



Verein für Konsumenteninformation (VKI)

Austrian Consumers' Association

VKI, the Austrian Consumers' Association, is a non-profit organisation which was founded on March 21, 1961. Our mission is to represent and strengthen consumer interest by informing and educating consumers about their rights and responsibilities. VKI has a long tradition in testing goods and services in an unbiased way. The results are published in our monthly magazine KONSUMENT. VKI is based in Vienna. Our information centres in Vienna and Innsbruck (the capital town of Tyrol) offer help and dispute resolution services to consumers. VKI also undertakes court cases on behalf either of the Federal Ministry of Labour, Social Affairs and Consumer Protection or the Federal Chamber of Labour.

Members of the VKI are the four „social partners“: the Austrian Chamber of Labour, the Austrian Federal Economic Chamber, the Austrian Trade Union Federation and the Austrian Chamber of Agriculture. A further special member is the Republic of Austria, which is represented by the Federal Ministry of Labour, Social Affairs and Consumer Protection.

VKI acts in different national institutions as the consumers' spokesperson. We advise public authorities and non-profit organisations.

Due to our reputation as an independent and reliable organisation, we have considerable influence on the buying behavior of consumers. Good ratings and verdicts are often given great prominence in product advertising and on product packaging. In contrast, bad ratings and verdicts frequently lead to a decline in sales. Therefore VKI has been sued various times in the past. But we have usually won any legal action taken against us.

At the end of 2010 VKI had a total of 96 staff members.

VKI is member of Consumers International (CI), the World Federation of Consumers Groups, and BEUC, the European Consumers' Organisation.

How is VKI funded?

VKI is mainly self-funded. Particularly by selling our monthly magazine KONSUMENT, books and investigation results as paid-for content on our website www.konsument.at. The members of VKI – and also the Federal Ministry of Labour, Social Affairs and Consumer Protection, which is a special member – pay an annual subsidy. The subsidy amounted to 2.5 million euros in 2010.

We do not carry any advertisements in our publications because this could compromise our independence.

Testing: What is investigated?

VKI has a long tradition in testing consumer goods. Every year we carry out more than 100 comparative product tests and investigations of services from nearly all areas of everyday life every year. With regard to products, investigations are carried out for example in the areas of consumer electronics, energy, food, health, household appliances, IT and telecommunications. Service investigations for example deal with finances (e.g. insurance products, retirement provisions and savings), health and car repair.

Before each investigation, a range of products or services is selected. This choice is based on aspects such as market importance, technical features and price. The investigations are partly carried out by our staff members, partly by independent external test institutes. Test samples are purchased anonymously in shops and not provided by the

manufacturers. Many investigations are carried out in cooperation with foreign partners, for example with the German consumer organisation Stiftung Warentest.

In 1999 VKI was accredited as a testing facility according to ÖVE/ÖNORM EN ISO/IEC 17025 in the field of comparative tests in 2 areas for overall 10 test methods.

- Tests of products and food: These tests consist of a technical and a practical part where – depending on the tested product – different applicable characteristics are assessed. The technical tests in the laboratory cover e.g. usability, environmental compatibility, chemical composition. In the practical part of the test amateurs and experts evaluate e.g. easy handling, convenience, appearance, smell and taste. The different parameters are „weighed according to their significance“ and the result is a ranking on a 5-step scale. The classification of the evaluation results is based on the marking system used in Austrian schools.
- Comparative service tests: The comparison of product quality is often not enough. Information before purchase and the service afterwards is also of importance. As it is difficult to compare services, some important criteria are defined in advance and then tested.
- Tests of market and price: In some cases it might be suitable to give a complete overview of the whole range of products on the market rather than to look at single products. This is especially the case when there are many almost identical products on the market or if their difference in quality is negligible or if price and equipment correlate closely.
- Ethics-testing: VKI was the first consumer organisation worldwide that started ethics testing. Since 2000 we inform not only about product attributes but also about production conditions of goods and services (Ethical consumption).

Where is the information published?

KONSUMENT. Product tests and service investigations are published in our magazine KONSUMENT. It was first launched in 1961. KONSUMENT appears monthly and costs 4.50 euros (annual subscription: 48 euros; 58 euros abroad). In 2010 KONSUMENT had 60.000 subscribers. Further 57.000 copies were sold at retail outlets that year. KONSUMENT doesn't contain advertising and is therefore independent from business. On average every issue contains eight tests and several reports.

www.konsument.at. All articles published in KONSUMENT since 1999 can be downloaded at www.konsument.at. There is also the latest consumer news and exclusive fast-track tests of products from discounter chains. Downloading information costs 5 euros per day and 25 euros per year.

Books. VKI publishes approximately ten books per year. Our books deal for example with topics such as consumer rights, health and medicine, IT, nutrition, money and insurance.

Process guiding: How we enforce consumers' rights

VKI helps to enforce collective consumer rights and takes legal action if necessary. By assuming liability for legal costs, and thus leading and winning important test cases, VKI plays an important role in the protection of consumers' rights. VKI is also entitled to fight against illegal practices, like e.g. misleading advertising, unfair clauses in general standard terms, and conditions by filing injunctions.

- Test case: VKI helps consumers by taking the full risk of legal costs of a court proceeding. Focus is on individual cases where the cost risk (“the loser pays principle”, means: court fees and lawyers' fees have to be borne by the losing party) hinders consumers in the pursuit of their claims on their own risk – especially if they

don't have legal expenses insurance. The litigation cost risk could be ten times higher than the sum in dispute. However, test cases have no immediate effect on third parties: any judgment is legally binding only for the parties to the test case proceedings. In other, similar cases, the judgment constitutes only a non-binding precedent.

- Action for injunction: VKI as a qualified entity under directive 2009/22/EC ("Injunctions Directive") is entitled to file injunctive actions, in its own name, against unfair and illegal standard contract terms, against noncompliance with consumer protection standards as well as unfair commercial practices).
- Collective redress action under Austrian law: The Austrian Civil Proceedings Code currently does not provide for class-action tort litigation. As an alternative tool to support consumers getting access to justice, VKI developed a specific form of collective redress action based on Austrian law in 2001: A large group of claimants hand over their claims to an association (like VKI) that is entitled to bring representative actions to court. Austria's Supreme Court has ruled that such proceedings are admissible if the claims as well as the material and legal issues involved are substantially similar.

For further details and court rulings go to: <http://www.verbraucherrecht.at>.

Consumer Advisory Centres: Where to get help

VKI also hosts Advisory Centres in Vienna and Innsbruck. We provide specific target-group consumer information in order to support consumers in making adequate and informed choices in the market and in recognising their rights. Moreover we offer dispute resolution and lectures for schools.

Our counselling service covers consumers' rights in general with a special focus on accommodation and financial sector.

Parts of our advisory services are free of charge. In case of complex matters we charge a token fee of 15 euros.

ECC Austria: Troubles abroad – Help at home

The European Consumer Centre Austria (ECC Austria) is one of 29 European Consumer Centres (ECC-Net) and is hosted by VKI. ECC-Net offers consumers free legal advice and assistance in every EU country as well as Norway and Iceland. Its mission is to inform and assist consumers in case of crossborder complaints and to reach out of court settlements. The ECC-Net also provides consumers with information and advice when shopping across Europe. The main office of ECC Austria is based in Vienna. In order to make this service available all over Austria it has a branch in Innsbruck (Tyrol).

For further details have a look at: <http://www.europakonsument.at>.