



Challenges for consumer protection in digital markets

rethinking digital competence in the
era of IoT

Consumers, citizens and data

Rethink and Relink

Human-centred technology, European values

Consumer empowerment & regulation mix

Put consumers & citizens back in control over their data

A digital competence reference framework

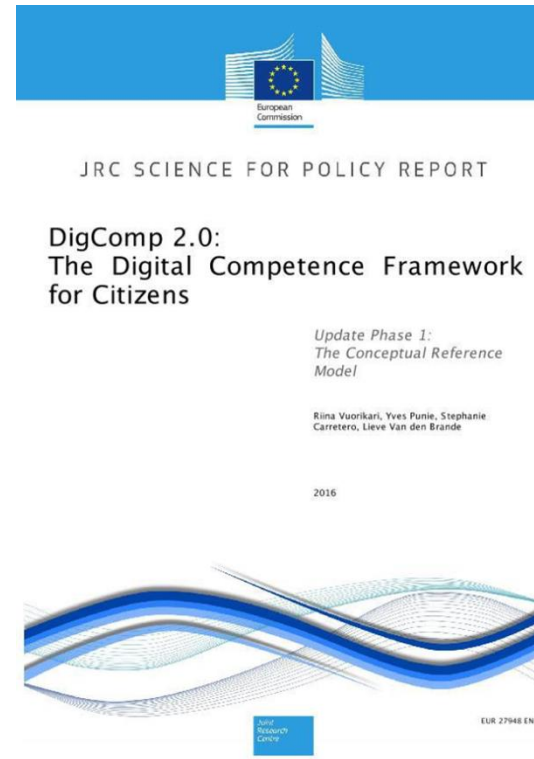
- *A common understanding: which digital skills?*
- *DIGCOMP reference framework : Identify and describe key components of Digital Competence in terms of knowledge, skills and attitudes.*



European
Commission

Digcomp 1.0 2.0

DigComp



DigCompConsumers 2016

Summary report as JRC Science for Policy Report
<https://ec.europa.eu/jrc/en/digcompconsumers>

Full report on DG Justice and Consumers
http://ec.europa.eu/justice/index_en.htm

1.2. Evaluating and comparing information on goods and services – Learning outcomes

- To compare and critically evaluate the reliability of digital sources of information on goods and services.*
- To compare and critically evaluate information on goods, services, purchasing terms and conditions related to the digital marketplace.*
- To compare commercial offers using comparison tools, websites and channels.*

**Latest
technology
developments
are disrupting
the basics of
consumer
markets &
consumer
protection**



Elkin-Koren & Gal: Paradigm shift



Consumer Protection Laws

- Separate transactions
- Initiation by consumer
- Information
- Choice



New Consumer Ecosystem

- Long term relationship
- Initiation by consumer or by algorithm
- Information: on products and consumers
- Choice: Algorithmic

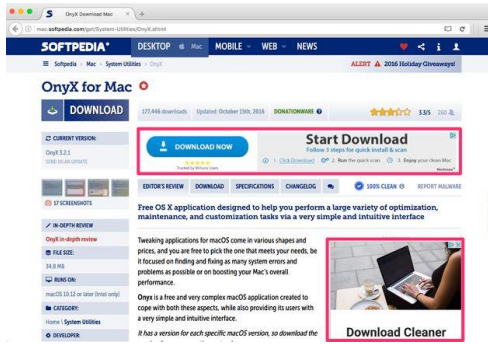
Dark patterns ?

Practices used in websites and apps that influence users to take steps that they would otherwise not take



European Commission

Misleading ads



UCPD Misleading actions

UCPD Blacklist No. 6

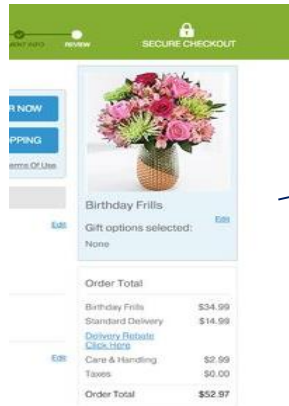
Bait and switch



Dark patterns



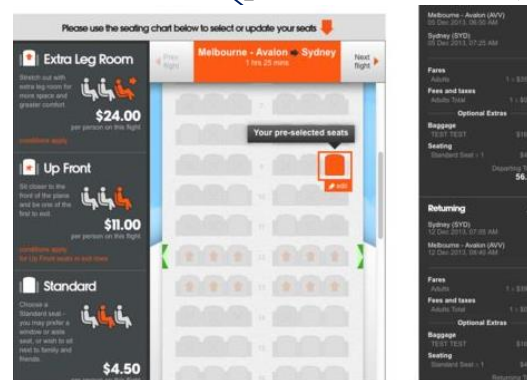
Drip-pricing



UCPD, CRD, ECD Lack of price transparency

CRD Article 22

Pre-selected options



Subscription traps

UCPD Misleading actions

Your booking is complete. Click here to claim your £20 cash back voucher on your next Trainline booking!



By clicking above, you can claim your reward with our preferred partner programme. Offer subject to payment terms.

Consumer market studies

Online market segmentation through personalization of offers and pricing (2018)

Consumer issues in peer-to-peer platform markets (2017)

See: https://ec.europa.eu/info/policies/consumers/consumer-protection/evidence-based-consumer-policy/market-studies_en

Behavioural Insights studies

Digitalisation of financial services (2019)

**Advertising and marketing practices in social media
(2018)**

See: https://ec.europa.eu/info/policies/consumers/consumer-protection/evidence-based-consumer-policy/behavioural-research_en

New Deal for Consumers

On-line Transparency:

- **ranking parameters,**
- **'peer' or professional seller,**
- **'free' services**

Market Monitoring

Information asymmetries and consumer choice: an illusion ?

- Predominant role of online intermediaries, including for off-line purchases
- Invisible, dynamic, personalized marketing and pricing
- Micro targeted advertising creating the illusion of choice
- Algorithms, AI, voice controlled ...

Can a consumer still make an "informed choice"?



INFOBESITY

Overload
of information

Unclear
links
with
privacy
issues

lack of
time

candid
trust in
markets
and
authorities

**"Rational
Ignorance"**

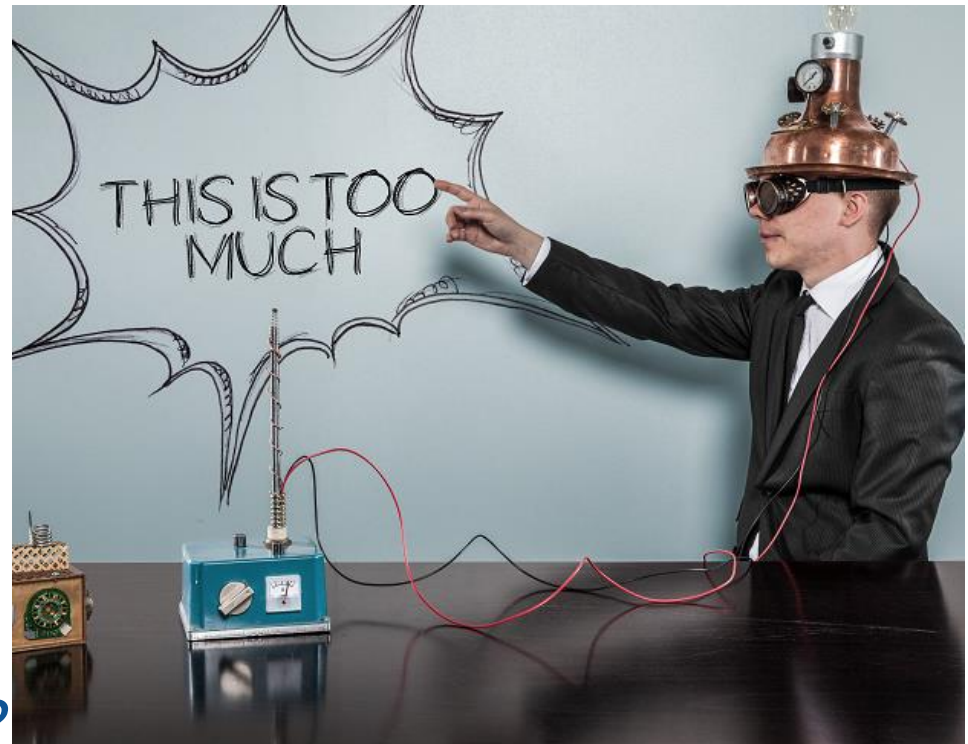


Is the “average consumer” still coping?

*Increased complexity in
black box systems*

How to assess :

- *Personalised vs average?*
- *“Reasonable circumspection” ?*
- *Vulnerable or average?*



**Algorithms and AI can
accentuate vulnerabilities**



Trust

Fight



Or dance?

Thank you !

