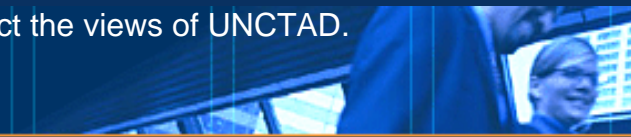


Ad Hoc Expert Meeting on Consumer Protection:  
The interface between competition and consumer policies  
Geneva, 12 to 13 July 2012

**Session 3: Emerging issues in consumer  
protection:  
Complementarities and areas of tension**

**Presentation  
By Ayesha Budd, the Netherlands**

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



# UNCTAD

## The Consumer Puzzle

### Complementarities & Areas of Tension

*consumer protection & competition enforcement*

Ayesha Budd

Geneva, July 2012



# Introduction

Ayesha Budd

- Senior International Policy Advisor
- Netherlands Competition Authority (NMa)

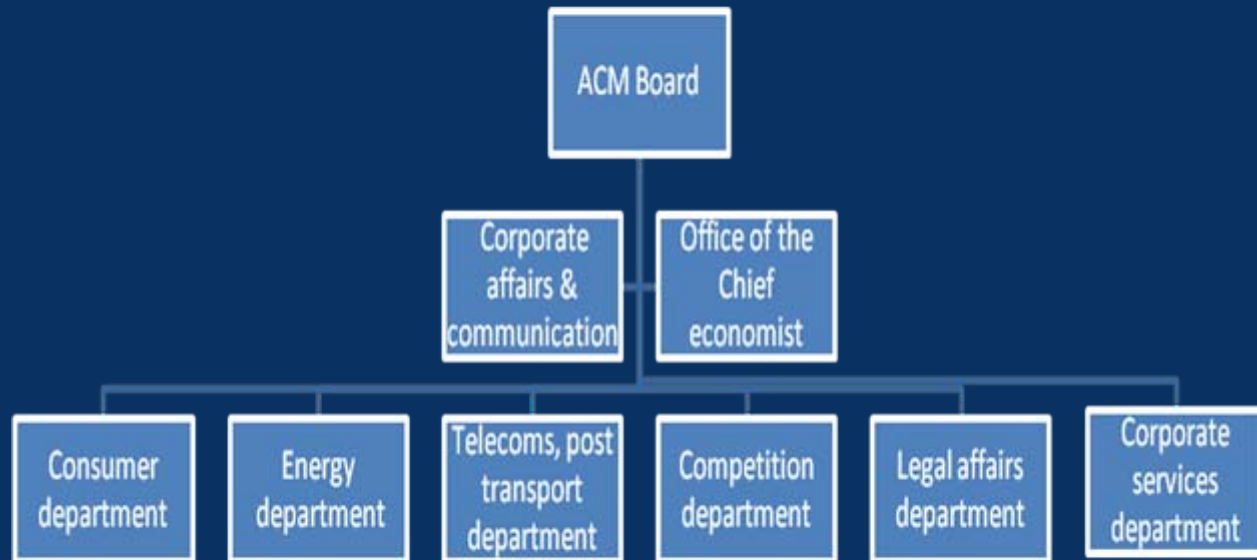


# Consumer Welfare and Competition Enforcement

- NMa report on **nexus** between consumer welfare and competition enforcement
  - Overview of what **consumer welfare means** to the ICN's **competition authorities**
- **Netherlands Competition authority – 1998**
- **Consumer Authority – 2007**
- **Independent Regulator for Post & Telecommunication - 1997**
- Offers potential for tailor-made solutions



# The New Organisation - ACM



## Departments

**Competition ; Consumer ; Energy ; and Telecom, Post and Transport.**

# Why Merge

## ☎ Efficiency and effectiveness

- able to better anticipate market developments
- consolidate knowledge and expertise

## ☎ Increasing trend in Europe

## ☎ Budgetary motives: cost cutting

- need to be more than a sum of our parts



# Benefits

- Chances and choices
  - Complete and correct information
  - Transparency
  - Regulation for incumbents
  - Equitable playing field
  - Media
  - Larger toolkit



# Larger toolkit

- ☎ imposing fines to encouraging compliance,
- ☎ commitment decisions,
- ☎ co-regulation,
- ☎ roundtables,
- ☎ consultations,
- ☎ strategic communication,
- ☎ empowering consumers





# Challenges

- ☎ **Do more with less**
  - **Conflicting goals**
  - **Prioritisation**
  - **Internal bureaucracy**
  - **Judges and courts**
  - **Stakeholder mindset**



# Example – Online Markets

- ☎ NMa - ex ante powers to assess mergers.
  - 2008 KPN Reggefiber case - joint venture to roll out fibreglass networks.
  - remedies - a regulatory framework to ensure access.
- ☎ NMa - online shopping.
  - EU law -> total ban on internet sales by distributors difficult to impose.
  - distributors will not be permitted to use Internet to restrict intra-brand competition in this way.
- ☎ Consumer Authority – internet sales and price transparency and unfair commercial practices
  - Travel branch – consumer authority intervention - benefit in the tens of millions for the consumers.
  - Web-shopping – contact, delivery and payment issues – warned consumers against specific sites, sent warning letters to online shops and shut down some of them down.
- ☎ Telecoms regulator, OPTA - ex-ante regulation to promote a solid infrastructure and a wide variety of offers to choose from .
  - Internet more secure by fighting spam and other bad practices such as malware, and spyware.
  - Ensures internet providers follow transparency rules and provide consumers with enough information to make informed choices.
  - Ensures ease of switching by removing barriers - encourages healthy competition and therefore increases consumer welfare.



# Example – Online Markets

All have the same objectives to empower consumers by:

- ☎ i) ensuring the internet is a safe medium in which to purchase good and services
- ☎ ii) assist consumers with access to information
  - make more informed choices when purchasing goods and services on the internet.

## ☎ ACM

- use full ranges of instruments currently available separately
- to provide tailor-made solutions

## ☎ Merger will broaden the palette of enforcement tools

- enhance choices and chances for citizens, also on the internet.

## ☎ Online markets

- one example of increase in our ability to solve problems on the Dutch markets
- to the benefit of consumers.



# Questions?

