Session 3: Emerging issues in consumer protection: Complementarities and areas of tension

Presentation
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The Consumer Puzzle
Complementarities & Areas of Tension

consumer protection & competition enforcement

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Introduction

Ayesha Budd

- Senior International Policy Advisor
- Netherlands Competition Authority (NMa)
Consumer Welfare and Competition Enforcement

- NMa report on nexus between consumer welfare and competition enforcement
  - Overview of what consumer welfare means to the ICN’s competition authorities

- Netherlands Competition authority – 1998
- Consumer Authority – 2007
- Independent Regulator for Post &Telecommunication - 1997

- Offers potential for tailor-made solutions
The New Organisation - ACM

Departments

- Competition
- Consumer
- Energy
- Telecom, Post and Transport
Why Merge

 mệnh Efficiency and effectiveness
  ➢ able to better anticipate market developments
  ➢ consolidate knowledge and expertise

 mdi Increasing trend in Europe

 mdi Budgetary motives: cost cutting
  ➢ need to be more than a sum of our parts
Benefits

- Chances and choices
  - Complete and correct information
  - Transparency
  - Regulation for incumbents
  - Equitable playing field
  - Media
  - Larger toolkit
Larger toolkit

- imposing fines to encouraging compliance,
- commitment decisions,
- co-regulation,
- roundtables,
- consultations,
- strategic communication,
- empowering consumers
Challenges

- Do more with less
  - Conflicting goals
  - Prioritisation
  - Internal bureaucracy
  - Judges and courts
  - Stakeholder mindset
Example – Online Markets

NMa - ex ante powers to assess mergers.
- 2008 KPN Reggefiber case - joint venture to roll out fibreglass networks.
- remedies - a regulatory framework to ensure access.

NMa - online shopping.
- EU law -> total ban on internet sales by distributors difficult to impose.
- distributors will not be permitted to use Internet to restrict intra-brand competition in this way.

Consumer Authority – internet sales and price transparency and unfair commercial practices
- Travel branch – consumer authority intervention - benefit in the tens of millions for the consumers.
- Web-shopping – contact, delivery and payment issues – warned consumers against specific sites, sent warning letters to online shops and shut down some of them down.

Telecoms regulator, OPTA - ex-ante regulation to promote a solid infrastructure and a wide variety of offers to choose from.
- Internet more secure by fighting spam and other bad practices such as malware, and spyware.
- Ensures internet providers follow transparency rules and provide consumers with enough information to make informed choices.
- Ensures ease of switching by removing barriers - encourages healthy competition and therefore increases consumer welfare.
Example – Online Markets

All have the same objectives to empower consumers by:

- i) ensuring the internet is a safe medium in which to purchase goods and services
- ii) assist consumers with access to information
  - make more informed choices when purchasing goods and services on the internet.

ACM

- use full ranges of instruments currently available separately
- to provide tailor-made solutions

Merger will broaden the palette of enforcement tools
- enhance choices and chances for citizens, also on the internet.

Online markets
- one example of increase in our ability to solve problems on the Dutch markets
- to the benefit of consumers.
Questions?