

*ECCG Meeting on 19-20 November – thematic discussion*

## Emerging developments and trends in the consumer policy area

Consumer Policy and also the role of Consumer Organisations have become more important, challenging and demanding. Global corporations, international agreements and, above all, the EU's impact on our daily lives are increasing. The challenges for consumers in their daily life are ever increasing. There are active choices to be made in more markets, with complex products and services, and an information overload in parallel with the lack of independent advice, combined with disguised marketing and expectations on the consumer to contribute to sustainable development. There is a great risk that consumers are divided into two categories - the consumers that has the knowledge and ability to make active choices, and those consumers that suffer in their role as consumers for many different reasons, sometimes in relation to low education, disability or ethnic background.

The Swedish Consumers' Associations vision is that consumers are confident, knowledgeable and empowered, has a strong voice and power over their consumption and are able to make sustainable choices that are available for everyone.

For sustainable consumption to become a reality it has to be easy to make sustainable choices and the sustainable option should be affordable for all consumers. The challenges as to climate, biodiversity, antibiotic resistance and health are ever increasing and it is time for consumers to be able to make sustainable choices of products and services provided by responsible business in a sound political environment.

### ***Trends and developments that influence consumer policy***

Trends and developments below are examples given as an illustration of realities that consumer policy have to adapt to:

- Consumers *are digital* and don't mind *sharing and monitor* their consumption behaviours both *their luxury consumption and their sustainable actions*.
- *Other consumer's perceptions* of your consumption and *online reviews* of product and services strongly influence consumer behaviour.
- *Credits* are easily available and relatively cheap and strongly influence consumer consumption possibilities.

- *Internet of things* and products carrying unique IP-numbers together with our general connectivity will trigger innovation on services in relation to products but also how we *monitor sustainable lifestyles and smart energy solutions*.
- *Health* in general, *eating healthy* and *physical activity* is promoted in new ways in to our lives with creative innovations connected to new products and apps.
- *Eco-worries* as to non-sustainable lifestyles and *social consciousness* are more and more frequent and create new consumer activism in relation to the topic closest to your heart, or closest to your everyday influence as a consumer.
- *Collaborative consumption* through creative forms of sharing is the new way to enrich your life, save money and time while contributing to sustainable patterns.
- Creative new ways of creating *luxury experience in everyday consumption* contribute to growth in sectors that might traditionally been seen as mature and non-growing markets.

These are some of the trends that policy makers needs to make the best use of or at least relate to. For policy to be successful it has to grasp the potential with the new trends but still allow for diversity in solutions to cater for all.

### **Topics of high consumer concern in the Swedish Consumer landscape**

There are many challenges in the consumer landscape and these brief points indicate some of the challenges and consumer demands from a Swedish perspective:

- Better legal guarantee rights to promote *durable products*
- *Sound Copyright rules* to make digital markets competitive
- Opt-in and written contracts must be introduced in an abusive *telemarketing situation* for vulnerable consumers
- Improved *food inspection* practices to avoid fraud and to guarantee safe food
- Better *food labelling* giving consumers the full information on country of origin
- *Meals in restaurants* need the full information on ingredients to respect consumer choice but especially to respect the needs of consumers with allergy
- Better compliance of the *unit pricing* rules
- *Dangerous chemicals* in consumer products must be monitored and regulated to reduce possible negative health effects and to facilitate the circular economy
- *Nano-products* must be clearly labelled and the use of nano should be better regulated
- A standard should be developed for consumer contracts on *craftsmen services*
- *Integrity* must be guaranteed for e-commerce and only relevant data should be collected from the consumer
- *Mobil broadband services* need to better communicate the cost for data
- *The cashless society* needs protection for vulnerable consumer groups
- *Financial services* need to address sustainability in their offer to consumers

### **Markets of high consumer concern**

The Swedish Consumer Agency address the most problematic consumer markets in the Swedish Consumer Report 2014.

The 10 most problematic consumer markets based on the consumer market survey are:

- Telecommunications services (subscriptions for internet, TV, landlines and mobile phones)
- Insurance (personal and home insurance)
- Banking and financial services (investments/pensions, current accounts and personal loans/credit cards)
- Tradesmen

- Vehicle maintenance services
- Second-hand cars
- Travel by rail and local transport
- Legal services (e.g. legal advisor, accountant and lawyer)
- Electricity
- Estate agents

<http://publikationer.konsumentverket.se/sv/publikationer/rapporter/2014/>

### ***Digital issues of high concern***

First of all the issue of inclusion and non-discrimination is fundamental to a well functioning digital consumer market. Not being able to access digital services due to bad design is not acceptable and is a case of discrimination. Digital services should be user-friendly and accessible to cater for all consumer vulnerabilities in line with rules for E-accessibility.

Consumer education and empowerment shall never be a substitute to responsible business behaviour on an adequately regulated digital market. Still consumer education and efforts to include consumers in the new digital normal is much needed and should be supported by consumer policy. For the foreseeable future alternatives to digital services must be provided for consumers not able or interested in using digital services.

Before addressing the challenges it is appropriate to address some of the many positive effects of the new digital normal:

- Computer power at low cost explodes and gives the average consumer huge potential in IT-usage
- Software and apps are often provided at low cost or even for free
- E-commerce is increasing consumer choice and competition
- Information is generally available and transparent when presented and processed to meet consumer needs
- Consumers have never held a stronger tool to promote their interest on the net and in social media directly to the companies
- Collective digital campaigns can change business behaviour faster than anytime before

Finally the new *digital normal* is a unique facilitator for the much-needed shift of paradigm to a sustainable society based on collaborative consumption and innovative services.

Still the digital field have major consumer problems and challenges that need to be addressed, solved or regulated. Such issues are:

- The right to open public data
- Privacy and data management
- Information access.
- The right to be forgotten (When relevant and the public interest of the information is not more valid)
- Protecting and managing your digital identity
- Digital services and digital content need adequate consumer protection
- Internal consumer disputes resolution systems need to be adapted to the digital expectations of speed, transparency and simplicity
- Formal well function ADR/ODR-system must be put in place

- New simple payment methods must be provided at low cost
- Net neutrality is vital to the digital infrastructure and needs to be better regulated
- The right to interoperability must become a reality enabling the move of your data between platforms
- Safe and regulated cloud options are needed that also protect the economic interest of the consumer
- The digital content needs modern copyright that stimulates the growth of new and consumer friendly digital services
- Regulation must be adapted to protect the “prosumer”

Finally. Dominant actors that cater for services of general interest must be a priority for consumer policy in the digital field. When major global actors like Google or Facebook are critical to the functioning of the digital society there is a case for protecting the consumer interest and more generally the societal interest. Search functionality and usability must be guaranteed by minimizing the commercial and restrictive practices that threaten the effective use of Internet as an excellent source of information.

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