Agenda. Opening plenary

Presentation by
Federal Trade Commission
United States of America

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Meeting the Challenges of Ecommerce: The Revised UN Guidelines for Consumer Protection

Hugh Stevenson
Deputy Director, Office of International Affairs
U.S. Federal Trade Commission
July 9, 2018
Geneva, Switzerland
IGE conclusions 2017

• “Emphasizes the importance of harnessing e-commerce to increase the welfare of consumers worldwide while limiting its potential risks . . .”

• “[S]tresses the need to strengthen international cooperation, including informal collaboration, among agencies, to enhance consumer trust in e-commerce . . .”

• “Requests the secretariat to further analyse the challenges faced by developing countries on consumer protection in e-commerce and recommend policy options for consumer protection agencies . . .”
Key IGE opportunities

• Building institutional capacity for ecommerce
• Building enforcement capacity for global marketplace
• Building consumer and business awareness
The challenges
OECD Development Center forecast: Future Growth in emerging economies

Shares of Global Middle Class Consumption, 2000-2050

Source: The Emerging Middle Class In Developing Countries, OECD Development Centre, Working Paper No.285, 2010
OECD Digital Economy Outlook 2017: Ecommerce has become more commonplace
1.1 million fraud reports

21% reported a loss

$905 million total fraud losses
$429 median loss

Number of Fraud, Identity Theft and Other Reports by Year

CONSUMER SENTINEL NETWORK

DATA BOOK 2017
The responses
Ecommerce: the UN Guidelines, the OECD, and the FTC
OECD work cited in UN guidelines
OECD work cited in UN guidelines
OECD Research and Reports: Online Product Safety and the Internet of Things

- 2016 OECD Online Product Safety report noted safety challenges with online sales

- 2018 OECD Consumer Policy and the Smart Home report on the IOT

Figure 1. OECD sweep results: Non-compliance rates at domestic and cross-border e-commerce levels

Figure 1.1. Barriers to purchasing IoT devices and services

Source: Accenture (2016)
15. Member states should ensure that consumer protection enforcement agencies have the necessary resources to “promote effective compliance and to obtain or facilitate redress for consumers in appropriate cases”
OECD

“Governments and stakeholders should work towards ensuring that consumer protection enforcement authorities and other relevant bodies, such as consumer organisations, and self-regulatory organisations that handle consumer complaints, have the ability to take action and obtain or facilitate redress for consumers, including monetary redress.”
UN Guidelines On Enforcement Capacity and International Cooperation

88. “Member States should provide their consumer protection enforcement agencies with the authority to investigate, pursue, obtain and, where appropriate, share relevant information and evidence . . . That authority should extend to cooperation with foreign consumer protection enforcement agencies and other appropriate foreign counterparts.”
OECD Guidelines: building enforcement capacity for global marketplace
OECD: Barriers to International Cooperation

Figure 17. Barriers for international co-operation in consumer protection (Q17)

Base: 28 respondents.
FTC ANNOUNCES HEARINGS

Competition & Consumer Protection in 21st Century

[Image of a microphone]
FTC consumer protection enforcement: 2017

MONETARY RELIEF

TOP 5 REDRESS JUDGMENTS*

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen 3.0L</td>
<td>$4.03 billion</td>
</tr>
<tr>
<td>Western Union Company</td>
<td>$586 million</td>
</tr>
<tr>
<td>T Works, Inc.</td>
<td>$280.91 million</td>
</tr>
<tr>
<td>Laptop &amp; Desktop Repair, LLC</td>
<td>$42.43 million</td>
</tr>
<tr>
<td>National Urological Group, Inc.</td>
<td>$40.12 million</td>
</tr>
</tbody>
</table>

3,104,235 consumers received $269 MILLION in redress directly from the FTC

TOP 5 CIVIL PENALTY CASES*

<table>
<thead>
<tr>
<th>Case</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dish Network</td>
<td>$168 million</td>
</tr>
<tr>
<td>Aaron Michael Jones</td>
<td>$3.2 million</td>
</tr>
<tr>
<td>Commercial Recovery Systems</td>
<td>$2 million</td>
</tr>
<tr>
<td>Norm Reeves</td>
<td>$1.4 million</td>
</tr>
<tr>
<td>GC Services Limited Partnership</td>
<td>$700,000</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT OF REDRESS & DISGORGEMENT* | $5.29 billion |

TOTAL AMOUNT OF CIVIL PENALTIES*        | $176.04 million |
FTC cooperation: U.S. SAFE WEB Act
Cross-Border Cooperation on Complaints

Report international scams online!
- econsumer.gov is a partnership of more than 35 consumer protection agencies around the world.
- Your complaint helps authorities spot trends and combat fraud.

Click on a complaint subject below to get started

- Online Shopping/Ecommerce Services/Computer Equipment
- Credit and Debt
- Telemarketing and Spam
- Jobs and Making Money
- Impostor Scams: Family, Friend, Government, Business or Romance
- Lottery, Sweepstakes, or Prize Scams
- Travel and Vacations
- Phones/Mobile Devices, and Phone Services
- Other

- How we use and share your data
Cross-Border Cooperation on Complaints

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- Jobs and Making Money
- Impostor Scams: Falsely Pretending to Be a Government, Business, or Other Legitimate Organization
- Travel and Vacations
- How we use and share your data
Cross-Border Cooperation on Complaints
Thank you!

Hugh Stevenson
Deputy Director, Office of International Affairs
Federal Trade Commission
hstevenson@ftc.gov
+1 (202) 326-3511

*My comments reflect my own views, and are not necessarily those of the FTC or any FTC Commissioner.