and decorations) connected with the festive period. Services (organising trips or events on Christmas eve) were also subject to heightened surveillance. The investigation departments were also tasked with looking into one-off online promotional operations (e.g. Black Friday, Cyber Monday). In 2018, around 11,000 inspections were carried out as part of the OFA and the rate of non-compliance was 23.5%. Subsequently, there were 1,000 administrative citations and 710 criminal ones.

KEY DATES

JANUARY

10 January review of the situation concerning the withdrawal/recall of child nutrition products manufactured by Lactalis

13 January entry into force of the Second Payment Services Directive (PSD2)

16 January meeting of the National Consumers Council (CNC), chaired by Bruno Le Maire

FEBRUARY

2 and 22 February meetings of the Business Relationships Monitoring Committee

27 February publication of five orders setting regulated fees for notaries, bailiffs, auctioneers, commercial court registrars and court-appointed receivers and administrators

MARCH

23 March decree amending the regulatory provisions of the Commercial Code (transmission of data and updating fees) for closed legal professions

APRIL

10 April roundtable chaired by Delphine Gény-Stephann with professionals on the presence of nanoparticles in food products

MAY

16 May order on insurance distribution enacting Directive (EU) 2016/97 of 20 January 2016 in French law

JUNE

20 June signature of the memorandum of cooperation between the DGCCRF and the European Consumer Centre France (ECC France)

JULY

5 July launch of the premium rate number communication campaign

17 July presentation of the conclusions of the National Consumers Council's work aimed at putting forward proposals to improve the effectiveness of product withdrawal/recall procedures and consumer information

24 July referral to the Commercial Practices Review Commission by the Minister of State reporting to the Minister for the Economy and Finance and the Minister for Agriculture and Food of a request for an opinion on the legality of certain practices concerning logistics penalty clauses in the mass retail sector

AUGUST

4 August visit by Bruno Le Maire, together with the Director General of the DGCCRF, to Apt market as part of the inter-ministerial holiday operation (OIV)

10 August promulgation of the ESSOC Government Reform Act for a Trust-Based Society No. 2018-727

SEPTEMBER

17 September launch of the communication campaign on fake government websites

OCTOBER

12 October new fuel pump labels throughout the EU

30 October promulgation of the Balanced Trade Relations in Agriculture and Food and Healthy, Sustainable and Affordable Food Act

NOVEMBER

6 November joint signature by the DGCCRF and TRACFIN (France's Financial Intelligence Unit) of new guidelines on compliance by property professionals with their obligations regarding anti-money laundering and combating the financing of terrorism

14 November the DGCCRF joins the communication campaign coordinated by the OECD and the European Commission on the safety of products sold online

22 November press conference reviewing the three years of Consumer Mediation

22 November Citizens' Dialogue organised jointly by the European Commission and the DGCCRF based on the most-recent consumer protection measures presented by the Commission as part of the "New Deal for Consumers"

DECEMBER

3 December order setting the establishment zone map for new notaries for the period 2018/2020

12 December order of 12 December 2018 on increasing the loss-leader threshold and regulating promotions for foodstuffs and certain food products

28 December launch of a stakeholder consultation across all sectors (food and non-food) concerning the amendment of Title IV of Book IV of the Commercial Code by an order adopted to implement Article 17 of the Act of 30 October 2018

KEY FIGURES

DGCCRF INSPECTIONS

543,000 verifications (-2 %/2017)

111,600 establishments inspected (-1 %)

12,600 websites inspected (+2 %)

330,000 results of laboratory analyses (+4.5 %)

128,500 breaches and violations written up (+2 %)

When set against 2017 figures, the number of verifications and inspected establishments was slightly down in 2018. However, 200 more websites were investigated. In spite of a reduced DGCCRF headcount in 2018, the number of results of analyses and, above all, breaches and violations written up, were also on the rise. These changes bear witness to the refocusing of action on detecting fraud and on the improved targeting of inspections.

CONSUMER COMPLAINTS REGISTER

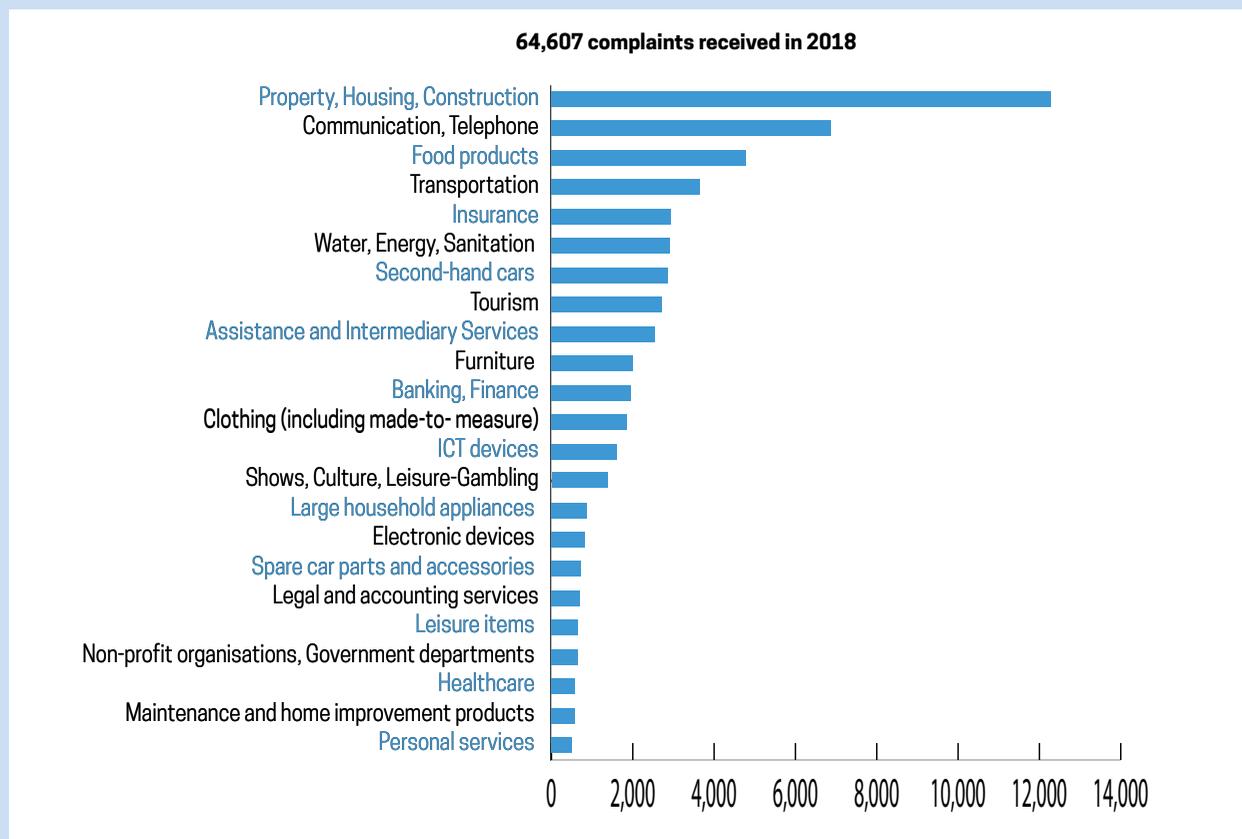
64,607 consumer complaints (-9 %)

Almost a third of which concerned:

- misleading commercial practices (20 %)
- disputes connected with doorstep selling and cold calling (6 %)
- challenging prices or the amount of invoices (5 %)

Other complaints related to fraud (4 %), incorrect information on prices (3 %), issues regarding bad workmanship or the poor furnishing of a service, or failure to furnish a service (3 %). Other reported practices returned rates of less than 2 %.

Consumer complaints by economic sector



Origin of complaints:

E-mails
32,120 (50 %)

Telephone
18,374 (28 %)

Mail
11,420 (18 %)

Discussions between individual consumers and the reception departments
2,693 (4 %)

Overall, in 2018, the DGCCRF logged 64,607 consumer complaints. The figure is 9% down on 2017. The fall of over 6,700 complaints in 2018 is in line with the trend that has been observed over the last decade. The sectors in which the number of complaints have fallen the most are communication and telephone (-2,936 complaints), non-food products (-2,264 complaints) and property, housing and construction (-1,543 complaints).

FOLLOW-UP TO THE 128,568 BREACHES AND VIOLATIONS NOTED IN 2018

INSTRUCTIONAL FOLLOW-UP

81,227 warnings; figure slightly up on 2017 (80,741)

CORRECTIVE FOLLOW-UP

31,711 administrative police measures (including 30,996 injunctions)

ENFORCEMENT-RELATED FOLLOW-UP

Civil and commercial litigation

37 proceedings including four summons

22 decisions handing down €450,000 in civil fines

Criminal litigation

10,437 official reports

2,630 settlements

Administrative sanctions

5,099 official administrative reports

2,950 administrative fines totalling €19.4 m

82 seizures

The figures for corrective measures increased compared to 2017 (29,463 administrative police measures, including 28,848 injunctions), as, in 2018, the DGCCRF focused on making professionals accountable by allowing them to rapidly bring themselves into compliance. However, the number of summons and official reports fell.

These figures reflect the priority given in 2018 to:

- bringing professionals into compliance (increase in administrative police measures), with use of official reports and administrative fines being reserved for the most blatant fraud
- tackling late payments in BtoB relations (which contributed to the increase in the number of administrative fines)



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