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## Consumer Protection in Kosovo: Standards, Regulations and Policies



Policy Paper



# Consumer Protection in Kosovo: Standards, Regulations and Policies



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## **1. Introduction**

Customer protection is a very important part of the economy; it is known to be the practice of safeguarding buyers of goods and services, and the public, against unfair practices in the marketplace. Many laws and standards were developed in protection of Customer s in national and international level, such laws regulate the protection of fundamental right of Customer s upon purchasing goods and services, as well as on other forms of receiving goods and services in the market such as:

- The right to protect economic interests of Customer s,
- The right to life protection, health and asset,
- The right to legal protection of Customer s,
- The right to information and re-education of Customer s,
- The right in Customer associations in order to protect the Customer s' interests,
- The right of representation and participation in representation of Customer s in the work of bodies dealing with issues related to the interest of Customer s.

Standards on the other hand are an integral component in Customer protection globally. Main standards that have been incorporated in the Republic of Kosovo are:

- Domestic standards,
- European standards defined in International Covenants,
- Legitimate Customer s requirements related to safety.

Another important legal body in Customer protection in the Republic of Kosovo is The Customer Association; The Customer Association is a civil organization, independent from producers, suppliers or providers of services. Its role is to inform Customer s on their right, and draws up the list of retailers that have damaged Customer s in the past years, or have purposefully sold goods which were dangerous to the health and safety of Customer s.

Ministry of Trade and Industry on 2018 enforced the Law on Customer Protection; This Law provides the rights of the Customer s and contains obligations to protect Customer s in relation to sales, regulates the requirements in the conduct of business in Kosovo and pricing, unfair commercial practices, comparative advertising and financial arrangements. This law goes well in line with European Union policies on Customer protection, while it contains regulations that prohibits the sale

of alcohol and cigarette products for people under the age of 18. However, as will be seen below the Law still remains to be fully aligned with the EU acquis. This Ministry administers the Customer Protection Program, a program that especially sets out:

- The principles and goals of Customer protection policies,
- Tasks with priority upon drafting the Customer protection polices,
- The program for utilization of financial resources required for the implementation of tasks outlined in the national program,
- The size of the program framework for the utilization of financial funds required to promote development and activities of Customer organizations.

All these legal bodies serve Customer protection in the Republic of Kosovo but their implementation and monitoring are still a process, even though consumption expenditure to GDP has quite a bit of a share, Kosovo is still at an early stage to fulfilling the Customer rights protection.

## **2. Methodology**

This report contains quantitative research methods, through the use and review, comparison and analysis of official data such as reports and publications on Customer protection in the Republic of Kosovo and the region.

Considering that there are insufficient findings and literature pertaining this topic in Kosovo, since the Law on Customer Protection was enforced in 2018, on this report, findings, analysis and recommendations are also based on best practices in leading countries in implementing Customer Protection.

A significant part of the time was spent on data collection which was mainly provided by the State Portal of the Republic of Kosovo, Ministry of Trade and Industry (MTI), Kosovo Agency of Statistics (KAS). For this report, only official data were used for each indicator, while for analysis, references to local or international reports were used.

The main findings for the monitoring of Customer Protection based on all data are compiled in the relevant tables and the recommendations are included in the conclusions and recommendations

section of the report. The recommendations are very important in improving the implementation and monitoring of Standards and Customer Protection in Kosovo.

### **3. EU Customer Protection Standards**

The final consumption expenditure of households in 2019 accounts for 82.2%<sup>1</sup> of Kosovo's gross domestic product. Noting this we understand is highly important having standards and policies in place that serve Customer s and have an important impact on Economic Growth.

As Kosovo has signed the Stabilization and Association Agreement and this agreement holds within a set of directives and measures that need to be fulfilled by Kosovo, it is important that we understand what are the EU Customer protection standards and policies first.

Articles 4(2)(f), 12, 114(3) and 169 of TFEU and Article 38 of the Charter of Fundamental Rights of the European Union constitute the primary law for Customer protection policy. In particular, Article 169 of TFEU states that "In order to promote the interests of Customer s and to ensure a high level of Customer protection, the Union shall contribute to protecting the health, safety and economic interests of Customer s, as well as to promoting their right to information, education and to organize themselves in order to safeguard their interests".<sup>2</sup>

The Council Resolution of 14 April 1975 on a preliminary program of the European Economic Community for a Customer protection and information policy constituted the formal inauguration of Customer protection policy at EU level.

Further on, the Customer Rights Directive gives Customer s the same strong rights across the EU. It aligns and harmonizes national Customer rules, for example on the information Customer s need to be given before they purchase something, and their right to cancel online purchases, wherever they shop in the EU.

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<sup>1</sup> Kosovo Agency of Statistics, Gross Domestic Product 2008-2019

<https://ask.rks-gov.net/media/5599/bruto-produkti-vendor-bpv-me-qasjen-e-shpenzimeve-dhe-t%C3%AB-prodhimit-2019.pdf>

<sup>2</sup> THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION (2012)

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012E/TXT&from=EN>

The purpose of Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on Customer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council is, through the achievement of a high level of Customer protection, to contribute to the proper functioning of the internal market by approximating certain aspects of the laws, regulations and administrative provisions of the Member States concerning contracts concluded between Customer s and traders.<sup>3</sup>

However, this directive has been amended by Directive (EU) 2019/2161 of 27 November 2019 on better enforcement and modernization of Union Customer protection rules, part of the ‘Review of EU Customer law - New Deal for Customer s’.<sup>4</sup> The “New Deal for Customer s” initiative aimed at strengthening enforcement of EU Customer law in light of a growing risk of EU-wide infringements and at modernizing EU Customer protection rules in view of market developments.

Furthermore, as part of the New Deal for Customer s, on January 7, 2020 the EU welcomed new rules on Customer protection. These rules aim to better enforce and modernize the current EU Customer protection rules, in line with digital developments.

The key EU Policy areas to Customer protection are related to: Product Safety, Digital Market, Financial Services, Food Safety and Labelling, Energy, Travel, Leisure, and Transport.<sup>5</sup> Product Safety is considered to be the cornerstone of Customer safety and Customer confidence. Safety is the primary responsibility of producers, they are obliged to manufacture and place safe products on the market. Digital Market and the rapid developments on the digital world have increased the importance of further regulation on this area. These developments are changing the way the Customer s interact and shop online. Therefore, Customer protection in the digital market is of main priorities of policy makers, while taking into consideration the rights and need of Customer s in this developing digital environment.

The financial services policy area on Customer protection is one of the most complicated and important issue to address. Protection of Customer s in the sector of financial services falls within the

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<sup>3</sup> DIRECTIVE 2011/83/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (2011)  
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011L0083&from=EN>

<sup>4</sup> DIRECTIVE (EU) 2019/2161 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (2019)  
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L2161&from=EN>

<sup>5</sup> European Parliamentary Research Service (2014), Customer protection in the EU  
[https://www.europarl.europa.eu/RegData/etudes/IDAN/2015/565904/EPRI\\_IDA\(2015\)565904\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2015/565904/EPRI_IDA(2015)565904_EN.pdf)

broader aim of protecting their economic interests. This area involves serious risks for Customers, especially when they are unable to understand the complex financial products, or take out inappropriate loans based on uninformed choices.

The Food Safety and Labelling policy area ensures preventing food fraud, clear and reliable labelling of foodstuffs (e.g. labelling of food origin, organic products, presence of genetically modified organisms, and presence of allergens), implementing strict food hygiene standards and controls in the internal market. In terms of Energy, Customer s need to be sure that the energy they use is secure, safe, reasonably priced, but also sustainable with the growing trend of Customers interested in green consumption patterns. When they are faced with choosing an energy provider, Customers should have access to comparable and clear information on the services they are getting, transparent prices, information on energy efficiency schemes, comparison tools, tools monitoring their energy consumption and they should also be able to change their provider.

With regards to Travel, the EU has developed a set of passenger rights in all modes of transport (air, rail, waterborne, bus and coach) with the aim of ensuring the same level of protection for passengers (compensation and assistance to passengers in the event of accidents, cancellations or delays) no matter which mode of transport they decide to use and regardless of their nationality.

Knowing all this, Kosovo will need to make sure it develops its Customer protection rights in light of world rapid developments in different market areas.

## **4. The progress in Customer Protection in Western Balkan Countries**

In order to get a more comprehensive picture on the status of Customer s in the Western Balkan countries this study provides comparing evidences from each country, including their progress made and the need for continuous improvements on this segment.

In the analyses below, an important fact can be observed that all Western Balkan countries have already established their legal frameworks in protecting Customer rights, most of these legislations are fully compatible with the European Union directives.

The process of joining the EU is taking longer for the Western Balkan countries, however one of the ways is by following the more Directives of the European Union in building effective laws in Customer protection, and this will contribute to the faster integration of Western Balkans in EU.

## **4.1. Albania**

Albania became part of the Stabilization and Association Agreement with the EU in 2006 by signing the agreement and is also a candidate country for EU membership from 2014. The first Customer Protection Law in Albania passed in 2008<sup>6</sup>, this law regulates obligations of producers, the safety of goods and services, unfair contractual terms, etc. Albania's law on Customer protection goes well in line with the European directives.

Albanian Customer Association operates as a non-profit, non-governmental organization by promoting Customer rights through informing and protecting them.

## **4.2. Bosnia and Herzegovina**

Bosnia signed the Stabilization and Association Agreement with the EU in 2008. Bosnia's laws, legal regulations and directives in Customer protection were launched and adopted starting from 2002, later on, in 2006 Law in Customer Protection<sup>7</sup>, including European standards passed by governing businesses: guarantees for the product and services, electronic payment, insurance, etc. The Customer Ombudsman in an independent institution that operates in Bosnia, its role is to promote good and effective implementation of Customer policy. Another legal and important body in Bosnia is the Customer Protection Council and the Council of Ministers, their role is to adopt the State Annual Customer Protection Program by building important issues of the Customer protection policy.

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<sup>6</sup> REPUBLIC OF ALBANIA THE ASSEMBLY (2008), LAW Nr.9902, date 17.4.2008 ON CUSTOMER PROTECTION  
<https://www.wipo.int/edocs/lexdocs/laws/en/al/al027en.pdf>

<sup>7</sup> <http://extwprlegs1.fao.org/docs/pdf/bih145405.pdf>

### **4.3. Montenegro**

Montenegro became part of Stabilization Association Agreement by signing the agreement in 2007, in the same year Montenegro has passed the law on Customer Protection<sup>8</sup> by regulating the issues in protecting the rights of Customer s.

In 2012, Government of Montenegro established the National Customer Protection Program that controls the priorities in terms of Customer protection and implementation of the Law in Customer Protection.

Arbitration Committee that operates within the Chamber of Commerce in Montenegro ensures the realization of Customer rights.

The most recent Law on Customer Protection in Montenegro was adopted to the previous one in 2013<sup>9</sup>, the main changes on this law are that the Customer organizations will inform and educate Customer s on their rights.

### **4.4. North Macedonia**

In 2001, Macedonia signed the Stabilization Association, by signing this agreement Macedonia has started building their standards and policies in Customer Protection in accordance with the EU by adapting the Law in Customer Protection from 2000<sup>10</sup>.

Macedonia has the Council for Customer Protection that serves as a protector and informer to the rights of Customer s related to safety, economic interest, health etc.

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<sup>8</sup> <http://extwprlegs1.fao.org/docs/pdf/mne155852.pdf>

<sup>9</sup> D. 85/577/EEC, D. 85/374/EEC, D. 93/13/EEC, D. 97/7/EC, 98/6/EC, D. 99/44/EC, 2002/65/EC, 2005/29/EC, D. 2008/122/EC, D. 2009/22/EC and two Recommendations R.. 98/257/EC and R. 2001/310/EC - The New Law on Customer Protection /proposal/

<sup>10</sup> <http://extwprlegs1.fao.org/docs/pdf/mac152978.pdf>

## **4.5. Serbia**

The Stabilization and Association Agreement between the European Communities and their Member States on the one hand, and the Republic of Serbia on the other entered into force in 2013.

Serbia's law in Customer protection is adapted with European Standards by including rules in the legal guarantee, off-premises contract, etc. This law is incorporated in different laws that regulate Customer protection<sup>11</sup>.

National Council for Customer Protection in Serbia has been established in accordance with the Law on Customer Protection, this council serves as an umbrella organization to Customer rights and protection.

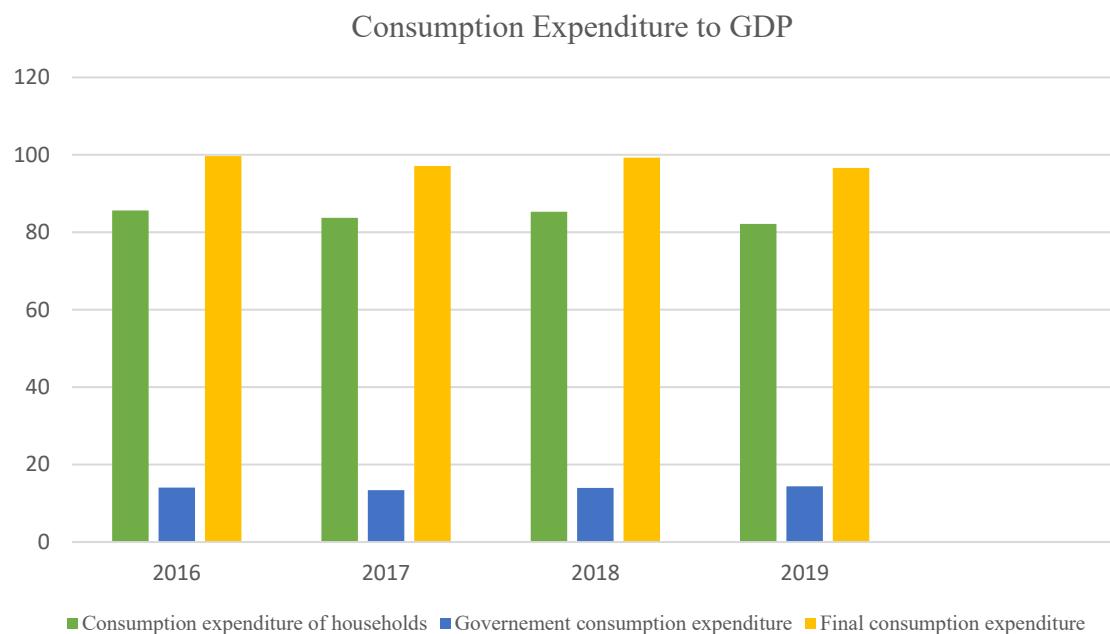
Effective mechanisms should be established for protecting Customer rights and further promote the guidelines, while creating awareness in various ways in provision of public and private goods and services in collaboration with businesses and civil society. Moreover, with the advancement of technology, today's Customers have a large choice of goods and services which comes along with its own risks, such as unsafe products, unsafe business practices, data privacy breaches and more.

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<sup>11</sup> <http://extwprlegs1.fao.org/docs/pdf/srb143957.pdf>

## 5. Kosovo in light of Customer rights developments

As the final consumption expenditure of households in 2019 accounts for 82.2%<sup>12</sup> of Kosovo's gross domestic product, how Kosovo treats the Customer protection is of high priority.



Source: Kosovo Agency of Statistics, GDP 2019

From the graph above we can see that the household consumption expenditure is a high contributor to GDP.

By having this considerable impact on the GDP, Customer rights protection should be the number one priority for the Kosovo institutions.

If we look at it from the Sustainable Development Goals (SDGs) perspective, Customer policy is set to be the heart of all 17 SDGs. It is very important to have the trust of the customer in order to have economic development and growth. Customer protection enables the customers to play an active role in the society and marketplace. As recognized by the General Assembly, the United Nations Guidelines for Consumer Protection are “a valuable set of principles for setting out the main characteristics of effective consumer protection legislation, enforcement institutions and redress

<sup>12</sup> Kosovo Agency of Statistics, Gross Domestic Product 2008-2019  
<https://ask.rks-gov.net/media/5599/bruto-produkti-vendor-bpv-me-qasjen-e-shpenzimeve-dhe-t%C3%AB-prodhimit-2019.pdf>

systems and for assisting interested Member States in formulating and enforcing domestic and regional laws, rules and regulations that are suitable to their own economic and social and environmental circumstances, as well as promoting international enforcement cooperation among Member States and encouraging the sharing of experiences in consumer protection.<sup>13</sup> Customer protection can be a major contributor to meeting the Sustainable Development Goals. This is particularly true for developing countries and economies in transition where efforts to empower consumers can help leapfrog development stages.<sup>14</sup> As SDGs are moving forward worldwide, Kosovo is still falling behind. With customer protection being at a very early stage in Kosovo it leaves us with a poor handling of SDGs.

Unfortunately, customer protection is not part of the three main pillars of the European Reform Agenda (ERA)<sup>15</sup> which was agreed with the EU in order to work towards the implementation of the Stabilization Association Agreement (SAA). However, Customer protection is part of the National Program for the Implementation of the Stabilization Association Agreement (NPISAA). From the 2019 Report of NPISAA<sup>16</sup>, according to 28 Chapter of the Acquis on Consumer and Health Protection there were 10 measures planned during 2019. From these 10 measures, 7 of them were legislative and the other three implementing measure. Out of all these 10, only 3 measures have been implemented during 2019. Which means, only 30% of the measures planned for the year 2019 on consumer and health protection have been fulfilled.

What we understand from the above is that Kosovo will need to improve its planning but also work more towards achieving the planned activities.

Basic Customer rights that Kosovo needs to address are related to having access to the essential products and services, such as, food, clothes, shoes, living space, water, electricity, health care, education and hygiene, the right to have protection from the goods and services endangering life, health, property or environment, the right to have available the accurate information necessary for the reasonable choice among the offered goods and services, the possibility of choice between different goods and services, at reasonable prices and with the guarantee of quality, the right to be represented

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<sup>13</sup> General Assembly Resolution 70/186 of 22 December 2015, [https://unctad.org/system/files/official-document/ares70d186\\_en.pdf](https://unctad.org/system/files/official-document/ares70d186_en.pdf)

<sup>14</sup> UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, Achieving the Sustainable Development Goals through Consumer Protection

[https://unctad.org/system/files/official-document/ditccplp2017d2\\_en.pdf](https://unctad.org/system/files/official-document/ditccplp2017d2_en.pdf)

<sup>15</sup> Government of the Republic of Kosovo (2020), European Reform Agenda II

[https://www.mei-ks.net/repository/docs/1\\_ERA%20%20Priorities%20Final%20\[adopted%20by%20Govt\]%20SQ.PDF](https://www.mei-ks.net/repository/docs/1_ERA%20%20Priorities%20Final%20[adopted%20by%20Govt]%20SQ.PDF)

<sup>16</sup> Ministry of European Integration (2019), National Program for the Implementation of SAA 2019

[https://www.mei-ks.net/repository/docs/raporat\\_mbi\\_zbatimin\\_e\\_pkzmsa\\_gjate\\_vitit\\_2019\\_eng.PDF](https://www.mei-ks.net/repository/docs/raporat_mbi_zbatimin_e_pkzmsa_gjate_vitit_2019_eng.PDF)

through the associations for Customer protection and to participate in the work of competent authorities dealing with issues of interest to Customers, the right to demand protection in legally determined proceeding in case of violation of rights, the right to acquire basic knowledge and skills necessary for the proper and reliable choice of goods and services, as well as the skills on basic rights and obligations of Customers and the way of exercising the same, and the right to live and work in the environment that is not risky for the health of Customers.

The law is a first step towards regulating Customer protection. On June 14, 2018, Kosovo entered into force the Law on Customer Protection. As per Article 1<sup>17</sup> of this law, the law aims to regulate:

- market conditions in business-to-Customer relations, including products labelling, price indicators, public services and unfair commercial practices;
- Customer rights in relation to contracts, including unfair contract conditions, distance sales and off-premises sales, non-conformity contracts, Customer credit contracts and tourism products contracts;
- administrative and judicial protection of Customer interests;
- Institutional cadre for Customer protection in the Republic of Kosovo.

Apart from the law, in 2016 the Ministry of Trade and Industry approved the Customer Protection Program 2016 – 2020<sup>18</sup>.

The three main objectives specified in the Kosovo Program for the Further Development of Customer Protection include:

- Further harmonization of legislation;
- Strengthening and further development of administrative capacities;
- Customer information and education.

On the Kosovo report 2020 by the European Commission Kosovo is evaluated to be on an early stage of preparation with regards to Customer and health protection. The report states that there has been very limited progress overall, “with some progress on previous recommendations by adopting

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<sup>17</sup> OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVO (2018), LAW No. 06/L-034 ON CUSTOMER PROTECTION  
<https://mti.rks.gov.net/desk/inc/media/7031B486-222C-4984-BB97-A183E6328D6A.pdf>

<sup>18</sup> Ministry of Trade and Industry (2016), CUSTOMER PROTECTION PROGRAMME 2016 – 2020  
[http://www.kryeministri-ks.net/repository/docs/CUSTOMER\\_PROTECTION\\_PROGRAMME.pdf](http://www.kryeministri-ks.net/repository/docs/CUSTOMER_PROTECTION_PROGRAMME.pdf)

implementing legislation for the enforcement of the Law on Customer protection, and the government's recognition of independent Customer rights organizations, as well as strengthened inter-institutional coordination". With regards to health, there was limited progress as well, "notably with the partial introduction of a basic health information system, and the establishment of free physician services in public health care institutions."<sup>19</sup>

Kosovo has adopted 9 of the 11 sub-legal acts that are needed to implement the Law on Customer protection. This meaning that the current Law does not comply entirely with the EU acquis. The Law still does not comply with EU acquis on mortgage credit and alternative Customer dispute resolution, also it is not in line with EU acquis because it requires that the products to be labelled with the flag of the country of origin. The reform of the market inspectorate is still pending and there is a limited enforcement of Customer rights protection. However, the transparency and dialogue with civil society has improved as a result of the addition of five independent Customer rights organizations to the Customer Protection Council.

In May 2019, the Coordination Body for Market Surveillance launched RAPEX – Kosovo, a publicly accessible webpage for product safety. This webpage contains alerts on non-food products that pose serious risks to Customers, product safety news and Customer safety information. As a result, in 2019, 202 dangerous products were withdrawn from the market.

On the non-safety issues, the Law addresses Customer's economic interests but is not properly enforced due to the above-mentioned pending reform on market inspectorate and weak Customer organizations. Two financial institutions were closed by the Central Bank of Kosovo due to violation of Customer credit rights and obligation. However, a lot more is needed to address unfair banking and Customer lending practices and to ensure Customer price transparency. The Central Bank took some measures on Customer lending price transparency. As of 2019, all credit institutions have to use the standard European Customer credit information form for loan applications, in order to ensure the adequate disclosure of credit information. Anyhow, more work on Customer protection against unfair banking practices is highly needed.

The tools to improve Customer protection can be either legislative or non-legislative. With regards to legislative, Kosovo will need to align the Law on Customer Protection with the EU acquis in its

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<sup>19</sup> European Commission (2020), Kosovo 2020 Report  
[https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo\\_report\\_2020.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf), pg. 81

entirety. Legally non-binding tools for improving Customer protection in Kosovo can be: market monitoring tools, tools for awareness-raising (providing information to Customers about their rights) and tools for stepping up enforcement and securing.

As seen above, even though consumption expenditure to GDP has quite a bit of a share Kosovo is still at an early stage to fulfilling the Customer rights protection. As digitalization of economy in Kosovo is gradually advancing with penetration of fixed broadband internet reaching 93.3% and the number of mobile phone users standing at 115.7% of the population, little has been done on addressing the Customer protection on this area. Kosovo Customers face high risks with the growing digitalization. As mentioned above, there has been improvements with regards to food safety and financial services, however Kosovo is still at an early stage when compared to the EU standards. In relation to Energy, there is still need to adjust energy tariffs in order to reflect expected increases in costs, while mitigating measures for vulnerable Customers.

Moreover, the Kosovo's telecommunications sector regulator – RAEPC<sup>20</sup> (Regulatory Authority of Electronic and Postal Communication), supports competition in the market, oversees quality of services, Customer protection, together with the management of national resources.

In protection of Customers, RAEPC implements legal acts and adopts bylaws for the protection of Customer rights, as well as monitors the implementation of these acts. Through market liberalization, it offers Customers more choices and higher quality of services, lower prices and greater coverage throughout the territory of the Republic of Kosovo. It notifies customers in a timely manner of developments and changes in the Electronic Communications sector, monitors and inspects Electronic and postal communications service providers, and reviews customer complaints and resolves disputes between service providers and customers.

Providers of public electronic communications networks and services are required to publish accurate and detailed information on tariffs and general conditions for access to and use of public electronic communications services. Operators are obliged to publish this information through the media.

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<sup>20</sup> Regulatory Authority of Electronic and Postal Communications, Customer Rights  
<http://www.arkep-rks.org/?cid=1,9>

## 6. Institutional Response to Customer Complaints

The Ministry of Trade and Industry (MTI) has a department for customer protection which among other responsibilities also regularly monitors and compiles statistics regarding customer complaints.<sup>21</sup> For the purpose of this paper the period chosen for this report is 01.01.2019 – 30.10.2020, and this report addresses a specific part of Customer compliance for different categories. Two categories that had the most complaints are trade and telecommunication.

Out of the categories listed below, trade comes top with the most frequent complaints, where 715 were registered during the stipulated measured period, followed by telecommunication with 230, closely behind the food sector with 200 complaints, and online shopping 92.

On the other hand, as seen from the table below the rate of resolved complaints is quite low in most of the categories. The complaints coming from Trade have a rate of only 27.83% of resolved cases, while Telecommunication barely reaches 50% of resolved cases.

Overall, from all the complaints the resolving rate is very low coming up to only 43.79%.

*Table 1. Customer complaints 01.01.2020-30.10.2020<sup>22</sup>*

Customer complaints, which are addressed by the department

	Total of complaints	Resolved	Rejected	In process	Solved in %
Competition	1	0	0	1	0.00%
Electricity	18	10	1	7	61.11%
Financial Services	38	18	2	18	52.63%
Food Sector	200	0	63	137	31.50%
Health	22	4	0	18	18.18%
Metrology	1	0	0	1	0.00%
Online Buying	92	27	2	63	31.52%

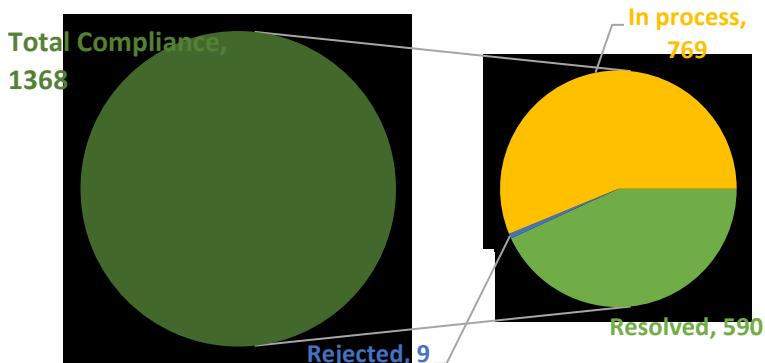
<sup>21</sup> MINISTRY OF TRADE AND INDUSTRY (2020), Statistics  
<https://konsumatori.rks-gov.net/statistics.php>

<sup>22</sup> MINISTRY OF TRADE AND INDUSTRY (2020), Statistics  
<https://konsumatori.rks-gov.net/statistics.php>

Tax Administration of Kosovo	41	1	0	40	2.44%
Telecommunication	230	0	64	166	27.83%
Trade	715	395	4	316	55.80%
Water Supply	7	6	0	1	85.71%
Total	<b>1368</b>	<b>590</b>	<b>9</b>	<b>769</b>	<b>43.79%</b>

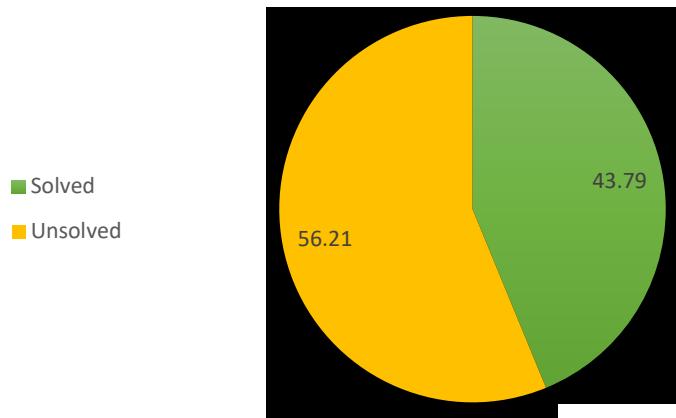
Apart from the enforcement of the law on Customer protection, there have been many efforts in creating awareness and familiarizing the Customer s regarding their rights, however despite efforts, a large number of Customer s have insufficient knowledge or familiarity regarding their right as Customer s. Therefore, it is not surprising that such a low number of complaints have been registered on the Ministry of Trade and Industry statistics system generator. Another factor influencing the low number of complaints besides the insufficient understanding of their (Customer) right might be the long process of resolving complaints.

Graph 1.1 represents the overall handling of the complaints, for the period 01.01.2019 to 30.10.2020, where the total number for compliance was 1368, in process are 769, resolved are 590, whereas rejected are only 9 Customer compliance.



From all the Customer compliance addressed starting from January 2019 until October 2020, taken into percentage, only 43.79% have been solved, whereas 56.21% are still in the process.

*Graph 1.2 Compliance solved*



A clearer picture and a benchmark in the shift and development of complaints registered it is observed through an interesting comparison on the number of Customer complaints registered in the year of 2014, which it is elaborated in the table 2 below:

*Table 2: Statement of customer complaints during period January-December 2014*

Area	Total complaints	In the favor of Customer	Unfounded	Unresolved
Medicaments	6	2	0	4
Telecommunication	23	7	14	2
Food products	37	12	10	15
Financial services	7	5	1	1
Health	1	0	0	1
Market supervision	94	37	28	29
Media	1	0	0	1

*Source: The Council of Customer Protection, Annual Report 2014<sup>23</sup>*

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<sup>23</sup> The Council of Customer Protection, Annual Report 2014, Ministry of Trade and Industry of the Republic of Kosovo, Prishtina

More than half of customer complaints in 2014 were made in the field of market supervision (94 complaints), which is responsible under the laws in force is the responsibility of the Market Inspectorate in MTI, where more than 60% of these complaints relate to mismatch of prices.

Apart from a larger number of complaints registered in 2019 and 2020, a noticeable shift of complaints comes about the new form of technology-based trading through online buying, which in 2014 it was nonexistent. In addition, the number of unresolved and unfounded complaints registered in 2014 was notably higher.

High level of Customer protection is the goal to strive towards integration with international standards, EU in particular. To establish that an increase in creating awareness among customers regarding their rights is paramount, as well as the process of resolving customer complaints.

## **7. COVID -19 Pandemic and Online Buying in Kosovo**

In light of COVID-19 pandemic we have seen the importance of digitalization and the increase of online buying. Therefore, we tested this change on the Customer complaints statistics. If we take the Customer complaints statistics controlled only for Online Buying, from the beginning of the year 2019 until March 13, 2020 (first case of COVID-19 in Kosovo registered), we can see that the total number of complaints was 28 with a rate of resolving of 32.14%. These findings are presented at the tables below.

On the other hand, if we take the Customer complaints statistics for Online Buying from March 13, 2020 to this day October 30, 2020, we note that the number of complaints increased more than 50% compared to the previous time frame. The number of complaints amounts to 64 with a resolving rate of 31.25%. What needs to be highlighted from both tables is the nature of these complaints, the majority of complaints is due to Customer fraud.

Having seen these findings, we conclude that Kosovar Customers are very exposed to Customer frauds in Online Buying especially during this time of pandemic where the online buying has increased rapidly in Kosovo.

*Customer complaints statistics, 01.01.2019 - 13.03.2020<sup>24</sup>*

Complaints that are laid against Online Buying				
Total complaints	Resolved	Unresolved	In Process	Resolved complaints in %
28	9	0	19	32.14%
<b>Consumer fraud 20 complaints</b> , 6 complaints are resolved, 14 complaints are unresolved				
<b>Suspicious product 8 complaints</b> , 3 complaints are resolved, 5 complaints are unresolved				

*Customer complaints statistics, 13.03.2020 - 30.10.2020<sup>25</sup>*

Complaints that are laid against Online Buying				
Total complaints	Resolved	Unresolved	In Process	Resolved complaints in %
64	18	2	44	31.25%
<b>Consumer fraud 51 complaints</b> , 16 complaints are resolved, 2 complaints are unresolved, 33 complaints are unresolved				
<b>Suspicious product 12 complaints</b> , 2 complaints are resolved, 10 complaints are unresolved				
<b>Unfair Billing 1 complaint</b> , 1 complaint is unresolved				

## 8. Conclusion

As described throughout the paper Kosovo has made some improvements towards regulating the legal basis, policies and regulation to support Customer protection and their rights. However, as the Kosovo report 2020 shows Kosovo is still at an early stage when compared to the EU standards. There is still a need to align the Law on Customer Protection with the EU acquis. Some progress has been achieved with regards to product safety with the introduction of RAPEX website, and the government's recognition of independent Customer rights organizations, as well as in the financial sector with the Central Bank taking some measures on Customer lending price transparency. As of

<sup>24</sup> MINISTRY OF TRADE AND INDUSTRY (2020), Statistics  
<https://konsumatori.rks-gov.net/statistics.php>

<sup>25</sup> Ibid.

2019, all credit institutions have to use the standard European Customer credit information form for loan applications, in order to ensure the adequate disclosure of credit information.

The pending reform on Market Inspectorate and weak Customer organizations contribute to the slow development and improvement of Customer rights. Customer protection in Kosovo should be one of the priorities in the process of completing the institutional and legislative environment for a modern market economy and exceeding faster of the transition period, which in Kosovo is turning out to be the longest in comparison with other Western Balkan countries.

When compared to the EU, Kosovo still falls behind on regulations for targeting the Customer, electronic trade, public services offering, and class action for Customer compensation.

Moreover, the COVID-19 pandemic has brought up the sensitivity of Customer protection to the table. With the compulsory digitization of most operating areas, Kosovo unfortunately has been caught up unprepared. The high number of Customer complaints due to frauds while buying online should be a concern to the Kosovo institutions. Online buying is only one of the issues coming from the online world especially at this time.

## **9. Recommendations**

For Kosovo to further align and improve the Customer protection in line with the EU standards, Kosovo should:

- 1)** Amend the Law on Customer Protection in order to increase awareness on Customer s' rights and traders' obligations;
- 2)** Highlighted emphasis to citizens' education with regards to their rights as Customer s and the instruments available to them to exercise their rights, through information campaigns spread throughout Kosovo, be it on traditional or social media, so that the information is easily accessible to the public;
- 3)** Further regulate the digital market in light of rapid developments in this area;
- 4)** Compliance of the Law on Customer Protection with EU acquis on mortgage credit and alternative Customer dispute resolution;
- 5)** Improve the institutional response to Customer complains;
- 6)** Strengthening the functioning of the Customer Protection organizations;
- 7)** Pay close attention to the Customer frauds coming from online buying

