

# EU consumer rules: The European Commission and EU consumer authorities push Airbnb to comply

Commissioner **Jourová**, Commissioner for Justice, Consumers and Gender Equality said: *"More and more consumers book their holiday accommodation online and this sector has brought many new opportunities to holidaymakers. But popularity cannot be an excuse for not complying with EU consumer rules. Consumers must easily understand what for and how much they are expected to pay for the services and have fair rules e.g. on cancellation of the accommodation by the owner. I expect Airbnb to follow up swiftly with the right solutions."*

Airbnb's current pricing presentation and a number of its terms do not comply with the [Unfair Commercial Practices Directive](#), the [Unfair Contract Terms Directive](#), and the [Regulation](#) on the jurisdiction in civil and commercial matters. Therefore the European consumer authorities and the Commission have demanded from Airbnb a number of changes. The company has until the end of August to present their proposals. Once Airbnb proposes solutions to rectify this, the Commission and the EU consumer authorities will review the proposed changes. If they are not considered satisfactory, Airbnb could face an enforcement action.

## **Price transparency and other unfair commercial practices**

The presentation of Airbnb's pricing, as well as the distinction between private and professional hosts currently does not comply with the requirements of EU law, in particular the [Unfair Commercial Practices Directive](#).

Airbnb should:

- modify the way it presents information on pricing from the initial search on their website, in order to ensure that, whenever properties are offered, the consumer is provided with the total price inclusive of all the applicable mandatory charges and fees, such as service and cleaning charges, or, when it is not possible to calculate the final price in advance, clearly inform the consumer that additional fees might apply;
- clearly identify if the offer is made by a private host or a professional, as the consumer protection rules differ.

## **Clarification of terms or removal of illegal terms**

Airbnb's terms of services should be brought into conformity with European consumer law. The [Unfair Contract Terms Directive](#) requires that standard terms and conditions do not create a significant imbalance between the parties' rights and obligations, to the detriment of the consumer. The

Directive also requires that terms are drafted in plain and intelligible language so that consumers are informed in a clear and understandable manner about their rights.

With regards to Airbnb, this means, for example:

- that the company should not mislead consumers by going to a court in a country different from the one in their Member State of residence;
- Airbnb cannot decide unilaterally and without justification which terms may remain in effect in case of termination of a contract;
- Airbnb cannot deprive consumers from their basic legal rights to sue a host in case of personal harm or other damages;
- Airbnb cannot unilaterally change the terms and conditions without clearly informing consumers in advance and without giving them the possibility to cancel the contract;
- Terms of services cannot confer unlimited and discretionary power to Airbnb on the removal of content;
- Termination or suspension of a contract by Airbnb should be explained to consumers, governed by clear rules and it should not deprive the consumer from the right to adequate compensation or the right to appeal;
- Airbnb's policy on refunds, compensation and the collection of damage claims should be clearly defined and should not deprive consumers from their right to activate the available legal remedies.

Finally, Airbnb should provide an easily accessible link to the Online Dispute Resolution (ODR) platform on its website and all the necessary information related to dispute resolution, pursuant to [the ODR Regulation](#).

## **Next steps**

Airbnb has now until the end of August to propose detailed solutions on how to bring its conduct in compliance with EU consumer legislation. The Commission and the consumer authorities will meet, if needed, with Airbnb in September to solve any outstanding concern. If the company's proposals are not considered satisfactory, consumer authorities could decide to resort to enforcement measures.

## **Background**

The EU Consumer Protection Cooperation (CPC) [Regulation](#) links national consumer authorities in a pan-European enforcement network. Based on this framework, a national authority in one EU country can request the assistance of their counterpart in another EU country to stop a cross-border infringement of EU consumer law.

The cooperation can be activated to enforce various bodies of EU consumer legislation, such as for instance the [Unfair Commercial Practices Directive](#), the [Consumer Rights Directive](#) or the [Unfair Contract Terms Directive](#).

The Consumer Protection Cooperation (CPC) Network has carried out a joint assessment (common position) of Airbnb business practices under the coordination of the Norwegian Consumer Authority ([Forbrukertilsynet](#)) in June

2018. This action has been facilitated by the European Commission.

**For more information**

[CPC Network Authorities common position letter](#)

[More information on consumer enforcement actions](#)

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## **State aid: Commission adopts Best Practices Code to streamline and speed up State aid control**

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“The new Best Practices Code for State aid control will benefit Member States, businesses and stakeholders by increasing the efficiency and speed of State aid control, in particular by ensuring earlier and better cooperation between Member States and the Commission.”*

Over recent years, the Commission has implemented a major reform package, [State Aid Modernisation](#). The reform allows Member States to quickly implement State aid that fosters investment, economic growth and job creation, leaving the Commission to focus its State aid control on cases most likely to distort competition in the Single Market.

These efforts to focus and modernise EU State aid rules and improve the Commission’s working methods are continuing – in the context of the Multiannual Financial Framework 2021-2027, the Commission has proposed to simplify co-investment involving both EU funding and Member State investment, through a revision of the EU State aid Enabling Regulation. This complements the State aid modernisation reform, which has already made sure that 97% of State aid can be implemented without any involvement of the Commission.

To make the most of these modernised State aid rules, the Best Practices Code for State aid control gives guidance on how the Commission, Member States and other stakeholders work together in State aid procedures. This covers, for example, how to ensure that complex State aid cases are handled most effectively, how complaints about State aid are followed up, and monitoring of how Member States implement State aid measures in practice.

The Best Practices Code explains how State aid procedures are carried out, and sets out the steps the Commission is taking to increase the speed, transparency and predictability of these procedures. In particular, it includes guidance on:

- how the Commission will be in contact Member States authorities and provide guidance before State aid measures are formally notified;
- how Member States authorities can implement measures which are unlikely to distort competition, without formally notifying the Commission;
- how the Commission and the Member States will work together to facilitate the handling of State aid cases by allowing Member States to indicate the cases that are of high priority for them;
- how the Commission maintains a network of country coordinators for day-to-day contacts with each Member State to provide immediate support in dealing with any issues;
- how the Commission works with Member States, including by agreeing how to process novel, complex or urgent cases, such as TEN-T network projects supporting the construction and upgrade of transport infrastructure.
- how the Commission can obtain relevant information directly from relevant public authorities or companies by using market information tools;
- how the Commission works with Member States on evaluation and monitoring of State aid measures;
- how complaints about State aid are handled by the Commission following changes in the State aid Procedural Regulation.

The Code has been discussed extensively with Member States and stakeholders.

The text of the Best Practices Code for State aid control is available on the Commission's [website](#).

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## **Large prostitution ring dismantled**

16 July 2018

On 3 July, a joint action day in France, Bulgaria and Germany resulted in searches of more than 20 locations and the arrest of 10 pimps.

The pimps had been operating since 2015, promising young Bulgarian women legal employment in France. The women were transported first to Germany and then to Strasbourg and Annecy, where they were forced into prostitution. The women were compelled to give their earnings to the pimps, who kept the women under close watch.

Eurojust held two coordination meetings, which led to the signing of a joint investigation team (JIT) agreement between France and Bulgaria. Eurojust also provided funding for the JIT.

The joint action day was carried out by authorities from JIRS Nancy, the Bulgarian Prosecutor General and the Prosecutor's Office of Oryahovo. The pimps were arrested in France, Bulgaria and Germany, charged with pimping, trafficking in human beings, organised crime and money laundering.

At the time of the arrests, several prostitutes were put in contact with support groups and organisations to help them return safely to their country.

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