



Final Transposition of the RAD in Luxembourg

On 30th October 2025, the Chamber of Deputies in Luxembourg unanimously adopted Bill No. 7650, introducing a procedure for representative (class) actions in consumer law by inserting a new Livre 5 into the *Code de la consommation*. The Act implements Directive (EU) 2020/1828 (the RAD) and provides a centralised, court-supervised mechanism enabling qualified entities (for example, approved consumer associations or regulatory bodies) to bring collective claims on behalf of consumers who have suffered similar or identical harm caused by the same professional conduct. Luxembourg had been the final EU Member State not to notify any transposition measures to the European Commission. With the adoption, this completes the formal notification process across the Union, although a small number of Member States have still only communicated draft or partial measures.

The Act establishes a procedural mechanism harmonising existing remedies (cessation, injunction, damages, restitution) into a unified collective redress framework. It creates no new substantive consumer rights or professional obligations. Punitive damages and contingency fees incompatible with Luxembourg law are prohibited. The regime is modelled on the French and Belgian systems.

Standing

Only qualified entities (approved consumer associations, several ‘sectoral regulatory entities’ and other EU-designated qualified entities) may initiate representative actions before the Tribunal d'arrondissement de Luxembourg. Individuals no longer have standing to commence representative actions themselves (as was the case in an earlier draft). Entities may bring national or cross-border actions within EU territory against professionals established in Luxembourg or active on its market.

Third-Party Funding

The Bill regulates third-party funding. Claimants must disclose all funding sources in a separate document of the summons. Absence of conflicts of interest is a condition for admissibility; impermissible conflicts are addressed through sanctions. The court verifies funding transparency and absence of conflicts at the admissibility stage before proceedings advance.

Procedure

Admissibility: the summons must provide individual cases in support of the action, a description of the consumers concerned, and the measures requested (cessation, repair or both). The court screens claims, verifies funding transparency and conflicts of interest. Decisions are published via Direction de la protection des consommateurs (DPC); *Mediation and Liability*: Optional six-month mediation phase (Service national du Médiateur de la consommation available without charge; parties bear their own costs). If mediation fails or is declined, the court determines liability, defines the consumer class,

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establishes recoverable loss categories, and directs notification and adhesion arrangements. Liability judgments are published via DPC; *Execution*: A court-appointed liquidator administers claims, supervises compensation distribution, and submits interim and final reports. The liquidator costs are borne by the defendant professional.

Opt In/Opt Out

The court selects the applicable system and sets the adhesion period (2–6 months). Consumers joining must identify themselves, specify the compensation amount, and provide evidence according to the judgment requirements. Opting out means a refusal of compensation.

Mediation Agreements

Require judicial homologation and DPC publication. The agreement must specify adhesion modalities (opt-in/out) and publicity measures. Execution follows the same liquidator-supervised process as judgments.

Publicity Requirements

Apply to definitive admissibility decisions, liability judgments, and homologated agreements, which are published on the DPC website. Qualified entities must inform the public of action initiation, progress, and outcomes. The court orders specific publicity measures post liability to notify potential class members.

Procedural Safeguards

There is mandatory judicial oversight at all stages. Screening at the admissibility stage excludes abusive claims, optional mediation enables early resolution, and the liquidator supervises execution, while reporting to the court ensures compliance. The government has highlighted the transparency of the procedure, in particular, with the provision of continuous public information.

The dedicated portal recourscollectif.lu will provide guidance to qualified entities and consumers.

The Bill is available at: <https://www.chd.lu/de/dossier/7650>; Publication: <https://legilux.public.lu/eli/etat/leg/loi/2025/11/20/a507/jo>

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