

➤ SERNAC INITIATES CITIZEN CONSULTATION ON THE FRAMEWORK OF THE NEW BILL TO STRENGTHEN THE SERVICE

The National Consumer Service (“SERNAC”) initiated a citizen consultation aimed at consumers to learn about their opinions on how protected they feel in consumer matters and how they perceive the current role and powers of the Service.

In order to gather the opinion’s of the citizens, a form with 12 questions will be available on its website until July 23.

This consultation is part of the announcement made in the public account of the President of the Republic, on the entry of a bill that will amend Law No. 19.496 on Consumer Rights Protection (“LPDC”) in order to enable SERNAC to sanction businesses and better protect consumers. The bill is expected to enter the legislative process by the end of July.

Unofficially, the Ministry of Economy announced that the reform intends to incorporate 10 measures, which are fully in line with the public consultation:

1. The right for companies to provide a truthful and timely response to complaints and requests.
2. The right to terminate or modify contracts through the same channels through which they were contracted.
3. The right to demand accountability from platforms that are intermediaries in the purchase of goods.
4. The right to receive dignified and equitable treatment by companies.
5. Elimination of the requirement of a contract between a consumer and a company in order to pursue its liability in class actions.
6. Establishment of sanctioning powers for SERNAC.
7. Strengthening and modernization of SERNAC in order to provide concrete and timely solutions to consumers.
8. Elimination of the automatic transfer of collection costs, substantially reducing them.
9. Sanction the promotion of stereotypes aimed at degrading, undermining, humiliating or discriminating on the basis of gender through advertising messages.
10. Implementation of the FNE’s recommendation from its market study to prohibit tied sales in the funeral market.

It should be noted that the sanctioning power of SERNAC was declared unconstitutional in 2018 by the Constitutional Court in the framework of the preventive control of constitutionality of the draft Law No. 21,081 which amended the LPDC and which, in its original draft, was intended to provide the Service with sanctioning, regulatory and conciliatory powers.



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