



The Voice of Leasing and Automotive Rental in Europe

Leaseurope response to the draft report with recommendations to the Commission on

Digital Services Act: Improving the functioning of the Single Market

2020/2018(INL)

Committee on the Internal Market and Consumer Protection

Rapporteur: AGIUS SALIBA Alex

About Leaseurope

Leaseurope brings together 45 member associations representing the leasing, long term and/or short term automotive rental industries in the 33 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 approximately 93% of the European leasing market. 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 2017, the leasing firms represented through Leaseurope's membership helped European businesses invest in assets worth more than 384 billion EUR, reaching 802 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 46% 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

General comments

1. Mismatch of information provided on behalf of car rental suppliers

Terms and conditions offered and displayed by online platforms tend to cause considerable confusion with consumers as they often do not match with the terms and conditions used by the business user providing the actual service, in our case car rental companies. This effectively then leads to a misrepresentation of the conditions under which the service can be rendered.

Additionally, it is often not clear for consumers whether ancillary services offered on the online platform are provided by the platform itself, or the business user. 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

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.

On this regard, **we fully support your 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”**.

2. Actual rental terms

The European Commission is asking for clarity on rental terms as well as the booking process, as reflected in Leaseurope’s updated guidelines. Currently, online platforms have not improved their customer facing information/marketing material to the same extent.

Possible solution

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

3. 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 your 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 hope that your proposal can cover this point which has not been addressed by the recent P2B regulation, by touching upon the P2C angle.

4. 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.

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.