



Euroconsumers' response to the public consultation on the Fourth Omnibus Package

22 August 2025



“Burden reduction and simplification for competitiveness of small mid-cap enterprises - Omnibus Regulation”

Euroconsumers¹ and its member organisations in Spain (OCU), Italy (Altroconsumo), Belgium (Testachats/Testaankoop) and Portugal (Deco Proteste) welcome the opportunity to share our feedback on the European Commission’s Fourth Omnibus Regulation.

In addition to the comments raised by BEUC at the recent Implementation Dialogue on the application of the General Data Protection Regulation (GDPR) with Commissioner McGrath, Euroconsumers would like to point out the following elements with regards to the provisions to amend the GDPR.

The GDPR is essential for Digital Trust, Consumer Power and Innovation

The GDPR remains one of the most powerful frameworks for protecting consumers in the digital age. It allows individuals to control their personal data, hold companies accountable, and build the trust needed for the digital economy to flourish.

However, since its entry into force, the digital landscape has undergone significant evolution. Rapid technological advancements, such as the proliferation of Artificial Intelligence (AI), alongside the emergence of novel business models, are challenging the way personal data is collected and used. The practical experience gained from implementing and enforcing the GDPR over several years has brought to light not only a need for more effective enforcement but also some specific areas where the regulation could benefit from greater clarity and reinforcement.

It is crucial to ensure the GDPR remains effective, adaptable for the future and supportive of responsible innovation, all while empowering individuals to confidently exercise their rights. Enabling responsible innovation is not merely about helping companies compete and grow in the digital economy, it should ultimately benefit consumers through expanded choice, improved services and the development of new technologies.

Empower people, improve the market

At Euroconsumers, we champion the principle that “My Data is Mine.” Personal data protection is not only a matter of privacy but a foundation of consumer power in the digital age and a precondition for genuine consumer empowerment. Our 2017 “My Data is Mine” Declaration emphasised that the data economy can only flourish when consumers are

¹ **About Euroconsumers:** Gathering five national consumer organisations and giving voice to a total of more than 6 million people in Italy (Altroconsumo), Belgium (Testachats/Testaankoop), Spain (OCU), Portugal (DecoProteste) and Brazil (Proteste), Euroconsumers is the world’s leading consumer group in innovative information, personalised services and defence of consumer rights. Our European member organisations are part of the umbrella network of BEUC, the European Consumer Organisation. Together we advocate for EU policies that benefit consumers in their daily lives.

placed at its centre, not as passive data sources but as active agents whose rights, choices, and agency are respected². We believe the supposed conflict between innovation and consumer rights is a false one: by empowering individuals and ensuring responsible data use, we enable the digital ecosystem to grow in a way that is fair, inclusive, and sustainable.

Consumers drive the value of the digital economy. Their interactions with connected devices, platforms, and services generate the data that fuels innovation. Recognising their central role means designing digital markets that uphold their rights, promote interoperability, prevent lock-in, and ensure individuals have clear, fair access to the benefits of digital progress.

Technological development must never undermine autonomy or freedom—it must be a force for empowerment. That’s why in any legitimate simplification exercise it is key that GDPR data subject rights are upheld.

A framework fit for purpose, innovation and growth

At the same time, Euroconsumers acknowledges the need for the European Union to regain competitiveness and encourages any initiative to deliver on the digital innovation consumers are looking for. For Europe to remain competitive and create home-grown digital champions, it must create an environment that fosters innovation and growth, including a regulatory regime fit for purpose.

While this should never come at the expense of consumer protection, we do favour measures which help create a climate in which businesses can deliver high-quality innovative products and services for empowered consumers - especially SME’s and start-ups, which are key partners in that regard.

Supporting Targeted Simplification for Small Mid-Caps

That’s why Euroconsumers supports the Commission’s proposal to reduce unnecessary administrative burdens for a newly defined category of small mid-cap companies (up to 750 employees and €150 million turnover or €129 million in assets).

Namely to:

- Exempt small mid-caps from record-keeping obligations under Article 30(5), unless their processing is likely to result in a high risk to individuals.
- Clarify that processing sensitive employee data (e.g. health data) does not necessarily trigger a high-risk classification.
- Extend the use of codes of conduct and certification mechanisms (Articles 40 and 42) to small mid-caps, similar to SMEs

² **Euroconsumers (2017)**, *My Data is Mine – Consumer Declaration on Personal Data and the Digital Economy*, June 2017. <https://www.euroconsumers.org/wp-content/uploads/2023/06/MyDataIsMine-Declaration-1.pdf>

Shifting the focus to where it matters, preserves consumer protections while allowing smaller companies to reinvest compliance resources into safer, more responsive services.

This is a pragmatic and proportionate step that aligns compliance efforts with what matters most to consumers: digital services that are both innovative and respectful of rights. For smaller firms, it gives more space to grow and compete without lowering the bar for data protection. It will also allow smaller businesses to redirect resources toward compliance where it matters most and towards delivering more secure, high-quality services for consumers. Crucially, these adjustments can help ensure more effective enforcement and smarter allocation of compliance resources.

Beyond Simplification: Reinforcement

At the same time, we believe that the current exercise is a timely moment to reflect on how the GDPR's practical impact could be further improved for both consumers and businesses. Not by deregulating but by further reinforcing its effectiveness. Eight years after its adoption, it is no secret the GDPR faces challenges in implementation and enforcement. This is something we experience first-hand through our enforcement actions to uphold consumers' rights and our engagement to deliver on their wish for innovation. In this vein, we propose two key consumer-focused enhancements for future consideration, which support stronger consumer protection while creating the right environment for European competitiveness to thrive.

1. Introduce Structured Regulatory Dialogues

As we have seen time and again, high-profile GDPR enforcement cases in the EU often take years to conclude, largely due to the complexity of the one-stop shop mechanism and the need for coordination among national authorities. The years-long discussion about which legal basis should be used for the collection of data for the development of generative AI models is a striking illustration.

Meta's plan in mid-2024 to train its large language models with EU users' Facebook and Instagram posts was immediately challenged by data regulators. The Irish Data Protection Commission, as lead EU authority, flagged GDPR issues after which the Meta project was put on hold in June 2024. The case then entered the GDPR's "one-stop-shop" consistency procedure, with a long back-and-forth between the Irish DPC and the European Data Protection Board. A binding EDPB opinion was issued in December 2024. After further alignment with the Irish Data Protection Commissioner, Meta went ahead with training AI models using publicly available data from European Facebook and Instagram users at the end of May 2025.

By contrast, both Brazil and the UK (whose laws mirror the GDPR) acted in a much shorter delay. Brazil's ANPD suspended Meta's AI-training data use in July 2024 and

subsequently allowed Meta to use the aforementioned data for AI training based on a compliance plan presented by the Company and accepted by the ANPD on August 21, 2024. the UK's ICO similarly secured a pause and review in June 2024 and then gave a green light on September 2024. In effect, the EDPB opinion ultimately required the same safeguards that ANPD and ICO had already imposed, but with a one-year difference of confusion and uncertainty for both businesses and consumers

Introducing a structured regulatory dialogue within the GDPR could help streamline cases by clarifying legal expectations early on, reducing the risk of protracted disputes, and speeding up compliance outcomes—while still ensuring robust protection of data rights. This dialogue could be directly managed at the level of the **European Data Protection Board (EDPB)** or a newly created agency for data controllers exceeding specific thresholds in size and cross-border data processing relevance, making the response more efficient and effective.

Moreover, to improve legal clarity and enforcement speed, the GDPR should in the future, allow for structured pre-investigation dialogues between companies and Data Protection Authorities (DPAs). Akin to what exists under the Digital Markets Act, this approach would:

- Help clarify appropriate legal bases for processing early on;
- Identify high-risk or complex issues before they escalate;
- Avoid prolonged enforcement delays and procedural deadlocks.

As abovementioned, for data controllers exceeding specific thresholds in size and cross-border data processing relevance, this dialogue should take place directly at the level of the **European Data Protection Board (EDPB)** or a newly created agency. Such dialogues would be particularly helpful for novel or large-scale data uses. They would not replace enforcement but would enhance it by focusing efforts and improving responsiveness.

For consumers this means:

- Faster intervention when rights are breached;
- Earlier resolution of harmful data practices;
- Greater transparency on how data is being used.

For businesses it offers:

- Legal certainty and fewer disputes;
- More efficient allocation of compliance resources;
- Improved coordination under the One Stop Shop mechanism.

2. Enable Regulatory Sandboxes for Responsible Innovation

Regulatory sandboxes offer a supervised environment where businesses can test innovative products, services, or data uses while maintaining compliance. These

environments foster responsible experimentation, reduce legal uncertainty, and accelerate the development of privacy-conscious digital solutions.

As outlined in the recent “Startup and Scale-up Strategy”, the European Commission sees the value of regulatory sandboxes in providing a space for companies to refine their innovations, while also encouraging collaboration with authorities, building trust and attracting investment. As preparations for the upcoming Innovation Act advance, the GDPR should be embedded in the innovation framework to promote responsible innovation by removing legal uncertainty.

Key features from existing sandbox models provide valuable insights for a GDPR-specific framework:

- **Controlled environment:** AI regulatory sandboxes, for instance, create controlled environments for developing and testing AI systems under regulatory guidance before market release.
- **Legal certainty & compliance support:** They demonstrably improve legal certainty and support compliance.
- **SME & Startup focus:** Sandboxes are particularly effective in facilitating market access for SMEs and startups. Companies that completed successful testing within the UK FCA sandbox, for example, received significantly more fintech investment than their peers.
- **Data processing:** Within sandboxes, providers may process personal data for projects serving the public interest, provided the data is strictly necessary, kept secure, not shared externally, and deleted after use.
- **Regulatory guidance & feedback:** Real-time feedback and guidance from supervisory authorities are crucial for accelerating the development of best practices. Examples include the operational sandboxes of the Danish Data Protection Authority (Datatilsynet) and the structured phases of CNIL's (French DPA) sandbox.
- **Integration with broader ecosystem:** The EU AI Act directs prospective providers in AI regulatory sandboxes to value-adding services such as Testing and Experimentation Facilities (TEFs) and European Digital Innovation Hubs (EDIHs).
- **Phased approach:** Some sandboxes, like CNIL's, are structured in distinct phases, including support, implementation, and knowledge sharing.

Benefits for consumers include:

- More tailored and trustworthy digital services;
- Early integration of rights into product development;
- Greater diversity in the digital marketplace.

Benefits for business include:

- Faster product iteration with legal clarity;
- A compliance-by-design culture;
- Constructive cooperation with regulators.

These proposals would future-proof the GDPR and ensure it remains effective in both protecting rights and fostering innovation.

A Win-Win Way Forward

Consumers drive the value of the digital economy. GDPR data subject rights are therefore not a barrier to more European competitiveness, if anything they are an industrial asset we need to uphold. At the same time consumers expect digital innovation to deliver for them, which comes with a regulatory environment fit for purpose, innovation and growth.

That's why Euroconsumers supports the Commission's targeted amendments to the GDPR for small mid-cap enterprises and believes it strikes the right balance between maintaining consumer protections and easing unnecessary burdens.

At the same time, we consider this a timely moment to reflect upon further improvements to reinforce GDPR's effectiveness as a driver for both consumer empowerment, consumer-proof innovation and European competitiveness.

With the right adjustments, focusing on structured engagement and responsible experimentation, the GDPR can continue to lead globally while evolving pragmatically, fostering an agile and innovation-friendly regulatory environment without compromising key consumer rights. Euroconsumers stands ready to support this path forward.



