

**Webinar on AI and consumer protection:  
Harnessing tech to better enforce consumer law**

*Presented by:*

*The Working Group on Consumer Protection and E-commerce*

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# AI and Consumer Protection: *Harnessing tech to better enforce consumer law*

Working group on Consumer Protection and E-Commerce

Coordinator: Prof. Christine Riefa

Secretariat: Valentina Rivas, Elizabeth Gachuri

Seminar co-organized with

Office of Competition and Consumer Protection – UOKiK Poland



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# *Housekeeping*

- *webinar is being recorded*
- *uploaded onto the UNCTAD meetings YouTube channel later today. Link will be circulated to our audience*
- *This seminar is part of a series*
  - *Next event on 21 March – Protecting vulnerable consumers*

# The EnfTech results are in: Mixed reviews for AI?

Prof. Christine Riefa, University of Reading (UK) and  
Co-ordinator UNCTAD Working Group on Consumer Protection in e-commerce



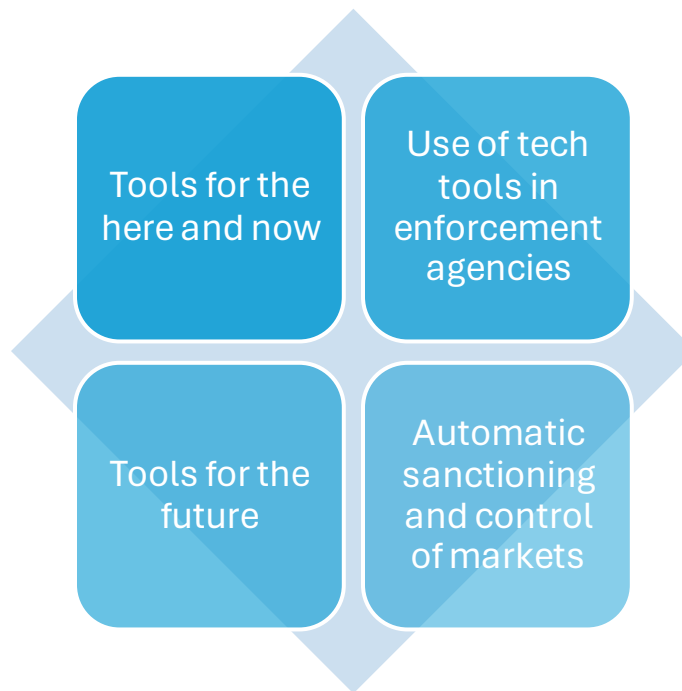
# What is EnfTech?

## Classification by beneficiary:

- LegalTech (Lawyers) / RegTech (Industry) / SupTech (Supervisory authorities)

## Enforcement Technology or EnfTech:

- accounts for specific needs of enforcement agencies
- classified according to task: monitor/ detect, analyse, evidence and execute sanctions (some overlap with enforcement function of other agencies)



# Transformative potential

## Agencies:

- From reactive to proactive enforcement
  - Cost efficiencies
- Maximizing value of staff time

## Consumer protection:

- From ex-post to ex-ante
- Preventing harm before it is felt by consumers

## Consumer law:

- Equal partner with Competition Law in regulation of markets

## Where is EnfTech?

- 18 case studies examples of EnfTech in action in consumer enforcement
- 15 cross-fertilization use cases from public authorities, private sector and other entities

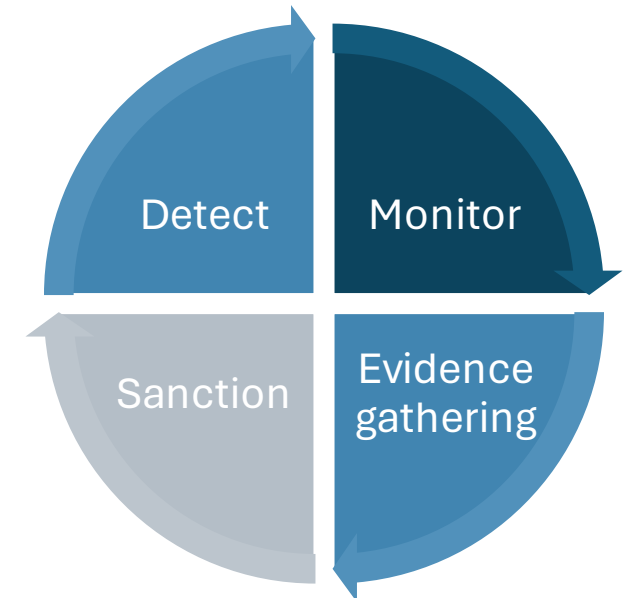
## A vital tool

- Prevents potential obsolescence of consumer protection enforcement agencies
- Essential response to cross-border, industry-dominated digital consumer markets

# What is EnfTech used for today?

- Live complaints and complaint analysis
- Investigating website provenance
- Detecting non-compliance
- Detecting unfair terms and unfair practices
  - Misleading price reductions, fake countdown,
  - fake reviews and dark patterns (in development)
- Sanction calculator for infringement of rules

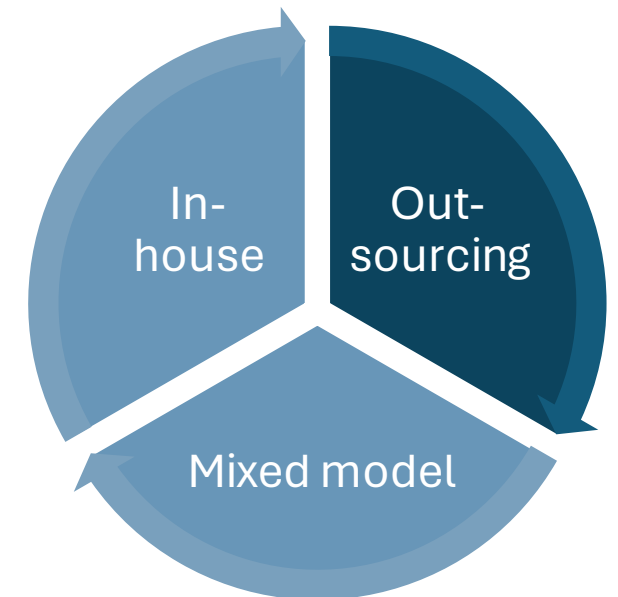
Source: [www.enftech.org/report](http://www.enftech.org/report)



# Institutional framework

- 10 authorities reviewed (some dual, some single remit, ie. Consumer protection only)
- Institutional models varied
- Single agencies do not seem as advanced as dual (other disciplines more advanced already – benefit from cross fertilization)

Source: [www.enftech.org/report](http://www.enftech.org/report)



# Main Findings

- Technological gap between consumer enforcement practice and practice further afield
- No one size fits all approach – gains can be made in all set ups and regardless of the level of technological knowledge or development
- AI is spreading fast in practice of most advanced agencies and potentially useful, but not always the best tool

Source: [www.enftech.org/report](http://www.enftech.org/report)





# State of AI in consumer enforcement

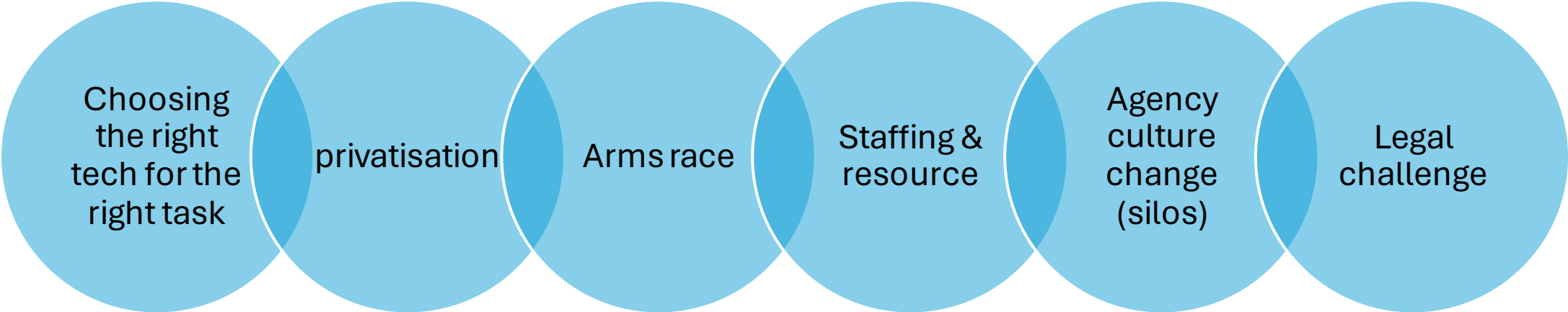
- Disclaimers:
  - 18 use case studies on consumer enforcement
    - Results focus on most advanced agencies using EnfTech and based on publicly available data (not representative of global penetration rates)
    - Results based on 18 use cases spanning 8 agencies (EU, UK, US, Australia, Netherlands, Poland, Colombia) + desk study of other anecdotal evidence not featured as case studies
    - Relies on agency's self description (not all strictly speaking AI?)
  - Results from our cross-fertilisation cases
    - sample of 15 most useful tech for consumer protection enforcement
    - Some bias in selection as looking for useful tools

# State of AI in consumer enforcement

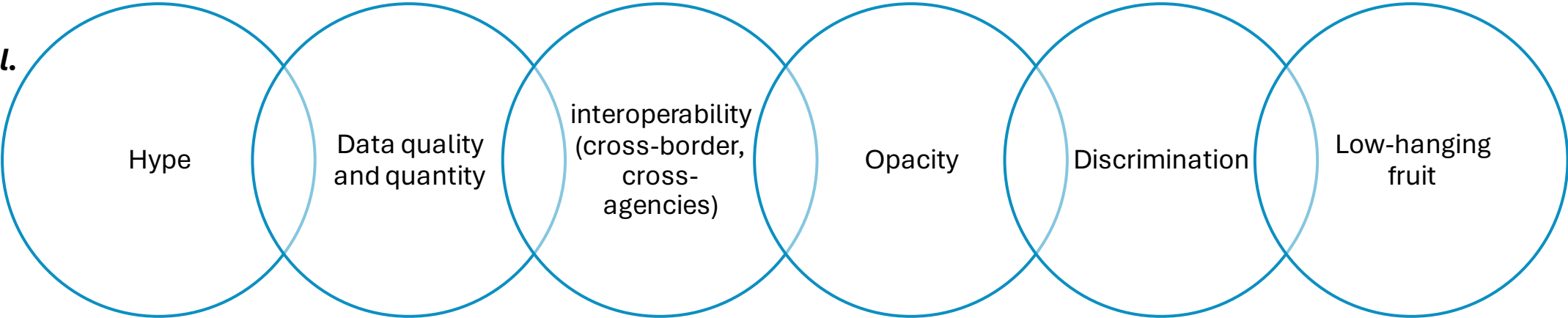
- Acceleration of adoption of AI tools in consumer agencies' work
  - 2020: 6 consumer authorities using EnfTech, AI not heavily featured – data analysis tools preferred
  - We estimate about 40% of use cases were AI a few years ago (2022), but 66% of use cases (2023) (skewed by multiple adoptions in agencies that already have the expertise, data and knowledge)
  - We cannot extrapolate these figures to estimate how widespread AI is yet (next phase of research?)
- Consumer enforcement is behind the 'state of the art' curve at present
  - sample of 15 cross-fertilization use cases AI used in 87% of cases
  - Generation of technologies in use are more advanced than in consumer enforcement) but can in part be explained by availability of data and divergent objectives)

# Some EnTech problems to work through to ensure successful transitions

## *General challenges*



## *More Tech specific challenges (incl. AI)*



# What is the future of EnfTech?

- EnfTech will be making its way into the work of all agencies in near future
- May happen under different set up and using somewhat different tools – which may include AI but will not be essential for gains
- Tooling up essential in digital marketplaces
- Designing EnfTech in a way that works across borders should be a top priority
- Systematic, international sharing of practice, skills requirements, data intelligence and standardised database are a must
- For more on our report: [www.enftech.org/report](http://www.enftech.org/report)



Thank you for your attention



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