



## **The Commission's new deal for consumers could be a major step towards transparency of online markets**

**HOTREC, the European umbrella association of hotels, restaurants and cafés, welcomes today's Commission proposal to address online platform's transparency flaws and sees it as a great opportunity to bring fairness, efficiency and responsibility to the platform and collaborative economy business models.**

Too often, market transparency has been the victim of the rapid growth of platforms acting as online marketplaces. Today, a consumer visiting such platform is often unable to say whether a specific service is offered by a professional trader or not, whether consumer law applies and who is liable if something goes wrong. Moreover, paid-for-rankings have become a major driver on the market, while consumers are induced to assume that these are natural search results. This situation is detrimental to both consumers, who often feel cheated and unprotected, and honest traders, who face unfair competition. Today's European Commission proposals will help tackling these major flaws.

*"This Commission proposal is a major step forward for transparency of online markets. HOTREC has for many years advocated for the introduction of such transparency requirements, as online platforms constantly failed to implement solutions to the many problems raised by hospitality businesses and consumers",* commented Mr. Markus Luthe, Chair of the HOTREC Distribution Task Force and HOTREC Executive Committee member.

Indeed, the Commission proposal requires collaborative economy platforms to identify whether an offer is made by a professional trader and whether consumer laws apply. This will bring transparency in a market that has seen a proliferation of offers made by traders not identifying themselves as such to escape basic legal obligations and unfairly compete with regular businesses. Moreover, the indication of criteria used for online rankings of offers will also allow consumers to know how much results are based on neutral/objective criteria (e.g. a hotel room search) or whether the ranking is the result of a higher commission paid.

*"These are ambitious proposals made by the European Commission which could bring benefits to consumers and the 1.8 million hospitality enterprises. The European Parliament and the Council shall now fully support this step towards greater transparency, even taking the proposal further ahead",* concluded Mr. Christian de Barrin, CEO of HOTREC.

### **What is HOTREC?**

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 1.8 million businesses, being 99,5% small and medium sized enterprises (91% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides some 10 million jobs in the EU alone. Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 40 national associations representing the interest of this industry in 29 different European countries.

For further information: [www.hotrec.eu](http://www.hotrec.eu)

**PRESS CONTACT:** Claudia Pinheiro +32(0)2 504 78 45, [claudia.pinheiro@hotrec.eu](mailto:claudia.pinheiro@hotrec.eu)