

**Intergovernmental Group of Experts on Consumer Protection
Law and Policy, First Session**

Geneva, 17-18 October 2016

**Contribution
by
*Consumers International***

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

CONSUMER PROTECTION:

WHY IT MATTERS TO YOU



**A PRACTICAL GUIDE TO THE UNITED NATIONS
GUIDELINES FOR CONSUMER PROTECTION**





ABOUT CONSUMERS INTERNATIONAL

Consumers International (CI), working together with over 200 Member organisations in 120 countries, is the only independent and authoritative global voice for consumers.

Together we ensure consumers are treated safely, fairly and honestly.

We strive to put them at the heart of the practices of global corporations and influence international bodies such as the UN, OECD and G20 to act in their interest.

For more information, visit:

www.consumersinternational.org

Published by Consumers International in 2016
Consumers International
24 Highbury Crescent London, N5 1RX, UK



INTRODUCTION

Consumers International (CI) believes that all people have a right to access safe goods and quality services, to be treated fairly and offered effective solutions if things go wrong. But individuals can find it difficult to get their voice heard or influence change.

CI works with its members to represent global consumers, giving strength to their voice. In the 1980s CI successfully campaigned for the United Nations Guidelines for Consumer Protection (referred to in this booklet as 'the Guidelines'), and was closely involved in their development and subsequent revisions.

The Guidelines spell out the main principles of consumer protection. They explain what consumers need, and give practical advice to organisations about how best to meet those needs. For businesses supplying goods and services to consumers, and those involved in the development of national consumer policies, following this valuable framework can help them to deliver consistent quality and effective levels of consumer protection.

In this booklet CI describes the key principles on which the Guidelines are based (p.10), the main recommendations they contain (p.12), and how they can be applied (p.7).

PRACTICAL TIPS

on how you can use the Guidelines.
Turn to page 8.



THE GUIDELINES: KEY FACTS



WHO ARE THEY FOR?

The Guidelines are primarily intended to give practical guidance to governments and businesses, but they are also a useful tool for any organisation concerned with consumer protection.

This might include:

- **Civil society groups and consumer organisations** - working to empower and protect consumers.
- **Government departments** – whose work relates to consumers in any way.





A BRIEF HISTORY

The Guidelines were adopted by the UN in 1985, following a successful campaign by CI. They were developed by a group of experts from around the world with representatives from consumer groups, government, industry and other international organisations. They were revised in 1999, and again in 2015, to ensure that they were up-to-date and addressed real challenges faced by real people.

- **Businesses** - providing goods and services to consumers, whether privately or publicly owned.
- **Standards bodies** - publishing voluntary guidance for businesses.
- **Trade associations** - developing industry codes of practice.
- **Academics** - working in the area of consumer affairs.

They are a valuable resource for any organisation in any country, but may be particularly useful in areas where consumer protection needs to be strengthened. The Guidelines can be applied to all business-to-consumer transactions, carried out online or offline, in the home country or cross-border.





GLOSSARY OF TERMS

CONSUMER:

an individual purchasing or using goods or services, for personal, family or household purposes.

CONSUMER PROTECTION POLICIES:

national laws, regulations, frameworks, procedures, mechanisms and programmes, as well as private sector standards and codes of practice.

MEMBER STATES:

countries that are members of the UN.

THE GUIDELINES:

the UN Guidelines for Consumer Protection (sometimes referred to as the UNGCP).

WHAT ARE THE MAIN OBJECTIVES?

The Guidelines aim to protect consumers by:

- Achieving adequate protection for ALL consumers;
- Ensuring that goods and services are responsive to consumer needs;
- Encouraging high levels of ethical business conduct;
- Preventing abusive business practices;
- Facilitating the development of independent consumer groups;
- Furthering international cooperation in the field of consumer protection;
- Encouraging the development of market conditions that give consumers greater choice at lower prices;
- Promoting sustainable consumption.

ARE THEY COMPULSORY?

The Guidelines are widely accepted as the international benchmark for good practice in consumer protection. Although not legally binding, their strength comes from their adoption by the UN General Assembly, and the consensus of international experts that led to that.

The principles and recommendations contained within the Guidelines, although not legal requirements themselves, frequently refer to specific objectives, which are linked to essential human rights enshrined in UN resolutions and declarations.



APPLYING THE GUIDELINES



The Guidelines recognise that it is impossible to adopt a 'one size fits all' approach because all countries have unique cultural, economic, social and environmental conditions, with different levels of consumer protection.

They are based on a set of general principles and recommendations, which can be applied by any organisation in any country, giving them the freedom to tailor their approach according to their circumstances.

THINGS TO CONSIDER

The main purpose of applying the Guidelines is to develop, strengthen or maintain a strong consumer protection policy. But, in doing this, Member States should:

- Provide or maintain adequate infrastructure to develop, implement and monitor consumer protection policies;
- Ensure that consumer protection measures benefit ALL sectors of the population, particularly those who are vulnerable or disadvantaged, living in poverty or rural areas;
- Consider the costs and benefits of proposed measures;
- Ensure that consumer protection measures do not become unjustifiable barriers to international trade.

PRACTICAL TIPS FOR APPLYING THE GUIDELINES

CI recommends that governments, businesses and civil society groups wishing to benefit from the Guidelines take the following steps:

- 1 Collaborate** – communicate with relevant stakeholders both nationally and internationally to share experiences and ideas.
- 2 Audit** – review the coverage and effectiveness of existing consumer protection policies.
- 3 Assess** – use the Guidelines to identify any gaps and highlight areas of improvement.
- 4 Plan** - create a plan of action with realistic timeframes that details the work needed, who will be involved and how it should be carried out.
- 5 Take action** – governments and businesses can implement their plans, working with other stakeholders to get the best result. Civil society groups should take action by campaigning for change.





BENEFITS OF USE

Applying the Guidelines offers a wide range of potential advantages. Consumers benefit from better quality goods and services, and higher levels of consumer protection. For organisations, such as businesses, governments and those creating consumer protection policies, application of the Guidelines can help to:

- **Provide valuable insight into consumer needs** – help to understand the main principles behind consumer protection and how to deliver these;
- **Define roles and responsibilities** – understand the various roles and responsibilities of government, businesses and other organisations;
- **Enhance consumer trust** – meeting consumer needs can increase confidence and trust;
- **Save valuable time** – the guidance provides an excellent checklist for the development of consumer protection policy. Why reinvent the wheel if you don't have to?
- **Learn from others** - the Guidelines demonstrate the value of working together to share knowledge and experiences, identify common problems and find the best solutions;
- **Boost trade** - instil confidence and promote growth in national and global markets by using principles set out in international trade agreements and standards;
- **Ensure consistent approach** – global markets are increasingly interconnected, with blurred trade boundaries. This makes it increasingly important to have harmonized solutions to common problems.





THE CONSUMER PRINCIPLES



Consumers are offered protection from a variety of sources, such as legislation, industry codes of practice, standards, enforcement agencies and consumer groups. But the system is most effective when everyone is working towards common principles and goals.

The Guidelines identify general principles that define the most important needs of consumers, and which should be taken into account in all business-to-consumer interactions.

SUPPORTING SUSTAINABLE DEVELOPMENT



Sustainable development means meeting the needs of the present, without compromising the ability of future generations to meet their own needs. It is about protecting the planet we live on, AND the people who live on it.

Implementing the Guidelines can help to support many of the UN's Sustainable Development Goals, which were adopted by world leaders and Member States in 2015. These goals include: tackling poverty and hunger; reducing inequality; supporting economic growth; and ensuring good health, clean water, sanitation, and sustainable forms of energy. To find out more about the Sustainable Development Goals see 'Further Information' on p.19.



WHAT DO CONSUMERS NEED?

THE GUIDELINES ARE CENTRED AROUND MEETING ELEVEN 'LEGITIMATE NEEDS' OF CONSUMERS:



1.

ACCESS

the ability to access essential goods and services;



2.

INCLUSIVITY

protection of vulnerable and disadvantaged consumers;



3.

SAFETY

protection from hazards to health and safety;



4.

PROTECTION OF ECONOMIC INTERESTS

promotion of value for money and protection from risk;



5.

INFORMATION

access to clear, accurate information to enable informed choices;



6.

EDUCATION

assistance to understand consumer transactions, and the environmental, social and economic consequences of specific choices;



7.

REDRESS

availability of effective dispute resolution services and redress mechanisms;



8.

REPRESENTATION

the freedom to form consumer groups and have views included in relevant decision-making processes;



9.

SUSTAINABILITY

the promotion of sustainable consumption patterns;



10.

E-COMMERCE RIGHTS

equal protection for consumers dealing with organisations online and offline;



11.

PRIVACY

the protection of consumer privacy and global free flow of information.



KEY RECOMMENDATIONS



The Guidelines recognise that many factors contribute to effective consumer protection (see Fig.1), and give specific recommendations for each.

GUIDANCE FOR GOVERNMENTS

The Guidelines recommend that Member States establish national consumer protection policies that encourage good business practice. For example, legislation could require businesses to provide:

- Clear contact information to allow consumers, regulatory and law enforcement agencies to identify and communicate with them;
- Clear and timely information about the goods or services offered;
- Contracts, and terms and conditions, that are clear, concise and fair;
- A transparent process for the confirmation, cancellation, return and refund of transactions;
- Secure payment mechanisms;
- Effective internal complaints procedures or access to affordable, independent third party dispute resolution schemes.

Member States should ensure that enforcement agencies have the necessary resources to promote effective compliance with consumer protection policies, and take action against those that do not comply.

FIGURE 1 KEY ELEMENTS OF CONSUMER PROTECTION





GUIDANCE FOR BUSINESSES

Consumer protection starts with good business practices that meet the legitimate needs of consumers. In summary, the Guidelines state that businesses should achieve this by:

- Dealing fairly and honestly with consumers at all stages of their relationship;
- Avoiding practices that pose unnecessary risks or harm to consumers, particularly those who are vulnerable and disadvantaged;
- Giving consumers accurate information about goods and services, terms and conditions, fees and costs to enable them to make informed decisions.
- Assisting consumers to develop the necessary knowledge and skills to understand risks, and access competent advice and assistance;
- Introducing effective measures to protect consumers' privacy and personal data;
- Providing easy access to fair, effective, transparent and inexpensive dispute resolution schemes that can help consumers resolve complaints if things go wrong.

The Guidelines also promote use of national and international standards (see 'Further information' on p.19), which give detailed guidance on good practice in specific areas such as: e-commerce, financial services, sustainability, customer satisfaction and complaints handling.



PRIORITY AREAS



The Guidelines identify several areas of particular importance to consumers, which should be prioritised by Member States. They detail how the consumer principles should be applied to each area to achieve maximum protection.

ESSENTIAL GOODS AND SERVICES

To ensure that consumers are adequately protected when using essential goods and services - such as water, energy, food and medicines - the Guidelines recommend that national policies are in place for each to cover:

- **Monitoring** – regular inspection and evaluation carried out by an effective oversight or regulatory body
- **Product quality** – clean, sustainable, safe and from traceable origins
- **Distribution** - adequate and secure distribution facilities
- **Provision** – accessibility and transparent conditions for billing, levels of service, cancellation and payments.
- **Labelling** – the use of clear, accurate labelling for consumers
- **Education** – awareness raising programmes and community participation



FINANCIAL SERVICES

Financial services have the potential to cause high levels of consumer detriment and it is important the consumers are well informed and protected in this area. The revised Guidelines strengthen protection for consumers using financial services by recommending that Member States:

- Establish frameworks for regulation and enforcement, with oversight bodies that have the necessary authority and resources to carry out their mission;
- Put appropriate controls in place to protect consumer assets and financial information;
- Improve financial inclusion and education strategies that promote financial literacy;
- Demonstrate fair treatment, including transparency about conflicts of interest and taking accountability for the actions of authorised agents;
- Provide clear information to consumers about fees, exchange rates and any other costs, as well as remedies if things go wrong;
- Promote responsible lending and policies to deal with over-debted consumers.





ELECTRONIC COMMERCE

E-commerce is an area of rapid growth and consumers are carrying out an increasing number of transactions online. It is essential that consumer protection policies keep up with the fast rate of change in this area. The recently revised Guidelines recognise this trend, giving equal levels of consumer protection to transactions carried out offline and online.

E-commerce makes it easier for consumers to shop cross-border and access international markets, so consistent levels of protection are increasingly important. The Guidelines advise Member States to review existing consumer protection policies to accommodate the special features of electronic commerce such as information, privacy and redress. They also stress the importance of informing both consumers and businesses of their rights and obligations in the digital marketplace.





THE FUTURE



An Intergovernmental Group of Experts (IGE) for Consumer Protection has been created by UNCTAD to enhance international cooperation in consumer protection, evaluate take-up and implementation of the Guidelines in Member States, and make recommendations about their application. The IGE will carry out research into consumer issues to ensure that the guidance remains relevant and effective. CI participates on the IGE and represents its global membership.





FURTHER INFORMATION

CONSUMERS INTERNATIONAL

For more information about CI, its members, and the work it carries out: consumersinternational.org

NATIONAL STANDARDS BODIES

Most countries have their own National Standards Body (NSB) that publish standards to help organisations deliver better goods and services. You can find a list of national NSBs here:

iso.org/iso/about/iso_members.htm

ISO

To find out more about international standards: iso.org

UNITED NATIONS (UN)

CONSUMER PROTECTION

To find out more about the Intergovernmental Expert Group for Consumer Protection created by UNCTAD and to download a free copy of the Guidelines (available in English, French, Spanish, Chinese, Arabic and Russian):

bit.ly/UNCTAD_CP

SUSTAINABLE DEVELOPMENT

To find out more about the United Nations 2030 Agenda for Sustainable Development and the Sustainable Development Goals:

sustainabledevelopment.un.org/sdgs





Global Office (London)
24 Highbury Crescent
London N5 1RX, United Kingdom

Consumers International is a not-for-profit company limited by guarantee, registered in England and Wales (No. 4337865) and a registered charity (No. 1122155)