
Intergovernmental Group of Experts on Consumer Law and Policy
(IGE Consumer)

3rd SESSION

9-10 July 2018

Room XVII, Palais des Nations, Geneva

Tuesday, 10 July 2018

Morning Session

Agenda Item 3d. Dispute resolution and redress – Contribution 2

Contribution by

Federal Trade Commission (FTC)

United States of America

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**3rd Intergovernmental Group of Experts on
Consumer Protection Law and Policy**

**Dispute Resolution and Redress Session
Tuesday, July 10, 2018, 10:00 to 12:00pm
Room: XVII, Palais des Nations, First Floor
Ms. Deon Woods Bell**

United States Federal Trade Commission Focus Points:

1. How can government and/or judicial redress procedures better help consumers?

- Government consumer redress programs can significantly contribute to fostering consumer trust and building more competitive markets.
- In the calendar year 2017 alone, the top five FTC redress cases resulted in more than \$6.4 billion in consumer redress judgements. Millions of consumers received redress checks from the FTC. In 2017, the FTC filed 19 administrative actions, 50 federal actions, and 5 civil penalty actions. The FTC obtained 17 administrative orders, 105 orders for redress, disgorgement, and permanent injunction, 20 civil penalty orders, and 5 civil contempt orders.
- Government redress programs can also facilitate cross border cooperation.

2. How do consumers in your country seek redress and what are the key characteristics for government redress programs? How do government redress programs fit into the context of providing consumers redress generally?

- There are many ways U.S. consumers can seek monetary redress in commercial disputes. These remedies are provided by federal and state laws, as well as through voluntary self-regulatory and professional licensing organizations.
- A government agency, such as the FTC, may bring a court action (or pre-complaint settlement) on behalf of victimized consumers to obtain redress. Under the FTC Act, the Commission can obtain court-ordered monetary redress as well as injunctive relief. The lawsuit is brought in the Commission's name, but for the benefit of victims.
- The Federal Trade Commission stops unfair and deceptive business practices by investigating and bringing law enforcement cases against companies that break the law.
- The goal of FTC law enforcement actions is to halt illegal practices and get refunds to people who lost money. Once an FTC lawsuit or settlement is final, and the defendants have paid the money the court orders, then the FTC develops a plan for returning that money to the right people. If there is money left over at the conclusion of the refund program, or if there is not enough money to provide meaningful refund amounts, then the FTC sends the money to the U.S. Treasury, where it is deposited into the General Fund.
- FY2017, the FTC returned over \$543 million to consumers, required defendants to self-administer consumer refund programs worth more than \$11.5 billion, and estimates that it saved consumers over \$1.29 billion through its consumer protection enforcement actions.

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3. How can government redress programs lead to enhanced cross-border cooperation?

- These UNGCP call on Member States to cooperate in combatting fraudulent and deceptive cross-border commercial practices.
- The U.S. SAFE WEB Act of 2006 provides the FTC with stronger tools when engaging with foreign law enforcement authorities. The Act authorizes the FTC to gather and share information (including confidential information) with foreign law enforcement authorities.
- Under the Act, the FTC has the authority to redress harm in the U.S. caused by foreign wrongdoers. The Act also expressly confirms the availability in cross-border cases of all remedies available to the FTC, including restitution.
- By working together, implementing laws like the U.S. SAFE Web Act, as well as expanding training and communication, law enforcement agencies can overcome obstacles to cross-border cooperation.

4. How could UNCTAD contribute to Member States' consumer dispute resolution and government redress programs?

- The UNGCP Section 15 calls for Member States to ensure that their enforcement agencies have authority and resources to ensure or facilitate redress for consumers.
- The FTC is an example of the effect of giving regulators redress and injunctive powers. FY2017, the FTC returned over \$543 million to consumers, required defendants to self-administer consumer refund programs worth more than \$11.5 billion, and estimates that it saved consumers over \$1.29 billion through its consumer protection enforcement actions.
- Inherent in the advancement of new technologies is the increase in scope and complexity of cross-border issues. There is a need for greater cross-border cooperation, and the IGE and UNCTAD can facilitate the creation of effective mechanisms for the exchange of information on law enforcement, government redress programs, policies, consumer education, business guidance, and research related to various consumer protection issues.
- According to the UNGCP, the IGE can also conduct peer reviews, as well as support capacity building, which can be used to support government redress programs.