



CONSUMER PROTECTION IN THE AFTERMATH OF THE COVID-19 PANDEMIC
- FOCUS ON DIGITALIZATION

- How did the COVID-19 crisis impact consumers and what are the most common unfair business practices and challenges that emerged as a result of the pandemic? -

Teresa Moreira

Head, Competition and Consumer Policies Branch

UNCTAD

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UNCTAD – UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



- Mandate: economic affairs related to sustainable development, focused on **Trade, Finance, Investment and Technology** - *Prosperity for all*
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- *Think, Debate, Deliver: to assist developing countries to better participate in the world economy;*
- **3 pillars of work:**
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COVID-19: Firmer action needed to better protect consumers

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UNCTAD newsletter April 2020 on competition and consumer protection COVID-19 edition



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Consumer Protection responses to Covid-19 across the world

Developed and developing countries Consumer agencies and Consumer organizations reacted quickly through:

- ❑ **Law enforcement and market monitoring:** against unfair, fraudulent and misleading commercial practices:
 - **price gauging of essential consumer goods** (Australia, Bolivia, Brazil, China, Colombia, France, Gambia, Germany, Greece India, Italy, Japan, Kenya, Nigeria, Paraguay, Seychelles, South Africa, Thailand, UK, Uruguay, COMESA, ICPEN);
 - **misleading advertising and scams** (Colombia, Italy, Korea, Mexico, European CPC network);
 - **refund policies:** airlines flights; holidays' packages; events (concerts, festivals) cancellation (Argentina, Australia, China, EU, UK, US).
- ❑ **Information campaigns and new complaint tools** (Australia, Chile, Dominican Republic, France, Gambia, Mexico, Morocco, Portugal, US, African Consumer Protection Dialogue, FIAGC);
- ❑ **Business engagement: namely, digital platforms and advertising self-regulatory bodies** - Australia, EU, Italy, Portugal, UK
- ❑ **Exceptional legislative measures:** Argentina, Brazil, France, Kenya, Portugal and Spain:
 - Temporary price caps for some products; Suspension of service cuts due to the non-payment of utilities; Freeze of fees related to mortgage loans, real estate contracts.



Most common Unfair business practices and Challenges

- **Misleading advertising**
- **Unsafe products**
- **Unfair/fraudulent Terms and Conditions**
- **Financial scams**

Taking advantage of the uncertainty brought by the pandemic and of consumers' lack of information, confinement and vulnerability

Challenges: especially important regarding **Vulnerable and disadvantaged consumers** (elderly; families with low income; immigrants; children; uneducated individuals).

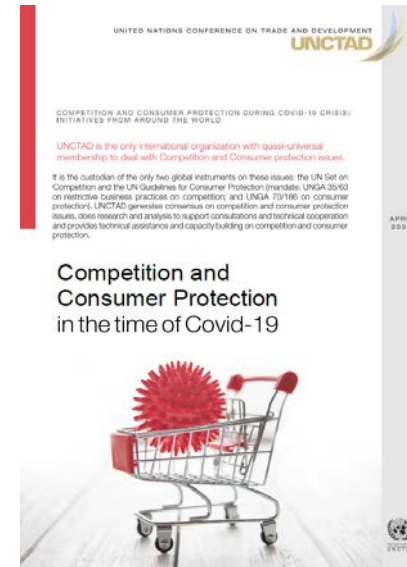
Also related to the **Digital divide**, due to the relevance of digital communication throughout quarantine.



UNCTAD'S CALL FOR ACTION

UNCTAD recommended five key initiatives to protect consumers during the COVID-19 crisis:

- ❑ **1. Launch coordinated awareness raising campaigns on scams and misleading and unfair business practices related to COVID-19**, especially those directly affecting consumers, paying special attention to rural populations and other vulnerable groups.
- ❑ **2. Monitor markets** for essential consumer goods, **undertake enforcement** action against misleading and false claims, hoarding and price gouging and **evaluate the viability of imposing price caps** on essential consumer goods, including those that help curb infection such as masks and hand sanitizers.



<https://unctad.org/en/Pages/coronavirus.aspx>

UNCTAD'S CALL FOR ACTION (II)



3. Take full advantage of digital tools for information campaigns, consumer complaints and redress, and urge major online platforms to cooperate with respective authorities.

4. Address the needs of vulnerable and disadvantaged consumers, particularly to ensure their access to essential goods and services, such as water, energy and financial services, and consider the extension deadlines for payment of utilities' bills, credit cards, rents and mortgages, in cooperation with financial institutions.

5. Cooperate with other consumer protection agencies by exchanging information on COVID-19 related national policies and measures in the field of consumer protection.

FINAL REMARKS

- The pandemic highlighted the utmost importance of an active Consumer Protection policy across the globe.
- Currently the priority of Governments is to boost **economic recovery**, encouraging businesses reopening and supporting employment: substantial packages of public funds are being made available through subsidies, special loans, State guarantees.
- Economic recovery must ensure the full respect for Consumer rights and provide for the necessary protection and consideration of Consumer interests in all areas, in particular, of Vulnerable and disadvantaged consumers.
- Consumer Protection agencies must engage and contribute to all policy discussions and to all regulatory frameworks.





Upcoming UN Ministerial Conference on Competition and Consumer protection, held by UNCTAD as the focal point on Competition and Consumer protection within UN system (mandated by the UN General Assembly)

8TH. UN REVIEW CONFERENCE, October 2020

- High-Level Segment discussion: “Leaving no one behind - the contribution of Competition and Consumer Policies for the post-COVID 19 era”;
- Report on the Implementation of the United Nations Guidelines for Consumer Protection;
- Session on Strengthening Consumer Protection and Competition in the Digital Economy;
- Roundtable: “International enforcement cooperation among consumer protection authorities”;
- Roundtable: “Improving consumer product safety worldwide: good data for good policy”;
- Voluntary Peer Review of Peru's Consumer Protection law and policy.



THANK YOU!

teresa.moreira@unctad.org

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