

Press and Information

Court of Justice of the European Union PRESS RELEASE No 36/10

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Judgment in Case C-511/08 Handelsgesellschaft Heinrich Heine GmbH v Verbraucherzentrale Nordrhein-Westfalen eV

The cost of delivering goods must not be charged to a consumer who withdraws from a distance contract

In such a case, only the cost of returning the goods may be charged to the consumer

The directive on the protection of consumers in respect of distance contracts¹ states that a consumer may withdraw from a distance contract within a period of at least seven working days without penalty and without giving any reason. Where a consumer exercises his right of withdrawal, the supplier is obliged to reimburse him the sums paid free of charge. The only charge that may be made to the consumer because of the exercise of his right of withdrawal is the direct cost of returning the goods.

Heinrich Heine, a mail-order company, provides in its general conditions of sale that the consumer is to pay a flat rate charge of EUR 4.95 for delivery. That sum is not refunded by the supplier even if the consumer exercises his right of withdrawal. The Verbraucherzentrale Nordrhein-Westfalen, a German consumer association, brought an action against Heinrich Heine for an injunction to restrain it from continuing with that practice, since it considers that, in the event of withdrawal, delivery costs must not be charged to the consumer. In the view of the Bundesgerichtshof (German Supreme Court), the court which must decide on the matter at last instance, German law does not grant the buyer any explicit right to reimbursement of the costs of delivering the goods ordered. However, since that court has doubts as to the compatibility with the directive of charging the costs of delivering the goods to the consumer even where the latter has exercised his right of withdrawal, it decided to request the Court of Justice to interpret the directive.

In today's judgment, the Court finds that the directive precludes national legislation which allows the supplier under a distance contract to charge the costs of delivering the goods to the consumer where the latter exercises his right of withdrawal.

The provisions of the directive concerning the legal consequences of withdrawal clearly have as their purpose not to discourage consumers form exercising their right of withdrawal. Therefore, it would be contrary to that objective to interpret those provisions as authorising the Member States to allow delivery costs to be charged to the consumer in the event of withdrawal. Furthermore, charging consumers delivery costs in addition to the direct cost of returning the goods would compromise a balanced sharing of the risks between parties to distance contracts, by making consumers liable to bear all the costs related to transporting the goods.

NOTE: A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of European Union law or the validity of a European Union act. The Court of Justice does not decide the dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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The <u>full text</u> of the judgment is published on the CURIA website on the day of delivery.

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¹ Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts (OJ 1997 L 144, p. 19).

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