



NORWEGIAN MINISTRY  
OF CHILDREN AND EQUALITY

Report – Short version

# The Norwegian Government's Consumer Policy

Action Programme 2008–2009





# Foreword

It is a pleasure to present *the Norwegian Government's Action Programme on Consumer Policy* – the first overall presentation of current measures and activities targeted at looking after the interests of consumers. Confident, well-informed and empowered consumers are important for efficient markets and economic development. The choices made by consumers contribute to innovation and efficiency.

The Ministry of Children and Equality administers a number of key pieces of consumer legislation. The Ministry has administrative responsibility for institutions such as the Consumer Council and the Consumer Ombudsman, which have been established to promote consumer interests, and the National Institute for Consumer Research, the aim of which is to develop a better knowledge base for consumer policy. These institutions have all been given independent status. One defining characteristic of consumer policy, however, is that the responsibility for measures and legislation in key areas of con-

sumer affairs rests with many different ministries and supervisory bodies.

*The Norwegian Government's Consumer Policy 2008–2009* provides a summary of the work carried out by public authorities to take care of consumer interests. A number of recently implemented measures are discussed, but the emphasis is on challenges and specific follow-up points in various administrative areas relevant to consumers' everyday lives. The aim of the document is to increase awareness of the consumer perspective, and to strengthen and systematise efforts to promote consumer interests. At the same time we wish to highlight a number of high-priority areas, namely:

- ♦ sustainable consumption with minimum emissions of greenhouse gases,
- ♦ children and young people as safe and confident consumers, and
- ♦ access to goods, services and information for all consumers, regardless of disabilities

*Anniken Huitfeldt*



*Minister of Children and Equality*

# The Norwegian Government's Consumer Policy

– short version of Action Programme 2008–2009

## Trends influencing the situation of consumers

■ Most Norwegian consumers enjoy a high and increasing level of prosperity and purchasing power. The range of goods and services available is growing and changing as a result of technological and economic developments, and cultural change. At the same time, both social and ecological limits to further economic growth are becoming apparent. A number of trends are placing new demands on consumers and consumer policy:

Material consumption, and particularly consumption of non-renewable resources, represents a *burden on natural resources*. The ecological system imposes limits to further expansion of global consumption, something clearly shown by the current discussion on climate change caused by man. The limits to growth have a social aspect too. This can be illustrated by the following paradox; when every individual has bought a car, we are all worse off, because in the end everyone finds themselves stuck in a traffic jam. The situation requires collective measures to reduce or adjust consumption. At the same time there is a need to appeal to individual consumers to think through and modify their consumption habits from an environmental perspective.

The spread of new technology, particularly *digital information technology*, is changing everyday life. The technology is contributing to a ceaseless flow of new and better services, and new forms of trade, such as e- and mobile commerce. Innovation and frequent changes mean that consumers are always having to adapt, and must adopt new habits so as not to be left behind. Several key services are now provided electronically and online, for example banking services

and communications with the public sector. This makes it essential to master the use of technology so as to function well in society. It is important to prevent the emergence of new class distinctions between those able to master the technology and those who 'slip through the net'. Digital communication over open networks also gives rise to major challenges in terms of privacy protection and information security.

An ever-increasing number of new areas are subject to the *market and competition* as a form of regulation. Telecom services and electricity are examples of areas where consumers previously had one public-sector provider but where there is now a diversity of suppliers. Another example is the move from a single Norwegian state-run TV channel in the 1960s to today's wide range of channels available via terrestrial, cable and satellite services. Diversity entails freedom to choose, but can also lead to a more complex decision-making situation.

*Economic globalisation*, in the sense that national markets are being opened up, and becoming more alike and interwoven as a result of increased international trade, is also changing the situation for consumers. A trend which has been apparent for several decades is for production of goods to be moved to low-cost countries, for example in Asia. At the same time, production location has become less important for customers. Distinctive features and differences linked to the product's country of origin are becoming blurred as everything is standardised and production is carried out by large multinational companies. On the other hand, many consumers are taking an interest when information

emerges on what they view as unacceptable conditions somewhere in the value chain, for example eco-crime or exploitation of labour.

The complexity confronting consumers in a modern society makes it difficult for the individual to gain an overview of the *risks* associated with goods or services. Some examples are issues concerning possible health risks linked to radiation from wireless networks and mobile phones, and risks associated with chemicals in products.

Advertising and other forms of influencing buying behaviour are contributing to increasing *pressure to consume*, and reinforcing changing consumption trends. Consumption takes on greater symbolic importance, and is detached from fundamental material needs. For some

products the practical value can be of secondary importance; the main point is what the item symbolises and the sense of identity it gives to the customer.

*Demographic changes* will also have consequences for consumption patterns – and for consumer policy. An ageing population, and a growing immigrant population which will soon constitute 10 per cent of the population, are creating new challenges. One example is the need to make adjustments – in terms of technology, teaching methods and language – to ensure that everyone has access to public information, or can use and master new electronic services.

## The consumer perspective in EU Single Market policy

■ Consumer policy is gaining ground as a main factor for the promotion of a better-functioning internal European market. The role of citizens as consumers is an important element of their daily lives. An integrated retail market in Europe will benefit the consumers through more choice, lower prices, etc.

The aims of the EU Commission's Consumer Policy Strategy 2007–2013 are:

- ◆ To empower consumers and, as a result, to boost competition in the economy
- ◆ To enhance consumers' welfare, in terms of prices, market transparency, choice, diversity, quality and safety, and
- ◆ To offer consumers more effective protection

To achieve this, the strategy identifies a number of priorities:

- Better monitoring of consumer markets and national consumer policy
- Better consumer protection regulation
- Better enforcement and redress
- Putting consumers at the heart of other EU policies

- Better informed and educated consumers
- Enhanced knowledge and data procurement as a basis for developing regulatory and other initiatives

The strategy must be seen in the light of the Commission's ongoing Single Market Review. This process is mapping what has been achieved, and what remains to be done to fulfil the ambitions. Part of the mapping process includes producing a *Single Market Scoreboard* and a *Consumer Markets Scoreboard*. The latter comprises a systematic review of important consumer markets, measuring and comparing various elements such as prices, number of complaints, customer satisfaction, security, and consumers' opportunity and propensity to change supplier. The first *Consumer Markets Scoreboard* was presented in January 2008, and was based partly on comparison of previous data and partly on new data collected by the Commission for this purpose. Although the database is still somewhat limited in scope, the mapping process confirms certain weaknesses in the functioning of the Single Market with respect to consumers. For example, there is



still relatively little cross-border trade, and there are price differences between countries which are difficult to explain. The mapping process also revealed a certain inertia on the part of consumers in terms of switching supplier and embracing the opportunities afforded by cross-border trade.

The Commission is currently carrying out a review of the consumer acquis, with a view to both strengthening the legal position of consumers and stimulating the workings of the Single Market. Pursuant to an EU regulation, good progress has been made on improving cooperation on enforcement of consumer protection regulations among the various national authorities in the EEA. This complements an equivalent

collaboration among authorities responsible for supervising consumer safety.

The strategy for 2007–2013 places considerable emphasis on the objective of strengthening the position of consumers within other policy areas, such as financial services, mortgages, transport and energy. The Commission will assess how consumer interests can be better represented in relevant policy groups and fora. A contact person for consumer issues is to be appointed in all EU Directorates-General responsible for areas which are important to consumers.

Under the EEA Agreement Norway takes part in EU activities in the consumer area, including in the Framework Programme for Consumer Policy 2007–2013.

## The goals of consumer policy

- The Government's consumer policy shall:
  - Take care of the safety and security of consumers
  - Safeguard consumers' rights in a way which maintains a reasonable balance between consumers and suppliers of goods and services
  - Ensure that consumers are provided with information on products and market conditions
  - Ensure that the general public is provided with information on health-related, environmental and social consequences of consumption

Consumer policy shall create a balance between the customers and powerful commercial players, making everyday life easier for people. Taking care of consumer interests is an important welfare goal in itself. At the same time, a better balance between the business community and customers, and well-informed and aware consumers, will contribute to increased competition and thus a more efficient economy.

One of the main responsibilities of the Ministry of Children and Equality is to promote the Government's consumer policy. Responsibility for policy areas which are relevant to consumers, as well as instruments in these areas, are distributed among several ministries and authorities. The legal position of consumers is largely defined in legislation with a main purpose other than consumer protection, for example sector legislation in the fields of finance, transport or telecoms. The Government wishes to coordinate and strengthen the various authorities' efforts to promote the position of consumers, in reasonable balance with other considerations.

*The Norwegian Government's Consumer Policy 2008–2009* presents measures which will strengthen the position of consumers. The programme reflects the Government's Soria Moria Declaration with respect to a closer relationship between consumer and environmental issues.

## Priorities

### *Sustainable consumption*

■ Norwegian households' consumption of energy and non-renewable resources is many times higher than what is sustainable from a global perspective. The three consumer areas of greatest significance in an environmental and climate context are energy use in the home, food, and how and how much we travel for work and leisure.

A pro-active environmental policy must include consumption. Policies in the various sectors, and the tax and duty system, must stimulate an environmentally friendly everyday life. Furthermore, it is important to provide information so that people can also assess for themselves – and limit – the environmental consequences of their own consumption.

### *Children and young people as consumers*

■ Growing up today is strongly characterised by consumption and commercial pressure. Advertising and commercial offers are evolving in close conjunction with trends in young people's media habits and in modes of communication – which is increasingly based on the Internet and mobile phones. Children have become active Internet users and have their own mobile phone from their earliest years in primary school.

A number of services are offered with payment direct from mobiles. The challenges lie both in creating good framework conditions which take into account that children can be gullible and easily influenced, and in teaching youngsters to become critical and aware consumers.

### *Accessibility of information, goods and services*

■ Persons with disabilities must be guaranteed living conditions and quality of life on a par with the rest of the population. *Universal design* is a strategy for planning and designing products and environments so as to achieve an inclusive society with full equality and participation for all. This means that products and services should be designed so that they can be used by the greatest possible number of people, without the need for special solutions. Consumer information must be made accessible to the blind and visually impaired, and people with cognitive difficulties, etc. Information on our rights and duties as consumers, for example in the form of brochures and similar information material, should be made available in different language versions for groups requiring this.

## Enhanced knowledge base for consumer policy

■ Today's consumers are faced with a wide range of goods and services. The satisfaction and/or dissatisfaction experienced by customers, and the nature and extent of problems which arise, will vary among different sectors and over time. Enquiries and complaints to the Consumer Council and the Consumer Ombudsman provide an indication of conditions in the various sectors. Research and studies conducted by bodies such as the National Institute for Consumer Research fill out the picture of the position of consumers

and of market conditions, providing an important knowledge base for consumer policy.

One target is that men and women should have equal opportunities as consumers. It is therefore important to map any gender differences in consumer behaviour, and to study how advertising, for example, is pitched differently at men and women (boys and girls).

In order to strengthen the documentation of current consumer conditions, the Ministry of Children and Equality will work with the

consumer institutions to map how consumers perceive conditions on the markets for a number of different goods and services. The results will be presented in spring 2008 in the form of

a *consumer satisfaction index*<sup>1</sup>. In the long term, efforts will be made to coordinate this measure with the development of equivalent tools in the EU countries.

## Thematic chapters in the action programme

1. Universal design, accessibility for all, and language accessibility
2. Environmentally oriented and ethical consumption
3. Food, diet and health
4. Electronic communication, digital media
5. Marketing and advertising – children and young people as consumers
6. Housing, house sales
7. Financial services, debt problems
8. Consumer safety
9. Transport
10. Energy
11. Public services
12. Competition – to the benefit of consumers
13. Settlement of disputes

## The measures – an extract

■ The list below includes some of the current measures in Norwegian consumer policy. These provide a cross-section, and illustrate how consumer issues are followed up within large parts of the administration. The full version of the action programme<sup>2</sup> contains a supplementary catalogue of measures under way in the ministries (cf. thematic chapters 1–13 listed previously).

- A survey will be carried out by the Ministry of Children and Equality in conjunction with the Consumer Ombudsman, the Consumer Council and the National Institute for Consumer Research to map how consumers perceive conditions on the markets for a number of different goods and services. The results will be presented in spring 2008 in the form of a *consumer satisfaction index*.
- A proposal for a new act prohibiting discrimination against persons with disabilities (the discrimination and accessibility act) was submitted to the Norwegian Parliament in spring 2008 by the Ministry of Children and Equality. The Ministry will initiate a study of legal claims for access to goods and services, with a view to possible inclusion of such provisions in a generic discrimination act in the future.
- A survey of *the ecological footprint of consumption* for the period 1987–2007 was presented in spring 2008 as a measure of the trend over time in the environmental burden from Norwegian households. The survey was carried out by the research institute Vestlandsforskning on behalf of the Ministry of Children and Equality and the Ministry of the Environment. Estimates of the trend in the environmental burden from consumption in Norway will be made on a regular basis.

<sup>1</sup> This idea has been inspired by Denmark, where the National Consumer Agency produces an annual [Consumer Report](#).

<sup>2</sup> Available in Norwegian only, see [www.regjeringen.no/bld](http://www.regjeringen.no/bld).



- In line with proposals from the Norwegian Commission on Low Emissions (NOU 2006: 18 A climate-friendly Norway), an information campaign has been initiated on climate issues. The Norwegian climate campaign – Klimaløftet – will cover the period 2007–2010, and is intended to contribute to increased understanding, commitment and motivation to be involved in reducing greenhouse emissions.
- Work is under way to establish a simple scheme to enable both individuals, companies and organisations to purchase *climate quotas* via the Norwegian Pollution Control Authority's website [www.sft.no](http://www.sft.no). By purchasing quotas, consumers can help to reduce emissions of greenhouse gases. One climate quota corresponds to one tonne of the greenhouse gas carbon dioxide (CO<sub>2</sub>). Climate quotas purchased via the new scheme will be taken out of the official quota market, i.e. they cannot be resold.
- The Public Roads Administration is creating a website containing *environmental information on vehicles*. The website is intended as a tool for consumers wanting up-to-date information on the environmental characteristics (e.g. emissions of CO<sub>2</sub>, NO<sub>x</sub> and particles) of the various car models on the market.
- In order to improve hygiene in the catering industry, a pilot project is being carried out involving *publication of inspection results*. After each inspection an inspection report must be posted up containing a symbol: a *smiley face* means there are no comments, while a down-turned face, or an angry face, indicates a number of more serious breaches of regulations. The inspection report must be clearly displayed at the café, restaurant, etc. and provide the public with clear, easy-to-understand information on its standard of hygiene. The pilot project is being conducted in 15 municipalities in Trøndelag and Møre & Romsdal in the period June 2007 to June 2008, and will provide a basis for assessing whether the scheme should be rolled out nationwide.
- A decision has been taken to introduce «*keyholes*» as a label to help consumers to *choose healthy foods*. The labelling will be voluntary, but use of the label will require the provision of full nutritional information. The keyhole is already in use in Sweden, and Denmark has also decided to adopt it. The three countries will continue to work on joint criteria in such a way that they can be adapted to national eating habits. A joint launch of the keyhole scheme is planned in 2008.
- It has been proposed to introduce labelling requirements for the sale of fish which, in addition to harmonisation with EU labelling provisions for e.g. species, production method and catch area, will include requirements for labelling catch and slaughter date for fresh fish. The labelling requirements will improve the information available to consumers.
- By the end of 2010 a system will be developed for electronic traceability in the food chain. Among other things, this will contribute to faster and more accurate withdrawal of unsafe foods, and increased information and, with it, increased consumer confidence.
- Efforts in the Media Authority and the Post and Telecommunications Authority are focusing on teaching children and young people in Norway to be responsible Internet users. The Media Authority has launched a Safe Use project (previously the SAFT project – Safety, Awareness, Facts and Tools), which receives funding from the EU action plan Safer Internet Plus Programme. The primary function of Safe Use is to serve as the national co-ordinating body for work on safe use of digital media for children and young people in Norway.
- A proposal for a *new marketing act* was submitted to the Norwegian Parliament in spring 2008. *Special rules on the protection of children and young people* are proposed, including a general rule which recognises that children are a vulnerable group which must be afforded particular care. New rules are also

proposed concerning the consumer's right to resist unsolicited advertising, including a number of concrete measures to make the current telemarketing opt-out scheme more effective. It is proposed that the act's enforcement and sanction system be made more effective.

- In order to contribute to increased *confidence in buying and selling houses*, a number of changes have been implemented to the estate agency regulations with effect from 1 January 2008. The new rules aim to create greater confidence for consumers, better price awareness and competition, and greater clarity in the estate agency sector by ensuring secure and orderly sale of real estate, and that both parties receive independent assistance and the sale is carried out as efficiently as possible. Among other things the act specifies that a quotation must always be submitted based on hourly rates.
- On the basis of a public study which will be published in 2008, the ministries concerned will consider submitting bills on matters such as *compulsory inspection reports for the sale of houses other than newbuilds*, and authorisation of surveyors.
- A public Internet portal containing information for consumers on financial services – [www.finansportalen.no](http://www.finansportalen.no) – was launched in 2008. The portal, which includes market overviews with prices for savings, loan and insurance products updated on an ongoing basis, will be further developed in collaboration with the Consumer Council.
- Based on the significant losses incurred by a large number of small savers in connection with so-called *composite savings products*, stricter requirements for financial institutions have been introduced from 1 March 2008 governing sale of such products. Among other things, the new rules mean that investment advisers must assess whether the products on which they are providing advice are suitable for the customer in question, and will make it less relevant for securities companies to provide advice on and sell complex savings products to non-professional customers. The Financial Supervisory Authority also advises the financial institutions against offering loan financing in connection with sale of composite products. This is based on historically low returns on equity and a risk of significant losses for customers in connection with this form of financing.
- Work is under way on a *national journey planner*, which will provide public transport users with information on how they can complete their journey from start to destination by public transport, including possible alternatives and information on cost, time, accessibility, etc.
- Work is under way to establish a *common complaints body* to handle passenger complaints in connection with *air travel*. The body is expected to be operational by the end of June 2008.
- By providing advice and through a number of information activities and campaigns, subsidy schemes and other measures targeted at households, Enova<sup>3</sup> is helping to make new and more effective energy solutions generally accessible at an early stage. Information and advice on measures which can help to reduce electricity consumption are available on the website [www.minenergi.no](http://www.minenergi.no), and by calling freephone 800 49 003.
- The introduction of *automatic electricity metering systems* will contribute to more accurate billing and invoicing of electricity consumption, and the individual household will no longer need to take its own meter readings. New technology will contribute to greater awareness of individual electricity consumption, and provide consumers with greater opportunities in the power market.

<sup>3</sup> Public enterprise owned by the Norwegian Ministry of Petroleum and Energy.

- In order to provide citizens with a means to express their views on public services, a new nationwide survey on national and municipal services will be carried out in the course of 2007/2008. The results will be followed up on a regular basis. Guidelines will be drawn up on user focus and user participation in the public sector.
- A study will be initiated in 2008 into how *the out-of-court dispute settlement system*, i.e. the schemes involving the Consumer Dispute Commission and the sectoral complaints bodies respectively, can be improved and made more effective.

## **CONTRIBUTING MINISTRIES**

**Ministry of Labour and Social Inclusion**

**Ministry of Children and Equality**

**Ministry of Finance**

**Ministry of Fisheries and Coastal Affairs**

**Ministry of Government Administration and Reform**

**Ministry of Health and Care Services**

**Ministry of Justice and the Police**

**Ministry of Local Government and Regional Development**

**Ministry of Culture and Church Affairs**

**Ministry of Education and Research**

**Ministry of Agriculture and Food**

**Ministry of the Environment**

**Ministry of Trade and Industry**

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