



The Voice of Leasing and Automotive Rental in Europe

Leaseurope response

Digital Services Act package: open public
consultation

Main issues and experiences

Mismatch of information provided on behalf of private lease/car rental suppliers

Online intermediaries have, unless checked, a substantial amount of leverage regarding decisions on the amount and nature of information they provide on the services they are offering. This could easily lead to inaccurate, wrong or incomplete information (may omit key information) being put forward to customers.

In the specific case of a short-term vehicle rental or private lease offer shown in a platform, online intermediaries quite often only displays their own generic terms and conditions (not the actual T&C) of the rental or leasing company (despite being them the actual supplier), with no link to their T&C either at or after reservation. The first opportunity for the consumer to see the rental/leasing terms is at the counter. A car rental example of this would be damage or theft waivers, where consumers incorrectly assume they have purchased it directly with the business user, as opposed to the platform.

Possible recourse

Since the current P2B regulation is addressing transparency but not fully tackling the issue, we require the online platform to **clearly identify which entity is offering the service**, as well as ensure that the terminology/information used is aligned with that of the business user (e.g. providing the actual terms and conditions and not a summary of them).

On this regard, we support the European Parliament's proposal to "address the liability for online marketplaces if the online marketplace has not informed the consumer that a third party is the actual supplier of the goods or services, thus making the marketplace contractually liable vis-à-vis the consumer".

Access to data and information from online platforms

User data generated via the online platforms booking are needed for the rental/leasing company to offer the actual service.

Nonetheless, not always is the online broker supplying rental/leasing companies with customer data (e.g. email, name, age) to provide beneficial information to the customer. This not only increases counter time and queues (for short-term rental) and creates a poorer customer experience but also relates to information legally needed (e.g. driver license information) to ensure the user is legally allowed to utilise the service.

We express security concerns, since the lack of information facilitates vehicle fraud and theft, complicates cooperation with security services to prevent potential terrorist activities.

These observations are valid also in the sphere of peer-to-peer rental and the European Commission should consider to include P2P services in the scope of any upcoming initiative, in order to level the playing field with the incumbent mobility providers.

Possible solution

We call for the online platform to pass on to the provider data necessary to fulfill legislative obligation and deliver the actual service.

Gatekeeper platforms - Emerging issues

Customers relations and Platform to Consumers relations

Online platforms do not allow business users to directly contact customers, despite the fact that the business user is responsible for rendering the service.

Possible solution

We support the European Parliament's proposal of building on art. 6 of the E-Commerce Directive to establish a new framework for Platform to Consumer (P2C) relations.

We ask for the online platforms to disclose the supplier's contact details to the customers so that they can be free to choose whether to directly liaise with them on specific questions or issues related to their product. The main reason for this being the fact that the platform itself is not liable for the final service or product and should therefore be addressed by the business user.

We welcome any European Commission proposal which would cover this point which has not been addressed by the recent P2B regulation, by touching upon the P2C angle.

Clarifying responsibilities for online platforms and other digital services

Contractual power

Online platforms have more bargaining power than business suppliers in the P2B contracts. For instance, they will decide how algorithms are calculated and not being transparent on their algorithm policy will risk penalizing business suppliers in the platform's listing. Currently online platforms showing rental/leasing products have proved to have non-transparent algorithms which:

- typically list cheapest rates first
- do not necessarily check that price includes all mandatory charges

Overall, they are not transparent:

- are they based on commission or on price?
- include non-transparent customer service scores (no lower than good / smiley face)

Algorithmic systems should comply with pre-established standards and the algorithm policy should be clearly accessible on the online platform's website.

Possible solution

We call for transparency on the **algorithm policy**, also in the context of **AI-driven services**, and for it to be clearly shown on the platform's website.

Reviewing the liability regime of digital services acting as intermediaries

Actual terms

Following the European Commission's call for clarity on rental terms as well as the booking process, Leaseurope has developed a [code of conduct](#) as well as accompanying [guidelines](#) for the vehicle rental industry, setting best practices for its Members to follow. Currently, online platforms have not improved their customer facing information/marketing material to the same extent. We argue that online platforms/brokers should at least comply with the same standards other industry set already.

Brokers are not only passive intermediaries sharing provider's information: the information is often altered, incomplete or misleading (e.g. on price, they show false reductions, price not inclusive of mandatory charges), besides using sales tactics (e.g. low availability / high demand right now) and non-transparent customer service scores (only good reviews). They set themselves as competitors while at the same time are not subject to industry obligations: this turns into distorted competition and needs to be tackled. We argue that seen their more active nature in the transmission of information, also their liability and responsibility need to be enhanced.

Possible solution

Require the online platforms to at least adhere to industry negotiated standards applying to all business users, pursuant Art. 6 of the Unfair Commercial Practices Directive. Therefore, **we support the proposal to strengthen transparency of commercial communications and digital advertising set out in the E-Commerce Directive and the Unfair Commercial Practices Directive.**

Any regulatory initiatives or standards set by the European Commission would be welcomed as a way to address the competition issues at stake.

About Leaseurope

Leaseurope brings together 46 member associations representing the leasing, long term and/or short term automotive rental industries in the 32 European countries in which they are present. The scope of products covered by Leaseurope members' ranges from hire purchase and finance leases to operating leases of all asset categories (automotive, equipment, machinery, ICT and real estate). It also includes the short term rental of cars, vans and trucks. It is estimated that Leaseurope represents over 90% of the European leasing market.

Asset finance and leasing markets have developed to respond to business investment and consumption needs as well as to accompany the development of local industrial production and distribution. The types of institutions represented by the Federation include specialised banks, bank-owned subsidiaries, the financing arms of manufacturers as well as other, independently-owned institutions.

In 2019, the leasing firms represented through Leaseurope's membership helped European businesses and other customers invest in assets that is estimated worth more than 407 billion EUR, reaching about 919 billion EUR of outstandings at the end of the year^[1]. Leasing is used by more European SMEs than any individual category of traditional bank lending taken altogether (around 43% of all European SMEs make use of leasing which is more than any other individual form of lending)^[2] and is also popular amongst larger corporates^[3]. Leasing is also useful to support the public sector (e.g. leasing to schools, hospitals, etc.).

Leaseurope is entered into the European Transparency Register of Interest Representatives with ID n° 430010622057-05.

More information at www.leaseurope.org

^[1] Leaseurope 2017 Annual Statistical Enquiry

^[2] Oxford Economics, *The Use of Leasing Amongst European SMEs*, 2015; European Investment Fund, *The importance of leasing for SME finance, 2012*; European Central Bank, Survey on the Access to Finance of Enterprises in the euro area, June 2018

^[3] European Central Bank, Survey on the Access to Finance of Enterprises in the euro area, June 2018