Ad Hoc Expert Meeting on Consumer Protection:
The interface between competition and consumer policies

Geneva, 12 to 13 July 2012

Introduction by the UNCTAD secretariat
Consumer protection and competition policy

Note by the UNCTAD secretariat
Summary

• Both competition and consumer policies act to protect consumers’ well-being and are usually mutually reinforcing.

• New products, new pricing and marketing practices and new understanding of their effects on consumer decision-making can suggest a re-evaluation of policy interventions.
Introduction (1)

• Both policies act to protect consumers’ economic interests.
  – more effective consumers spur more effective competition.
  – competition supports consumer protection objectives
  – Yet there are exceptions
Introduction (2)

• One policy’s remedies can have implications in the other’s domain
• Institutional cooperation for investigations and remedies
Policy objectives and institutions (1)

- The UN Guidelines for Consumer Protection and the UN Set of Principles and Rules on Competition recognize the relationship between the two policy domains.
Policy objectives and institutions (2)

- Policy tools partially overlap: both policies use market studies, advocacy, guidelines and law enforcement
Policy objectives and institutions (3)

- Responsibility for competition and consumer protection policies may lie with separate or a common agency; it may also be either general or sector specific.
Markets where these policies may interact

• Markets with imperfect information
  – Search goods
  – Experience goods
  – Credence goods
• Consumers’ decision-making biases
Interactions in selected areas

- Insurance and savings products
- Remittances
- Counterfeit drugs
- Unsafe consumer products
Insurance and savings products

• Tight regulation
• Truthful information
• Intermediaries
• Assessment of offers
• Financial education
• Regulation, consumer protection, financial education and competition each play a role
Conclusions and policy options (1)

• “...improving the coherence between consumer and competition policies should be a central consideration to help markets work better, from the perspectives of both consumers and business.”
Conclusions and policy options (2)

• “In the light of recent developments, consideration could be given to revising the United Nations Guidelines for Consumer Protection.”