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*(IGE Consumer)*

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**Agenda Item 3 c. The protection of vulnerable and disadvantaged consumers**

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# Vulnerable and disadvantaged consumers

**A great need that requires our  
attention as nations**



**Who is a vulnerable consumer?**

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A consumer, who, as a result of socio-demographic characteristics, behavioral characteristics, personal situation, or market environment:

- Is at higher risk of experiencing negative outcomes in the market;
  - Has limited ability to maximize his/her well-being;
  - Has difficulty in obtaining or understanding information;
  - Is less able to buy, choose or access suitable products; or
  - Is more liable to fall victim into mal practices.
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**What makes consumers  
vulnerable?**

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**“Consumers can be vulnerable simply by being placed in a situation that fails to meet their needs, in which they are not fully aware, and therefore are unable to make an informed decision”.**


**UK fundraising blog, adapted**

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Many factors determine when and why a consumer becomes vulnerable . These factors include:

1. Difficulties choosing and accessing products and services especially when consumers :
    - are not able to read terms and conditions due to small print
    - do not know their contract conditions,
    - rarely compare deals from providers,
    - rarely read or thoroughly understand communication from their providers.
  
  2. Consumers in difficult financial situations are generally more likely to be vulnerable,
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3. Consumers who suffer a long-term sickness or disability are more likely to be vulnerable,
  4. Gender related issues, namely females who are poorly educated or who live in low-density regions are more likely to be vulnerable in some areas compared to other consumers,
  5. Inability or lack of access in using the internet to search for information is associated with a higher likelihood of vulnerability in some indicators.
  6. Difficult personal traits like lack of trust or being highly impulsive put consumers in vulnerable situations.
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**How could we protect  
vulnerable consumers ?**

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# **1. Review Consumer protection laws and policies**

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**The UN guidelines and other major policies around the world, such as the EU directives, brought a larger evidence to refine the understanding of the key concepts of “average consumer” and “vulnerable consumer”.**

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## Consumer protection legislations (CPL) need to:


1. Include stipulations in national consumers protection laws (CPL) that address specific issues which could give rise to vulnerability,
  2. Secure product and food safety, in particular through enhanced product identification and traceability,
  3. Strengthen the enforcement of CPL and market surveillance measures,
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4. Integrate consumer rights into key sectoral policies (such as telecommunications, e-commerce, energy, transport and banking laws.. etc) to build a comprehensive consumer protection legal frame that guards the rights of vulnerable consumers,
  5. Enforce measures to increase transparency, access to retail financial services and facilitate banking services,
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## **2. Awareness raising and education of consumers**

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**A market where citizens are aware and exercise  
their rights as consumers is a growing  
competitive market;**

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- Consumers must enjoy access to redress mechanisms in case of problems without needing to resort to court procedures which are lengthy and costly for them and the governments;
  - Empowerment of consumers through opening channels for free choice, information and awareness of consumer rights, quality products and services,
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- Educate consumers about their weaknesses which could lead to vulnerability, aiming to help them understand their current ability to make the right decision.”
  - Provide alternative means of communication to suit different vulnerabilities: such as large print, Braille, foreign language, offline and online, and written, aural and visual formats..etc.
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## Foster consumer protection culture in society via:

1. Integrating consumer protection rights in school curricula,
  2. Tailoring special awareness programs to serve different community groups,
  3. Establishing support and advise centers to provide consumers with the needed advice and information to prevent them from becoming vulnerable consumers.
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**3. Concrete and effective collaboration between national regulatory bodies.**

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Coordinated actions are needed nationally, regionally and internationally to prevent breaches and violations, especially as far as vulnerable consumers are concerned.

**Successful coordination examples include:**

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## Egypt's national experience

Market regulation in Egypt is no longer “everybody’s business”. CPA took the initiative in 2013 to establish the **“High Committee of market regulation and consumer protection”**, since then the consumer protection system in Egypt is being enhanced which helped at solving the consumers’ personal and collective complaints faster as urged professional exchange of information among the regulatory bodies. The committee meets regularly at CPA to study market issues and consumer complaints received at CPA and other entities so as to decide on the best legal and procedural action feasible for each case.



The Committee is composed of the following government regulators:

1. Supply Police, Ministry of Supply & Internal Trade (SP)
  2. Directorate of Internal Trade, Ministry of Supply & Internal Trade (DIT)
  3. Distribution Control, Ministry of Supply & Internal Trade (DC)
  4. Exports and imports, Ministry of Industry & International Trade
  5. Pharmaceutical Inspection Authority, Ministry of Health
  6. Ministry of Health
  7. National Telecommunication Regulatory Authority (NTRA)
  8. Industrial Control Authority, Ministry of Industry & International Trade (ICA)
  9. Customs Authority, Ministry of Finance (CA)
  10. Egyptian Competition Authority (ECA)
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## European Union regional experience

EU sets a good model of cooperation for the benefit of consumers across member countries.

### **European Parliament Committee on Internal Market & Consumer Protection (IMCO)**

The IMCO Committee is responsible for legislative oversight and scrutiny for EU rules on the free movement of goods and services, free movement of professionals, customs policy, standardization and the economic interests of consumers. IMCO mission is to ensure safe products, safeguard consumer rights, keep consumers informed about products/services, crack down on anti-competitive behavior and reduce administrative burdens.

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**The Rapid Alert System** for dangerous non-food products (RAPEX)

RAPEX enables quick exchange of information between 31 European countries and the European Commission about dangerous non-food products posing a risk to health and safety of consumers.

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## **The African Dialogue on Consumer Protection (ADCPC)**

A collaboration between the Federal Trade Commission of the USA and African consumer protection and competition authorities. The Dialogue encourages regional cooperation and sharing of best practices among and with other stakeholders in Africa, United States, and the rest of the world.

Vulnerable consumers are always on the top of the agenda of all ADCPC activities.

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## Regional Liaisons :


1. EAST AFRICA - Kenyan Competition Authority
  2. WEST AFRICA - Nigerian Consumer Protection Council
  3. NORTH AFRICA - Egyptian Consumer Protection Agency
  4. SOUTHERN AFRICA - Zambian Competition and Consumer Protection Commission
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## **The International Consumer Protection and Enforcement Network (ICPEN)**

The mandate of the Network is to share information about cross-border commercial activities that may affect consumer interests and to encourage international cooperation among law enforcement agencies in this scope. Thanks to its global reach the Network is able to better target the problems faced nowadays by consumers around the world.

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- The long term goals of the Network are:
  - a) To generate and share information and intelligence on consumer protection issues;
  - b) To share best practices in legislative and enforcement approaches to consumer protection;
  - c) To take action to combat cross-border breaches of consumer protection laws;
  - d) To facilitate effective cross-border remedies;
  - e) To identify and promote measures for effective consumer protection enforcement;
  - f) To promote and encourage wider participation and cooperation with other consumer protection enforcement organizations.
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**Is UNCTAD IGE -an effective mechanism to protect vulnerable consumers on the international level?**


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**Yes we can!**

**Available Tools/resources:**

- UN guidelines on consumer Protection
  - UNCTAD Manual on Consumer Protection
  - Countries' Best practices and resources
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Let us plan for international campaigns / projects that recognize vulnerability and take strategic and tactical approaches to protect vulnerable consumers:

1. Ensure that our teams are fully trained, with an essential awareness and understanding of what is meant by 'vulnerable' and the broad range of everyday causes of vulnerability.
  2. Review the laws and policies,
  3. Educate the consumers,
  4. Educate the businesses.
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**Thank you**

