

Working Group on Consumer Protection in E-Commerce

Minutes second meeting 2023 – 2024

23rd May 2024

Time: 4:30 to 6:00 p.m. (CET)

The second and final Working Group on e-Commerce (WGE) meeting was held virtually on 23rd May 2024 and was attended by 17 participants from member States, academia, and civil society.

Participants

Member States: **Argentina** (National Directorate for Consumer Protection) **Peru** (INDECOPI), **Poland** (Office of Competition and Consumer Protection), **Portugal** (Directorate-General for Consumer), **Republic of Korea** (Korea Consumer Agency), **Sweden** (Swedish Consumer Agency), **United States of America** (Federal Trade Commission), **Uruguay** (Consumer Protection Unit) **Zambia** (Competition and Consumer Protection Commission).

Civil Society and Academia: MGP India, Nelson Mandela University and University of Reading

General remarks:

The Secretariat opened the meeting by welcoming all members and acknowledging the organization's upcoming 60th anniversary next month. The Secretariat highlighted the transition to "UN Trade and Development" and the introduction of a new logo, symbolizing a commitment to modernization and effective communication. She reiterated that the core goal remains the same: promoting global trade and development.

1. Progress in implementing the work plan 2023-2024.

Update on generic e-mail addresses:

The Secretariat provided an update on the initiative for standardized/generic email addresses for cross-border inquiries. The initiative, proposed in the previous work cycle 2022-2023, aimed at facilitating communication among consumer protection agencies. Instructions were circulated in three opportunities, and 25 generic emails have been received so far. The Secretariat extended thanks to the agencies that have provided their emails and urged those who have not done it yet, to do so.

Update on mapping survey:

The Secretariat updated the WGE on the mapping survey led by the US FTC, covering 32 African countries. The survey aimed to map consumer protection agencies in Africa. The information, gathered from public sources, complements the existing UN trade and development tracker on e-commerce and consumer protection. The Secretariat highlighted that the information on the World Consumer Protection Map is officially provided by the member States while the survey is based on desk research. The US FTC added

that the information submitted comes from public sources, and users of the mapping exercise are strongly encouraged to verify the information independently to ensure its accuracy and currency. The delegate suggested that the Secretariat accept and update the chart with any additional information provided by member States.

Webinars and Technical notes

- Vulnerable consumers

The WGE Coordinator, Prof. Riefa presented the technical note produced by Sweden on protecting children as vulnerable consumers, focusing on the use of empirical evidence to strengthen enforcement activities. The note highlights the importance of understanding children's advertising literacy. The note delves into the specific challenges that digital markets pose for children, who may lack the critical thinking skills required to navigate these spaces effectively. Examples from Sweden included collaboration with academia to harness literature on consumer behavior, while Italy's contribution focused on enforcement actions informed by specialized evidence. Mexico provided insights into tackling issues like influencer marketing and food advertising targeted at children. The recommendations are:

- Share experiences and perspectives of children and other vulnerable consumers in policy formulation.
- Continue sharing best practices on utilizing research and cooperating with academia.
- Develop a repository of relevant research and studies on vulnerable consumers.

Sweden supported the presentation and emphasized the importance of using empirical research to make enforcement more effective. The floor was opened for comments, with members from Peru and other countries expressing support and noting the usefulness of the document.

- Artificial Intelligence (AI)

Prof. Riefa also presented the technical note on AI, focusing on the risks and opportunities AI presents for consumer protection. The note discussed the potential of AI to manipulate consumer choices and the need for quality data to ensure AI tools are effective. It also highlighted the importance of developing regulatory frameworks and enhancing the technological capabilities of consumer protection agencies. The key recommendations included:

- Continue work in AI and consumer protection to build capacity and understanding of industry practices.
- Adopt a collaborative international approach to address consumer protection challenges linked to AI.
- Develop best practices in the deployment of AI in consumer law enforcement and its adoption by businesses.

US FTC and Sweden expressed support for the note emphasizing the importance of accessible IT tools for enforcement work. Sweden also noted that the tool described in the technical note are not necessarily

complex, allowing everyone to enhance enforcement efforts effectively. MGP India raised questions about the regulation of AI, which led to a discussion about current legislative efforts in various countries.

UN trade and development Secretariat informed that Thursday 30 May 2024 is the deadline for receiving written comments on the technical notes.

2. Report to present at the IGE on consumer protection law and policy

UN trade and development Secretariat introduced the draft report of the work cycle 2023-2024 that will be presented to the IGE. The Secretariat thanked the members who have already sent their comments and encouraged the rest of the members to send their feedback before 30 May.

Potential topics for the work cycle 2024-2025:

Focus on AI and consumer protection

- Sweden proposed to emphasize the work on the risks posed by AI to consumers and set out principles or checklists for enforcement authorities using AI. Peru agreed.

Vulnerable consumers

- Peru suggested to continue the work on vulnerable consumers, focusing on different groups such as consumers in debt and examining the impact of marketing on consumer credit.
- Peru and Uruguay proposed addressing the challenge of reaching companies that do not have a physical address in certain countries, with technical recommendations and experience sharing.
- Zambia and Sweden also supported the continuation of the work on vulnerable consumers.

Deep fake scams and unfair commercial practices

- USA suggested exploring topics related to deep fake scams and unfair commercial practices, including commercial surveillance and dark patterns in e-commerce.
- The coordinator recommended covering these issues as part of AI and/or new technologies and consumer protection.

Technology transfer for developing countries

- During the steering group, certain countries mentioned the issue of technology transfer to developing countries to improve consumer protection in digital spaces as a useful potential outcome. This was again mentioned and supported by Peru and Zambia.

Sustainable consumption

- Peru proposed merging sustainable consumption with e-commerce and explore its implications. The topic was supported by the representative of Nelson Mandela University.

Coordination with other international networks and UN agencies

- Sweden mentioned the importance of avoiding overlapping with other international networks dealing with consumer protection, to focus on unique contributions.

Modality

- The coordinator requested feedback on the effectiveness of webinars and technical notes. Members praised these modalities.

Next Steps

- Members to send any final comments on the proposed topics and report by next Thursday 30 May 2024.
- The Secretariat will incorporate the feedback and prepare the final report for the IGE session.