**To:** ECCG meeting 19-20 November 2014 – Thematic discussion

**From:** Forbrukerrådet (Norwegian Consumer Council)

**Date:** 19.11.2014

**Kopi:** FLM/ØHK

**Code:** 20141119-ECCG

## Consumer Policy Priorities and trends in “The Digital Environment”

**General trends:**

Every year the traffic growth on the Internet is increased by an estimated 30-35 percent and the number of digital services expands in an ever increasing pace. According to forecasts by the network company Cisco, there will in 2016 be as many as 19 billion devices that communicate over the Internet. In 2010 there were 9 billion. The trend is clear, the use of digital services will explode in the coming years and will affect all social groups and society as a whole.

Digital issues are therefore horizontal - and more and more of the consumer policy areas experiencing a digitization of services and industries. Technological developments mean that our rights are not as clearly defined in the digital arena compared to other consumer arenas.

Many traditional markets are changing as a result of new forms of communication and new forms of consumption. The sharing/pooling/peer-to-peer economy spreads fast into industries such as hotels and taxi industry. And more is to come. The willingness to rent instead of owning and increased trade in-between consumers creates new challenges for consumers, industries and regulators. In addition the development of the internet of things and smart appliances will offer massive opportunities for consumers, while at the same time challenge consumer’s privacy.

It is becoming clearer that the payment is made in currencies other than money. It is personal data, traffic data and contact data exchanged. This creates new challenges that will need new solutions.

It is a fact that consumers of digital services are far less protected by law compared to when they buy physical products. This is a paradox as many products now considered digital services not long ago was only available as physical products.

Internet is often a prerequisite to function as a digital consumer, and emerges as a fundamental right for the consumer on par with electricity and water. An open, accessible infrastructure for all kinds of services, content and users is essential both to get a healthy, innovative market - and not least central to exercise our rights as citizens.

As a general statement we all need the consumer regulation and protection to keep up with the ever changing market trends and transaction mechanisms. Speed-to-market for regulators are becoming an issue as more and more of traditional consumer transactions are left without proper regulation – and with a larger and lager potential of consumer detriment as a result.

**Current priorities:**

**Data protection and privacy:** More and more data about consumers habits and activities are tracked online and offline. In some cases this opens up for new and better services, and at the same time it is creating a massive challenge for consumers to control their own personal data. We believe there is a massive in balance today and urge the European institutions to agree to the data protection as soon as possible.

**Interoperability**: When you buy an ebook, you might not be able to transfer it to another device or to lend it to you brother. You actually are just renting a licence. There is a major gap between the consumer expectation and the rights they actually have when they say “yes” to the terms and conditions. The Norwegian Consumer Council is therefore conducting a major study of the ebook market to assess the terms and the interoperability of ebooks. The results are due early next year (2015).

The same is the case in terms of movies. A consumer in one country might legally have paid to have access to the movie library of Netflix, but this content is barred when he or she travels to another country within the EU. Previously, a consumer could buy a DVD and watch it anywhere she wanted. We are not saying the rights should be the same for products and services, but we see a rights gap that needs to be addressed.

**Copyright legislation**: Due to be revised next year. We strongly urge the Commission to work for a consumer friendly revision, where the reality of the single market and the borderless consumer is taken into consideration.

**Unfair terms in consumer contracts**: It is key that we enforce unfair terms in consumer contracts. To this end the Norwegian Consumer Council this year reviewed the most popular cloud storage services in the world and filed a complaint against Apple iCloud to the Consumer Ombudsman. As a result Apple informed us this fall that they would change their terms globally with regards to meet our complaint. This was a great victory. However, there are many other unfair terms in practice in many digital services. We therefore urge the Commission to continue its work on Unfair Terms in Cloud Computing Contracts and in other fields, and consider enforcement vis-à-vis services that are provided on a European wide basis.

**Net Neutrality**: The Telecom Single Market legislation currently discussed in the Council is of great importance to consumer across Europe. Needless to say we support the Commission and eventually the EP position on this, and we hope that the Council will agree to ambitious rules on both roaming and net neutrality.

**Upcoming priorities & trends:**

* Internet of things
* The right of access and use of public data
* Independent PCW
* Privacy and privacy management (e-Health, e-Learning, e-Government etc.)
* Consumers and the Digital Divide - Consumers in vulnerable situations –
* “The right to be forgotten”
* Peer-to-peer economy – Sharing/lending/switching and pooling. “The Occasional professional – The Prosumer”: Consumers in new roles with new obligations and different needs of protection & regulation.

END