UN trade & development
UNCTAD

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Friday 11 July 2025

10:00 – 12:00, Room XIX

Consumer Protection and AI

This technical note stems from the work of the UNCTAD informal working group on consumer protection in e-commerce, established in 2017

Over the past two years, the group:

▸ Held three thematic webinars on consumer protection and AI
▸ Explored risks and opportunities for consumers
▸ Shared concrete examples of AI use by consumer protection agencies
▸ The findings informed this technical note and aim to support dialogue and cooperation at the multilateral level
▸ In the making: a checklist for consumer protection agencies staring to deploy AI

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Artificial Intelligence and Consumer Protection

Technical note produced within the framework of UNCTAD informal Working Group on Consumer Protection in e-commerce

Main Risks and Opportunities of AI for Consumer Protection

Opportunities

- Enable personalized consumer services
- Improve detection of unfair commercial practices
- Automate dispute resolution and complaint handling
- Enhance efficiency and transparency in enforcement

Risks

- Opaque algorithms and lack of explainability
- Manipulative practices (e.g., dark patterns, confirmshaming)
- Discrimination and biased AI outcomes
- Invasive data collection and privacy breaches
- Environmental impacts and rising use of resources
- Unequal access due to the digital divide

Strengthening Consumer Protection through AI Regulation

Robust regulatory frameworks are essential to ensure AI is used responsibly in e‑commerce, requiring new laws and guidance that empower agencies, protect consumers, and align national efforts with international best practices.

Why regulation matters

▶ Lack of clear rules risks misuse of AI in e‑commerce

▶ Urgent need for governance to ensure AI serves the public interest

▶ Consumer protection must be embedded in AI frameworks

What's needed

▶ **New regulatory tools**: to address algorithmic harm, manipulation & redress

▶ **Procedural powers**: to investigate, modify or remove harmful AI systems

▶ **Substantive rules**: to set limits for high‑risk AI applications

▶ **Stronger guidance** for consumer agencies, especially in developing countries

Use of AI - Consumer Protection Agencies

Technology for smarter enforcement

Agencies increasingly use AI to detect violations, manage complaints and for consumer education. Tools support shift from reactive to preventive enforcement

- Korea (KCA): AI-based knowledge platform improves dispute settlement
- Netherlands (ACM): AI-powered web scraper for unfair practices; scanning spoken words to detect wrongdoing
- Peru (INDECOPI): Monitors spam calls using AI
- Poland (UOKiK): ARBUZ scans contracts; new tool detects dark patterns
- Thailand (OCPB): Complaint triage; detect fraudulent digital advertising
- Zambia (CCPC): Chatbot-enabled case managment system; develoing a digital market surveillance

Benefits	f ˍ ɩ̆ ɨ̃κ˝ ⸺κ▢
☑ Enhanced detection and evidence gathering	⚠ q ɩ̆ ɩ̃ Ǵ⸗̆ ▢▢Ǵ˝ ▯IC̶I̶ȟ⸺n̄ ɩ̃ ́C̶ȟ⸺I̶Iƙ▢
☑ Faster response to consumer harm	⚠ ő⸗̄ ⱬ̃κ▯IC̶M ▢ɩ̆ M̄ɩ̃κ▢C̄
☑ Improved access to redress	⚠ őκ⸺ɨ̆́C̆˝ ▯IG̶▢ n̄M ɩ̃C̄M˝ Mκ▢́

Where to start?

AI tools require **clean, structured, and representative data**

Agencies should invest in:

▸ Data collection: complaints, market practices, business compliance, enforcement actions…

▸ Pre-processing data: handling missing information, converting data into usable formats, removing errors and irrelevant content…

▸ Ongoing quality assurance: reduce bias and error

Many agencies **lack infrastructure, staffing, and skills** to deploy AI

Building technological capacities:

▸ Recruitment of technical specialists: integrate technical expertise into policy teams to support the design, deployment, and monitoring of AI tools

▸ Training for enforcement officer: strengthen staff digital skills to ensure effective and responsible use of AI systems

▸ Investment in IT infrastructure: computers, high-connectivity, secure data storage systems

International cooperation

▶ **Collaboration is essential**: Joint tool development, knowledge exchange, and funding partnerships make it possible for all countries —especially developing ones — to deploy AI responsibly.

▶ **Global initiatives gaining momentum**: UNGA Resolutions (2024), the UN Secretary-General's AI Advisory Body, and the Global Digital Compact all call for inclusive, rights-based, and sustainable AI governance.

▶ **UNCTAD's role is key**: Enabling dialogue, collaboration, and capacity-building to strengthen consumer protection in the age of AI.

▶ **Focus on fairness and best practices**: Agencies must approach AI use critically, guided by ethical principles and international standards to ensure safe, effective, and transparent enforcement.

Suggestions for action

For Consumer Protection Agencies

- Work collectively to adopt and promote best practices

- Boost consumer education on AI-driven risks

- Enhance technological capacities

- Engage in international cooperation

For Policymakers

- Support the development of inclusive AI governance frameworks

- Ensure coherence with existing consumer protection laws
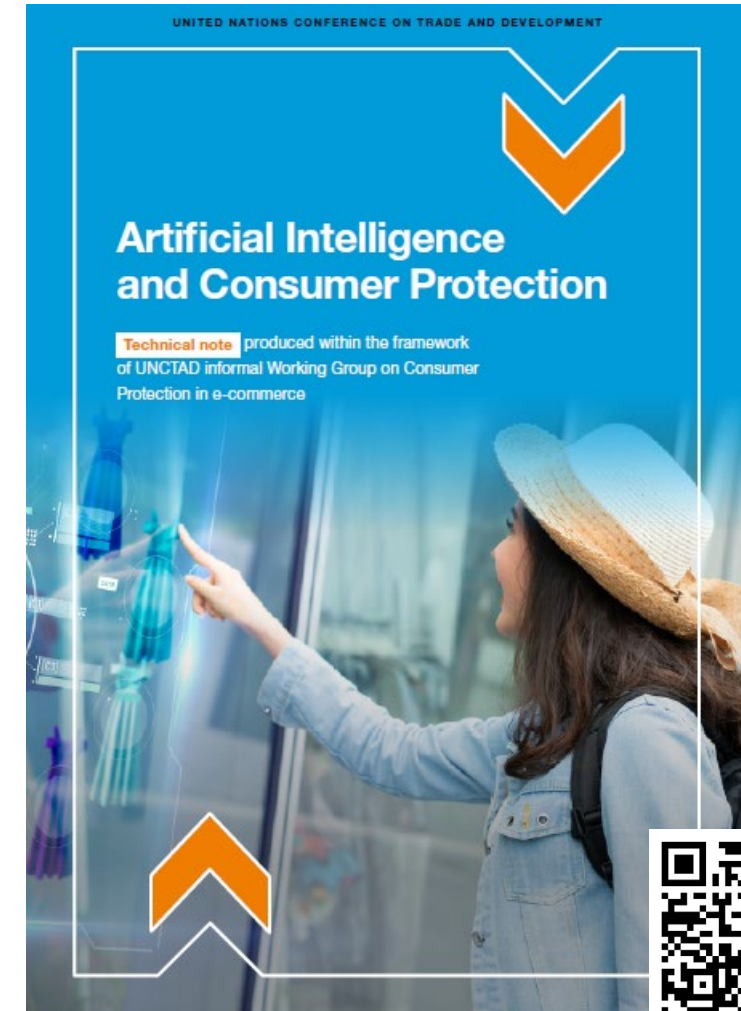
<h1 style="text-align: center;">AI SCRIPT</h1>

Script – Secretariat Presentation (approx. 10 minutes)

Slide 2 – Title Slide

Thank you Chair. Good morning, distinguished delegates and colleagues,

All of you, whether knowingly or not, have already interacted with AI—through recommendation systems, chatbots, targeted advertising, or automated decisions. With digital markets changing faster than ever, our consumer protection strategies must keep pace. AI is not just changing how consumers buy, decide, and interact; it is also challenging the very foundations of trust, fairness, and choice in the digital economy.

Slide 3 – Introduction
Over the past two years, UNCTAD, in the framework of the informal working group on consumer protection in e-commerce has been working on the implications of artificial intelligence for consumer protection. It held three thematic webinars, explored the risks and opportunities that AI presents for consumers as well as for consumer protection agencies, and gathered practical examples from enforcement agencies already deploying AI.

The insights gathered have informed a comprehensive technical note (that you can download in the following QR code) and we are currently finalizing a practical **checklist** for agencies beginning to explore the use of AI. This checklist will be presented by one of the panellists later in the session.

Slide 4 – Main Risks and Opportunities

Artificial intelligence offers exciting new possibilities for consumers—including more personalized digital experiences tailored to individual needs and preferences.

AI also offers a range of opportunities to enhance consumer protection. It can help detect unfair commercial practices, automate complaint handling, and support faster, more transparent enforcement processes.

Regarding risks, consumer protection agencies are witnessing the growing use of opaque algorithms, manipulative practices like dark patterns and confirmshaming, biased outcomes, and violations of privacy.

Let me give you a few concrete examples of how AI can harm consumers today:

- **Dark patterns**, powered by algorithms, can trick users into unintended purchases or subscriptions.

- **Generative AI** is being used to create deepfakes and phishing content, undermining trust and security.

- **AI-generated profiling** can result in discriminatory outcomes in areas like credit access or pricing.

These are not distant or abstract risks—they are real and present across jurisdictions. And often, it is **vulnerable consumers** who are most affected.

There are also wider societal concerns, such as the environmental impact of AI systems and the unequal access to their benefits due to the digital divide.

What's more, many AI tools replicate or amplify existing inequalities, reinforcing dominant market power. This leads to a concentration of influence in the hands of a few major platforms— a trend often described as the emerging "AI oligopoly."

That is why robust **regulatory frameworks are so critical**—to integrate consumer protection principles into AI governance and ensure that these technologies truly serve the public interest.

Slide 5 – Strengthening Consumer Protection through AI Regulation

To do so, agencies need new **regulatory tools** to tackle algorithmic harm and manipulation, **procedural powers** to investigate and act on harmful

systems, and **substantive rules** to set clear limits for high-risk applications.

Particular attention must be paid to the needs of developing countries, where resources and capacities may be more limited.

Slide 6 – Use of AI by Consumer Protection Agencies
Despite challenges, many agencies are already making important strides in using AI to enhance enforcement.

For example:

- In **Korea,** the KCA uses an AI platform to improve dispute resolution.

- In the **Netherlands,** the ACM uses AI to detect misleading commercial practices—even scanning audio recordings.

- **Peru** uses AI to monitor spam calls;

- **Poland** developed a tool to scan contract terms, and is now testing tools to detect dark patterns.

- **Thailand** uses AI for complaint triage and online ad monitoring.

- And **Zambia** is integrating chatbots and market surveillance systems into case management.

These examples show how AI is already transforming enforcement, especially by helping agencies **shift from reactive to preventive action.**

Slide 7
But to use AI effectively, **data quality and institutional capacity are essential**.
AI tools require clean, structured, and representative data. Agencies need to invest in:

- Data collection—from complaints and compliance records

- Pre-processing—that ensures that the data is usable and reliable

- And ongoing quality assurance—to reduce bias and improve outcomes

In parallel, many agencies still lack the infrastructure and expertise needed to deploy these tools.

Building technological capacity means:

- Recruiting technologists

- Training enforcement officers

- And investing in IT infrastructure—such as secure data storage and connectivity

Slide 8 – International Cooperation

Given the global nature of digital markets and AI development, **international cooperation is essential**.

Joint tool development, knowledge sharing, and funding partnerships can help ensure that all countries—especially developing ones—can benefit from AI safely and equitably.

Recent UN General Assembly resolutions and the UN Secretary-General's AI Advisory Body have reinforced the need for inclusive, rights-based governance. The Global Digital Compact similarly calls for balanced and sustainable digital development.

UNCTAD plays a pivotal role as a facilitator of dialogue, technical assistance, and South–South cooperation in this space.

Slide 9 – Suggestions for action
The report concludes with key suggestions for action:

To **consumer protection agencies**:

- Work collectively to adopt and promote ethical and effective AI practices

- Lead efforts to educate consumers about AI-related risks

- Invest in the technological and human resources needed to deploy AI

- And engage in regional and international cooperation

To **policymakers**:

- Develop inclusive and transparent governance frameworks for AI

- And ensure that these are coherent with existing consumer protection rules

Slide 9 – Closing

In closing, AI has the potential to transform consumer protection for the better—but only if it is approached with care, collaboration, and clear safeguards.

UNCTAD remains committed to supporting member States in building fairer, safer, and more resilient digital markets.

Thank you very much.