

The Consumer Voice in Europe

Consumer protection in the platform economy

Guillermo Beltrà

Director Legal and Economic Affairs



S&D Conference on Online Platforms
Brussels, 28 June 2018



Consumers embrace the platform economy...

... But statistics and experience shows many problems exist, for example:

- Anticompetitive practices
- Lack of transparency
- Legal uncertainty
- Widespread use of unfair terms
- No respect for data protection obligations

55% of consumers experienced at least one problem over the past year

Source: DG JUSTICE, Peer-to-peer platform markets Study, 2017



Many rules already in place

- E-Commerce Directive
- Unfair Commercial Practices
 Directive
- Unfair Contract Terms Directive
- Consumer Rights Directive
- General Data Protection Regulation
- ...

- Network Information Security Directive
- Payment Services Directive 2
- Information Society Directive
- General Product Safety Directive
- ..

The first challenge is the **enforcement** of these rules

The second challenge is to update and complement some of these rules



New Consumer Deal



New Art 6a Consumer Rights Directive (information duties)

- Transparency about parameters of ranking (without disclosing algorithm!)
- 🤡 Whether third party is trader or not (self-declaration)
- Whether consumer law applies or not (without details)
- Which trader is responsible to guarantee application of consumer law

New I tem 11: Annex of Unfair Commercial Practices Directive

Platform has to disclose if search results are based on payment, otherwise it is an unfair practice



New Consumer Deal

What's missing

- Additional transparency about the use and functioning of algorithms, particularly regarding personalized offers
- Standard remedies in case of non-compliance, eg: right to terminate
- Rules on liability of platforms, particularly when predominant influence/control over own marketplace
- Disclosure of any dynamic and personalized pricing techniques used
- Mechanisms in place to take down fake reviews and transparency obligation about how authenticity is (or not) verified



New Consumer Deal Vs P2B

Suppliers that operate through online platform get higher levels of protection than consumers on some issues... why?

- Disclose the relative importance of ranking parameters
- Remuneration vs payment
- Effects of remuneration on ranking
- Better transparency overall



Preliminary thoughts on P2B proposal

- Scope: Online Intermediary Services and Online Search Engines
- Requires contractual relationship with consumer through platform?
- Only applies to General T&Cs advertised, not individually negotiated
- Minimalist intervention: provisions limited to transparency
 - Output How effective will they be to change market practices? Is information alone enough for small, innovative players?
- Some ideas to strengthen the proposal
 - Article 6: Vertically integrated services should not be the default
 - Article 7: Incorporate specific measures to address entry barriers linked to access to data (data as an input)
 - Article 8: EU-wide ban on wide parity clauses

More details soon!

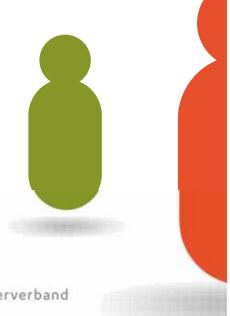


The Consumer Voice in Europe

Thank you for your attention

www.beuc.eu





Bureau Européen des Unions de Consommateurs AISBL | Der Europaïsche Verbraucherverband Rue d'Arlon 80, B-1040 Brussels • Tel. +32 (0)2 743 15 90