REVISED OECD RECOMMENDATION ON CONSUMER PROTECTION IN E-COMMERCE (2016)

Brigitte Acoca
OECD Committee on Consumer Policy

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OECD 1999 Guidelines for Consumer Protection in the Context of Electronic Commerce

- Consumer protection in e-commerce cannot be lower than in other forms of commerce
  - Fair business advertising and marketing practices
  - Clear and transparent information disclosures
  - Ways to confirm/cancel a transaction
  - Secure and easy-to-use payment mechanisms
  - Effective dispute resolution mechanisms
  - Education and awareness
- Industry-self regulation should be encouraged
- Members should co-operate to combat cross-border fraudulent, misleading and unfair commerce practices
Global e-commerce trends: a high variance across countries

Online shoppers: 2007 and 2014
Individuals ordering goods or services online as a percentage of all individuals

Source: OECD Digital Economy Outlook 2015
Global consumer protection across global supply chains

- Broad changes in global consumer demand; need to address new challenges
- Shift in consumer demand to Asia where consumer spending could account for more than 50 percent of the global middle class spending in 2050

![Graph: Shares of Global Middle Class Consumption, 2000-2050]

Source: The Emerging Middle Class In Developing Countries, OECD Development Centre, Working Paper No.285, 2010
E-commerce growth factors

• Increased Internet and mobile penetration
• Wider product choices at competitive prices or “free”
• More active consumers accessing, comparing and sharing information more easily
• Wealth of consumer data
• New business models
• Growing number of platforms facilitating consumer-to-consumer transactions
• Easy-to-use and more secure online and mobile payment mechanisms
• Rapid take-up by emerging economies
New e-commerce issues

- Consumer spending accounts for about 60% of total OECD GDP
- Consumers benefit from more choices but face greater complexity

How do I compare competing telecom offers?

Just got another data breach notice, what are the risks?

The price for this plane ticket looks low, but what extras will I end up paying?

I have never heard of this online company but it has a lot of good ratings. Can I trust them?

The app I downloaded does not do what I expected. Can I return it?
Main changes reflected in 2016 revised Recommendation

- Active consumers
- Privacy and security
- Online platform markets (the “sharing” economy)
- Improving the evidence base: insights from behavioural economics

http://oe.cd/digital-consumers
Main issues:

- Responsibilities of the peer platforms?

- Consumer peer provider’s services versus professional subjected to consumer protection law?

- Need to adapt policy and regulatory frameworks?
Trust can be elusive on-line

“drip” pricing and default settings
Other changes

• Payment protections
  – Addresses gaps in protection across payments

• Mobile devices
  – Addresses disclosure challenges posed by small screens and other technical limitations

• Digital Content
  – Provides info on limitations in functionality

• New provisions covering:
  – Online product safety and digital competence
International co-operation: Next steps

• **ASEAN/OECD Workshop on E-commerce**  
  (18 May, Siem Reap, Cambodia)

• **OECD Ministerial on the Digital Economy**  
  (22-23 June, Cancun, Mexico)

• **FIAGC meeting**  
  (12-16 September, Costa Rica)

• **UNCTAD IGE meeting**  
  (17-18 October, Geneva)
Thank you!