

PUBLIC UTILITIES & VULNERABLE CONSUMERS

JUNE 2021



**CONSUMERS
INTERNATIONAL**



ABOUT CONSUMERS INTERNATIONAL

GLOBAL CONSUMER ADVOCACY

- 60 year old institution with mission to represent the independent consumer voice
- 200 groups in 100 countries
- United by consumer rights principles, common interests, and consumer harms (e.g., scams)

Consumers International Membership*, 2021



Source: Consumers International

*Does not include government members (national consumer protection agencies) and affiliates

PRIORITY ISSUES FOR CONSUMER ADVOCATES

Which of the following consumer issues is your organisation currently working on in your country?

	All	High income countries	Low income countries	Middle income countries
Food (security and safety)	77%	74%	79%	78%
Product safety	68%	71%	86%	62%
Financial services	64%	71%	57%	60%
Environment	63%	62%	57%	65%
Healthcare and medicine	58%	50%	64%	62%
Information and communication technologies	58%	67%	71%	49%
Digital rights/privacy	57%	79%	21%	51%
Retailing/marketing of household goods and services	55%	69%	43%	48%
Energy	51%	60%	64%	43%
Advertising	50%	64%	36%	43%
Counterfeit/fake products	49%	43%	57%	51%
Water	43%	31%	71%	45%
Trade	39%	38%	57%	35%
Mobility	35%	38%	36%	32%
Professional services (legal and medical)	33%	33%	29%	34%
Housing	32%	38%	43%	26%

- Technology & innovation and sustainable consumption in the top 3 issues for all consumer advocates for the next 3-5 years

CONSUMERS INTERNATIONAL GLOBAL SURVEY 2020

IMPORTANCE OF PROTECTION OF VULNERABLE CONSUMERS

In your opinion which of the following need the most attention in your country in 2020?

Percent of Responses = top 3 (most in need of attention)

UN Guideline	Low / Low-Middle Income	Upper-Middle	High Income	All Countries
The protection of consumers from hazards to their health and safety	57%	58%	33%	44%
Access by consumers to essential goods and services	65%	45%	30%	42%
<i>The protection of vulnerable and disadvantaged consumers</i>	<i>54%</i>	<i>42%</i>	<i>35%</i>	<i>40%</i>
Consumer education, including education on the environmental, social and economic consequences of consumer choice	27%	23%	19%	21%
The promotion of sustainable consumption patterns	19%	13%	33%	21%
Access by consumers to adequate information to enable them to make informed choices according to their individual wishes and needs	30%	13%	14%	17%
The promotion and protection of the economic interests of consumers	14%	13%	23%	16%
The protection of consumer privacy and the global free flow of information	14%	3%	23%	13%
A level of protection for consumers using electronic commerce that is not less than that afforded in other forms of commerce	14%	13%	14%	12%
Availability of effective consumer dispute resolution and redress	11%	10%	9%	9%

Approx. 60% respondents said their country had a provision for vulnerable consumers

Source: Global Member & Expert Assessment Survey 2020

HOW ARE WE DOING?



40% said their country fulfilled the UN Guidelines on Public Utilities



37% said their country fulfilled the UN Guidelines on consumer protection for Energy



40% countries said their country had a provision for vulnerable consumers



10% of consumers always feel safe accessing the marketplace

PUBLIC UTILITIES & VULNERABLE CONSUMERS

MOST PRESSING ISSUES

NORTH AMERICA

- **Consumer Reports (US):** Affordability; Water quality & contamination; Broadband access & quality

EUROPE

- **Which? (UK):** Affordability & ease of shifting providers; Consumer skills & awareness; Business provision to support vulnerable
- **FACUA (Spain):** Affordability; Changes in pricing schemes; Accessibility of social schemes

ASIA

- **Japan Consumers Council:** Rural access; Lack of transparency and clarity of schemes and pricing; Lack of competition resulting in lack choice and higher prices
- **FOMCA (Malaysia):** energy efficiency, affordability, renewable energies
- **The Network (Pakistan):** Affordability, transparency, consumer engagement & redress

OCEANIA

- **Consumers' Federation of Australia:** Affordability; Discrimination against indigenous peoples
- **Consumer Council Fiji:** Water quality; Access in rural areas; Reliability of supply given climate

AFRICA

- **ADECO (Cape Verde):** Access and affordability; sustainable energy
- **ADDC (Chad):** Access and quality, affordability

LATIN AMERICA

- **IDEC (Brazil):** Access, digital rights, affordability
- **AMBIO (Costa Rica):** Digital divide; Access to ICT for education; affordability and fairness of payment schemes

POLICY MAKING TOOLS & PROCESSES THAT COULD HELP?



**SOCIAL
SUPPORT**

Appropriate financial support and assistance, easy to access

- “the government is encouraging providers to voluntarily offer social tariffs to those consumers on low incomes. If this voluntary approach is unsuccessful there may be a need to pursue a regulatory route...There may also be a role for targeted voucher schemes to help with costs and providing devices”

ENFORCEMENT

Engagement of consumers and consumer advocates

- “Adequate consumer representation and consultation about the design, delivery and evaluation of public utilities policy is essential to ensure that the needs of vulnerable and disadvantaged consumers are met. Importantly, feedback from consumers needs to be incorporated into policy development”

ENGAGEMENT

Effective enforcement

- “It is vital that any rules or regulations can be enforced directly by regulators. This ensures that non-compliance can be swiftly addressed and that any penalties are high enough to be a genuine incentive for industry to follow the rules”

CRUCIAL FOCUS AREA FOR CONSUMER ADVOCATES GLOBALLY

Which approaches/activities does your organisation use to deliver change for consumers in your country in 2020?

	All	High income	Low income	Middle income
Public awareness and consumer education	85%	90%	79%	83%
Complaints handling and consumer advice	72%	76%	71%	69%
Campaigns	70%	69%	79%	69%
Review and monitor relevant laws, policies or codes of conduct	68%	74%	64%	65%
Developing/formulating policies and standards relating to consumer products/services	60%	57%	64%	62%
Advocating to politicians and parliamentary bodies	60%	71%	57%	54%
Mobilising consumers to advocate for action	60%	62%	71%	57%
Research-based advocacy	60%	64%	50%	58%
Conducting research on problems experienced by consumers	54%	62%	64%	46%
Legal representation on behalf of consumers	50%	52%	71%	43%
Law development	49%	57%	36%	46%
Providing consumer information services (e.g. regular price monitoring, comparative product testing)	48%	57%	57%	40%
Market research	45%	50%	43%	42%
Training and technical assistance	38%	26%	71%	38%
Direct supply of consumer goods and services (e.g. through consumer cooperatives)	20%	19%	21%	20%

Only 50% of consumer advocates receive funding for consumer awareness

Source: Global Member Assessment Survey 2020

HOW CAN TECHNOLOGIES ASSIST?

ACCESS,
AWARENESS

- Water purifiers
- Solar panels
- Air conditioning

DATA

- Understanding needs e.g., Slum. Dwellers International mobilizing communities in 400 cities to collect data to reveal nuanced vulnerabilities and investment needs on the ground
- Rapid response

INFORMATION

- Understandable information
- Personal support

ROLE OF UNCTAD AND QUESTIONS FOR MEMBER STATES?

- Our siloed approach creates systemic injustice. Can consumer policy experts and advocates build **an inclusive and coherent approach** to justice that integrates support for vulnerable consumers across multiple sectors? E.g., access to redress?
- What is the role of consumer policy to protect consumers and build resilience given the **impact of climate change** on energy, water and sanitation needs?
- In an age of crisis, how can consumer policy and “development” work together? **The unconnected are the most underserved consumers** – e.g., in Mukuru, Nairobi, residents pay 172% more for water than those receiving piped water (Source: IIED as example of coherent policy approach in Special Planning Areas)
- What are the **economic costs of the net zero transition?** What is the potential impact on consumers and how can we incorporate the true cost of energy and water fairly?
 - “the lack of awareness of the real cost of water and energy is one of the causes behind the crisis. A shared vision of the problem and the potential consequences is a critical element to start considering costly measures and to rewire business, individuals and governments towards long-term objectives”

GLOBAL CONSUMER PROTECTION AND EMPOWERMENT INDEX



Quality and strength of consumer protection mechanisms



Consumers ability to make informed choices & their level of understanding to exercise their rights



Extent and strength of consumer engagement and confidence



Strength of consumer ability and desire for sustainable products



Extent and strength of consumer representation in innovation

Implications for vulnerable consumers 

THANK YOU

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