2016 Consumer Markets Scoreboard

Markets performing better for consumers

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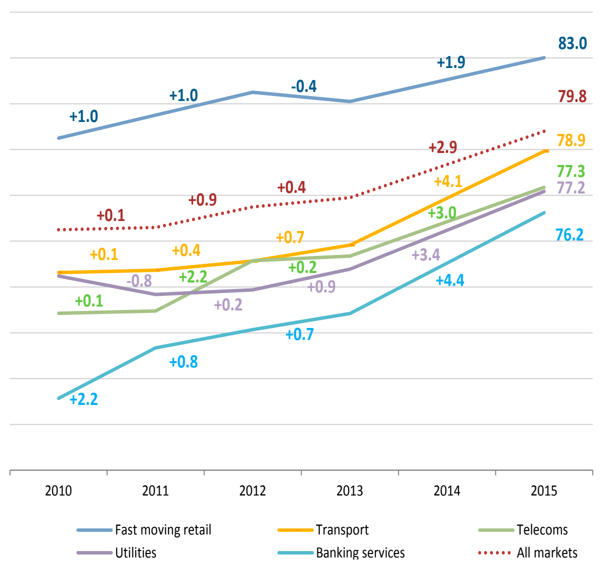
Věra Jourová
Commissioner for Justice,
Consumers and Gender Equality

Justice and Consumers
Directorate General

New data on the functioning of key consumer markets gathered by the European Commission shows that most of them are performing better for consumers than two years ago. In particular, consumers' trust in sellers to respect consumer protection rules has increased across all 42 markets surveyed.

Market Performance Indicator 2010-2015



Market Performance Indicator (MPI): score out of 100

Top performing markets

The top 3 services markets for consumers are: holiday accommodation (e.g. hotels, with a market performance score of 84.4 out of 100), cultural and entertainment services (e.g. theatres, cinemas, museums – 83.4) and sport services (e.g. gyms – 82.9). In the goods category, the best performing markets are those for books, magazines and newspapers (85.3); entertainment goods (e.g. toys, games, musical instruments – 84.9); and large household appliances (such as fridges and washing machines – 84.6).

This means that consumers trust providers, suffer little detriment from problems, find offers easy to compare, appreciate the choice available and generally consider their expectations are met.

Lowest performing markets

The poorest performing services markets are real estate (73.8), mortgages (73.8), and investment products, private pensions and securities (74.1); while for goods markets they are second hand cars (75.6), meat products (80.6), and vehicle fuels (80.9).

In these markets trust in providers is lower, consumers suffer higher detriment (financial, psychological or time loss), have a hard time comparing offers, are not happy with the choice available and are left with unmet expectations.

Financial services still low performing but improved most

Financial services show the biggest improvements, though they remain the lowest performing sector. Consumers now have more trust in their banks, private pensions and investment funds. This suggests that EU policy efforts, such as the implementation of the Consumer Credit Directive and the EU awareness raising campaign carried out in 2014, are starting to pay off.

Train services improved significantly, but performance is very uneven across EU

Consumers evaluate more positively than two years ago the comparability of offers from train operators and consider that train services meet their expectations to a larger extent.

The EU level results, however, show big differences between countries, ranging from Bulgaria, with 62.6 out of 100 points to Lithuania, with 89.6 points.

Important differences between EU countries in market performance are also observed in electricity services, water supply, mortgages and mobile telephone services.

Fast moving retail markets also improve, but less than other sectors

Fast moving retail markets, which include food markets such as non-alcoholic drinks and bread, cereals and pasta, show just a modest improvement. Consumers trust retailers to respect consumer protection rules, appreciate the choice available in these markets and report little detriment from problems. But there is no improvement from two years ago with regard to the comparability of offers, and only marginal improvement in the extent to which these markets cater to consumers' expectations.

Consumer detriment is highest in the telecom markets

For the first time, the Scoreboard measures the detriment reported by consumers in each of the markets surveyed. Detriment refers to financial loss or other types of harm (e.g. time wasted, stress) suffered by consumers after the purchase or use of a product. The highest overall detriment is reported in the telecom markets, as consumers often face problems with providers.

In the insurance markets, on the other hand, consumers seldom encounter problems, but when problems occur their impact is most severe.

More consumers switched supplier, but switching remains difficult in some markets

Over the last two years, the proportion of consumers who switched supplier increased in most markets, including telecoms, energy, and financial services (except for bank accounts), but this in itself is not necessarily an indicator of good market functioning. For a more detailed analysis, the Scoreboard also looks into the reported ease of switching and – for the first time – at the reasons that prevented consumers from switching. The main reported reason why consumers do not switch is that they are not interested, but almost a quarter say that they did not switch because they thought it would be too difficult, that they tried but faced obstacles, or because of other reasons. Consumers find switching particularly problematic in the mortgages market and easiest in commercial sport services.

Consumers' financial situation and education influence their assessment of the markets

Consumers in financial difficulty are more likely to experience problems and tend to perceive switching as more difficult than other consumers. More educated citizens tend to evaluate markets more negatively, which could be because they are in a better position to assess market offers and identify problems.

On the Consumer Markets Scoreboard

The Consumer Markets Scoreboard monitors how markets are functioning from the perspective of consumers. The findings are based on the fifth wave (2015) of the Market Monitoring Survey, a large scale survey on consumers' experiences and perceptions regarding the functioning of key good and services markets in the 28 Member States of the European Union, as well as Iceland and Norway. The 2016 Scoreboard screens 42 markets, of which 29 services markets and 13 goods markets, accounting together for 45 % of consumer expenditure.

Market Performance is measured by the Market Performance Indicator (MPI), a composite index made of 5 components: comparability of offers, trust in businesses to respect consumer protection rules, the extent to which markets live up to what consumers expect, choice of retailers/suppliers and the degree to which problems experienced in the market cause detriment.