Intergovernmental Group of Experts on Consumer Law and Policy

(IGE Consumer)

3rd SESSION
9-10 July 2018
Room XVII, Palais des Nations, Geneva

Tuesday, 10 July 2018
Morning Session

Report of the Working Group on Consumer Protection in E-Commerce to the IGE 2018

Presentation by
UNCTAD secretariat presentation

This material has been reproduced in the language and form as it was provided. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD
Report of the Working Group on Consumer Protection in E-Commerce to the IGE 2018

1. Background

At the Intergovernmental Group of Experts (IGE) on Consumer Protection Law and Policy in its second session of 3 and 4 July 2017 member States requested the UNCTAD secretariat to establish a working group on e-commerce (para. 12 of the agreed conclusions of the IGE):

“Requests the UNCTAD secretariat to convene two working groups, one on e-commerce, within the scope that takes into account ongoing work at UNCTAD, and another on the protection of vulnerable and disadvantaged consumers to highlight best practices, to facilitate information exchange and consultations, and to continue the work from the second session, led and integrated by member States on a voluntary basis, without financial implications for the regular budget of the United Nations, and to report to the third session of the Intergovernmental Group of Experts”.

The purpose of Working Group on Consumer Protection in E-Commerce (E-commerce WG) is to provide a forum for representatives from consumer protection agencies and consumer associations of member States and other interested stakeholders to discuss the challenges faced by consumers and consumer protection institutions in e-commerce, to exchange experiences, best practices and case examples on how to address these challenges; and eventually come up with some policy recommendations/guidance on issues highlighted in the Group’s discussions.

2. Work of the E-commerce WG

The WG held three audio conferences on consumer protection in e-commerce. The first audio conference took place on 28 September 2017 with the participation of representatives of consumer protection agencies and consumer organizations from various member States and jurisdictions including, Argentina, Botswana, Brazil, Colombia, El Salvador, Egypt, Germany, Italy, Lebanon, Portugal, Russian Federation, Spain (Catalan Consumer Agency), Swaziland, Turkey, United States of America, and representatives of the Eurasian Economic Commission, Consumers International, International Chamber of Commerce, ISO, Oxford University, the World Federation of Insurance Intermediaries. The participants discussed the challenges faced in consumer protection in e-commerce and shared their experiences in this area. Based on these, the UNCTAD secretariat identified the three following common challenges related to consumer protection in e-commerce:

i. **Misleading advertising/practices**: This issue is mentioned as a challenge for consumers and consumer protection agencies by representatives from many authorities throughout the world, in both developing and developed countries. Such practices occur in the form of misleading advertising and misrepresentation of prices/product descriptions etc.

ii. **Consumer education and business guidance**: Many consumer agencies and institutions have stressed the importance of consumer education and business guidance to address
challenges in e-commerce for consumers. Many consumer protection agencies and institutions organize campaigns particularly to raise awareness among consumers on misleading online business practices and how to protect themselves from misleading advertising and misrepresentation practices, such as drip pricing.

iii. **Cross-border cooperation**: Many participants during the first audio conference stressed the importance of international cooperation in cross-border e-commerce transactions, where there is need for cooperation between agencies. This is also an area which needs to be discussed within a global forum. The IGE on Consumer Protection Law and Policy provides the appropriate forum for that. The working group provides an opportunity to have a focused discussion on international cooperation and a deeper exchange of experiences in these areas.

The secretariat sees a strong link among these three topics. Misleading practices cover many unfair online business practices and there are two ways to deal with this challenge: Consumer education and business guidance, and international cooperation in cases of misleading practices by online businesses dominant throughout the world. A good case example is “Viagogo”, which sells tickets of major events online and has been investigated by many consumer protection agencies in the world including France, Italy, UK and Switzerland. It is a company registered in Geneva but operating globally. Consumer agencies’ coordinated action or cooperation may prove to be effective in dealing with such cases.

The second audio conference took place on 14 March 2018 and participants from Argentina, Botswana, Brazil (telecommunications regulator), Burkina Faso, Colombia, Costa Rica, France, Germany, Italy, Lebanon, Portugal, Russian Federation, South Africa, Spain (Catalan Consumer Agency), Turkey, United Kingdom and USA, Eurasian Economic Commission, European Commission, and representatives of Consumers International, ISO and the OECD. The participants heard about the experiences of various jurisdictions in the three areas of work of the WG from four speakers: Dr. Laura Best, Nelson Mandela Metropolitan University, member of the National Consumer Tribunal, South Africa; Ms. Sabine Desvaux, Maitre de Conférence, Université de Angers, France; Ms. Anna Barker, Consumer Policy, Division for Digital Economy Policy, OECD; Ms. Dora Lopez Lopez, Consumer Support Directorate, Ministry of Economy, Industry and Commerce, Costa Rica; Mr. Antonino Serra Cambaceres, Consumers International.

Participants discussed the three areas of work proposed by the UNCTAD secretariat, which suggested to request an extension of the mandate of the WG for another year in order to draft future policy recommendations to be presented to the IGE 2019.

Following the meeting, the secretariat received written contributions and circulated these to all participants of the Group.

The third audio conference took place on 6 June 2018 with the participation of representatives from Algeria, Botswana, Italy, Kenya, Russian Federation, South Africa, Spain (Catalan Consumer Agency), Tanzania, Turkey, USA, Zambia, Eurasian Economic Commission, European
Commission, MGP India and the OECD. The audio conference started with interventions from speakers: Ms. Lidiya Osaulenko, Eurasian Economic Commission; Mrs. Deon Woods Bell, United States Federal Trade Commission (FTC), Mr. Akira Yoshida, OECD, Mr. Brian Lingela, Competition and Consumer Protection Commission (CCPC), Zambia in the areas of the Working Group. The OECD representative also provided information and updates on its work on online consumer protection. Other participants from Algeria, Russian Federation, South Africa and MGP India also took the floor and talked about their experiences and expressed their views on the work of the Working Group.

The Secretariat later prepared the reports of the three audio conferences and circulated them to all WG participants, including those who could not attend the audio conferences, to inform them about the discussions of the WG.

The Secretariat took advantage of ICPEN conferences in November 2017 and April 2018 to organize smaller meetings with participants to present the work of the E-commerce WG and to hear their experiences in the three specific areas of work of the WG.

### 3. Future Work of the E-commerce WG

The Group has identified the most common and relevant three issues for the work of the WG. It will continue to deepen the discussion in these three areas in the future. The Group will:

a. Work on policy recommendations/guidance for consumer protection agencies in addressing the challenges faced in the areas of misleading practices, consumer education and business guidance, and international cooperation.

b. Continue to exchange experiences and case examples in the above-mentioned.

UNCTAD secretariat proposes to extend the mandate for the Working Group for another year until the IGE in July 2019 and will report on its work to IGE 2019.

The UNCTAD Secretariat (Competition and Consumer Policies Branch) will take the lead in the establishment and organization of the work of the Group and will provide support to ensure good quality and timely outcome of the discussions. To this aim, the Secretariat will facilitate the exchange of experiences between consumer protection agencies and consumer organizations by circulating written contributions from the Group participants; and by organizing the audio conferences.

Member States will play a key role in the discussions and in the formulation of the policy recommendations/guidance by contributing actively to the Working Group discussions, either in writing (in the two UN working languages - French and English) or by intervening at audio conferences. The Secretariat expects active engagement of member States’ representatives and interested stakeholders in the discussions and meetings of the Working Group.