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consumer protection**

Contribution by
Competition and Consumer Protection Commission (CCPC)
Zambia

*Report on the National and Regional Implementation of the United Nations
Guidelines for Consumer Protection: activities carried out in connection to the
Guidelines since the adoption of their revised version of December, 2015*



COMPETITION & CONSUMER PROTECTION COMMISSION

**Intergovernmental Group of Experts on Consumer Protection Law
and Policy**

1st Session, 3-4th July, 2017, Geneva, Switzerland

Roundtable on

**Report on the National and Regional Implementation of the
United Nations Guidelines for Consumer Protection: activities
carried out in connection to the Guidelines since the adoption of
their revised version of December, 2015**

Background

The 1985 United Nations Guidelines for Consumer Protection (as expanded in 1999) provide a broad framework for UN Member States to develop and maintain strong consumer protection policy. According to Article II of the Guidelines, Governments should develop or maintain a strong Consumer protection policy, taking into account the adopted guidelines and relevant international agreements. In so doing, each government was expected to set its own priorities for the

protection of consumers in accordance with the economic, social and environmental circumstances of the country and the needs of its population, bearing in mind the costs and benefits of proposed measures. The legitimate needs which the guidelines intended to meet included the protection of consumers from hazards to their health and safety, the promotion and protection of the economic interests of consumers, access of consumers to adequate information to enable them make informed choices according to individual wishes and needs, consumer education, including education on the environmental, social and economic impacts of consumer choice and availability of effective consumer redress. Others are freedom to form consumer and other relevant groups or organizations and the opportunity of such organizations to present their views in decision-making processes affecting them and the promotion of sustainable consumption patterns.

In December, 2015 the United Nations Guidelines for Consumer Protection (UNGCP) were revised in order to inform laws that fit the needs of consumers today.

Revised United Nations Guidelines for Consumer Protection

The 2015 UNGCP seek to address the following areas:

- a. National policies for consumer protection;
- b. Physical safety;
- c. Promotion and protection of the economic interests of consumers;
- d. Standards for the safety and quality of consumer goods and services
- e. Distribution facilities for essential consumer goods and services;
- f. Dispute resolution and redress;
- g. Education and information programmes;
- h. Promotion of sustainable consumption;
- i. Electronic commerce;
- j. Financial services; and
- k. Measures relating to specific areas (food, water, pharmaceuticals, energy, public utilities and tourism).

Under the revised UNGCP, the legitimate needs which they seek to meet include:

- a. Access by consumers to essential goods and services;
- b. The protection of vulnerable and disadvantaged consumers;

- c. The protection of consumers from hazards to their health and safety;
- d. The promotion and protection of the economic interest of consumers;
- e. Access by consumers to adequate information to enable them to make informed choices according to individual wishes and needs;
- f. Consumer education, including education on the environmental, social and economic consequences of consumer choice;
- g. Availability of effective dispute resolution and redress;
- h. Freedom to form consumer and other relevant group or organisation and the opportunity of such organisations to present their views in decision-making processes affecting them;
- i. The promotion of sustainable consumption patterns;
- j. A level of protection for consumers using electronic commerce that is not less than that afforded in other forms of commerce; and
- k. The protection of consumer privacy and the global free flow of information.

Activities Undertaken since the adoption of the revised version of December 2015

Since the revision of the UNGCP in December, 2015, nations, including Zambia, have undertaken activities in the area of electronic commerce and financial services. Under electronic commerce specifically, as per guidelines, Zambia has undertaken consumer sensitisation programmes in order to inform consumers of their rights and obligation in the digital market place. Under the financial services guideline, Zambia has undertaken various activities to ensure improved financial education strategies that promote financial literacy. The two are discussed in greater detail below.

Electronic - Commerce

Since the adoption of the revised version of the December, 2015, UNGCP, Member States have undertaken various activities as a way of implementing them. In the region, some countries are revisiting their consumer laws to make them more adequate. Some countries like Ethiopia, are operationalising their competition authority so as to adequately deal with consumer protection in their country. The International Consumer Protection Enforcement Network (ICPEN), has also undertaken various activities in line with protection of consumers using the electronic commerce and the protection of consumer privacy

and the global free flow of information. During its Conference in September, 2016, ICPEN discussed the consumer issue mainly around the theme of “*Consumer Protection in the Digital Economy.*” ICPEN Members in the region such as Kenya and Zambia were encouraged to collaborate in so far as consumer protection of cross-border nature is concerned. In addition, Members gained knowledge on how to combat consumer violations in the digital market, how to deal with Terms and Conditions in the digital economy. Zambia is currently a member of the Terms and Conditions in the Digital Economy Working Group and has taken part in the production of a working document discussing the various issues to do with privacy, transparency, unilateral variation and termination/cancellation.

In Zambia, the Competition and Consumer Protection Commission (CCPC) led other stakeholders in commemorating the 2017 World Consumer Rights Day (WCRD) on 15th March, under the theme: “*Consumer Rights in the Digital Age.*” The theme was broad and able to capture every institution’s (WCRD Committee) digital related issues, such as cyber crime, issues in the Banking sector on online banking, Telecommunication sector, Retail sector, insurance sector etc. Furthermore, 67% of people in Zambia now have access to phones and internet which are used in e-commerce hence the need to emphasise protection of their rights.

The Charter for Consumer Rights in the Digital World identifies the core rights that the members of Trans-Atlantic Consumer Dialogue (TACD) regard as indispensable to meeting the challenges presented by the digital world and the utilisation of its potentials.

These core rights are based on a wide range of TACD resolutions that have

previously set out the interests of consumers in the digital world. They are:

1. Right to access neutral networks:
2. Right to access digital media and information
3. Right to secure networks and services
4. Right to privacy and data protection
5. Right to software interoperability
6. Right to barrier free access and equality
7. Right to pluralistic media

The overall objective of this year’s commemoration was therefore, to “raise awareness to consumers on their digital rights.” Specifically, the commemoration was aimed at:

- a) Ensuring consumers are aware of their consumer rights in the digital age;
- b) Increasing stakeholder involvement in the awareness of consumer rights in the digital age; and
- c) Ensuring government and stakeholders (especially those providing digital services) support in ensuring consumers digital rights are observed.

Various activities were conducted and they included radio and television interviews on key messages regarding consumer rights in the digital age. Activities conducted included:

1. Radio and television programmes;
2. Exhibition at shopping malls;
3. Road shows;
4. Quiz amongst members of the Competition and Consumer Protection School Club; and
5. A press briefing.

On the actual day, a match past was held which was followed up with other sensitisation activities such as drama performance, prize giving for schools that won the quiz and speeches were read by government, representative of the Steering Committee and the Consumer movement.

Financial Inclusion

CCPC has also deliberately included financial inclusion in its strategic plan for 2017 to 2021 in order to ensure that consumers in the financial sector are carried along in getting value for their money. With financial inclusion, CCPC's focus has been to educate consumers by providing them with financial literacy materials/information. In this regard, the Commission has developed a brochure for consumers on financial literacy and education. This is meant to enhance consumer protection in the financial sector. CCPC has further conducted investigations in the financial sector based on consumer complaints. CCPC sits on the National Financial Inclusion Drafting Committee tasked with the responsibility of drafting the country's National Financial Inclusion Strategy. CCPC has participated in various workshops where Zambia is developing this strategy.

Beginning 2017 CCPC will be the Secretariat for the national Working Group on Consumer Protection and Financial Capability which will advance the strategy. CCPC is alive to the fact that retail customers in the financial sector have less information about their financial transactions than the financial institutions providing the services do.

This can result in extremely high interest paid, lack of understanding about financial options, and insufficient avenues for redress. Such an information imbalance is greatest when customers are less experienced and products are more sophisticated. Efforts to expand financial inclusion by reaching 'unbanked' customers encourage tens of thousands of these new customers to enter the market annually. Although many financial institutions adopt practices to ensure they are well served, some have used their information advantage (often abetted by regulatory loopholes intended to promote financial inclusion), to increase profits at the expense of consumers who may find themselves over-indebted, under-insured or without a return on their investment.

CCPC has used various interventions to ensure both consumers and businesses are enlightened about their rights and obligations, thereby causing the latter not to breach the law. They include:

1. Conducting dawn raids on banks to rule out cartelistic behaviour in setting interest rates,
2. Conducting compliance programmes for banks and financial institutions on customer complaint handling procedures,
3. Signing of memoranda of understanding with the Central Bank (Bank of Zambia), the Pensions and Insurance Authority (PIA), and the Securities and Exchange Commission (SEC);
4. Production of a brochure on financial literacy for consumers;
5. Conducting of radio and television programmes to act as sensitisation programme for the various stakeholders.

These interventions have resulted in an increase in knowledge of their rights (consumers) and obligations (businesses). The interventions have also seen an increase in the financial institutions compliance levels as they are able to resolve consumer complaints by themselves, without consumers having to escalate complaints with CCPC.

Challenges

There is need for local commitment by some sector regulators that have signed Memoranda of Understanding with CCPC to fully operationalise them in order to serve the consumers better. There is also need for increased funding for production of more information and educational communication materials such as brochures and posters.

Conclusion

The Commission will continue to engage various stakeholders to ensure that consumers get their value for money even in the digital era and also in the financial sector.