

CPRC Briefing Note

Creating a fair, safe and sustainable tomorrow

Key takeaways from 2023 Consumers International Congress



Introduction

From 6 to 8 December 2023, Consumers International held its quadrennial Congress bringing together over 600 experts and advocates together online and in-person in Nairobi, Kenya. The past four years have seen consumers globally experience challenges and opportunities like never before – a global health pandemic, a surge in digital products and services, cost-of-living crisis and increasing impacts from climate change. What does it mean for consumers today and what does it mean for the tomorrow consumers wish to create?

The Congress explored this and so much more as Consumers International’s Director-General showcased the vision of creating a “*fair, safe and sustainable marketplace across more than 100 countries*” and how marketplaces can be shaped through consumer rights.

This briefing note reflects on some of the major issues that were discussed at the Congress and provides links to relevant research and consumer advocacy work from across the globe.

The briefing note covers:

Consumers and the digital economy

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- scams and fraudulent reviews – page 5
- data and digital finance, including BNPL – page 6

Consumers and sustainability

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Cost of living

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Consumers and the digital economy

Addressing the risks that come with AI

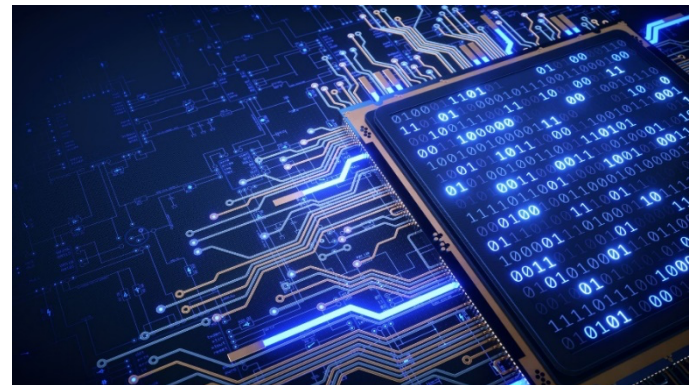
There was hope and caution when artificial intelligence (AI) and automated decision making (ADM) was discussed at the Congress. There was much discussion on the lack of accuracy, prevalence of misinformation and prominence of deep fakes, which can exacerbate the impact of scams or as US Federal Trade Commission's (FTC) Commissioner Rebecca Kelly Slaughter stated that it can "*turbo charge fraud*".

Consumer advocates and experts are grappling with issues of digital exclusion and inequality in AI, with various speakers acknowledging that AI can drive and exacerbate these simply by the way it's deployed and the data it is trained on. It was specifically noted that bias is often inherently built when large language models are based on data from one culture and/or jurisdiction but are contributing to AI decision-making models in another.

Recognising the importance of the conversation about AI and consumer protections, Consumers International has made 'fair and responsible AI' the theme for World Consumer Rights day in 2024.

Standardising AI expectations

AI standardisation was discussed at a roundtable hosted by the Alan Turing Institute that has established an AI Standards Hub in the United Kingdom. The institute recognised the role of consumer organisations in the standards-making process through championing issues, advocating for vulnerable consumers and providing data on consumer complaints. An example of this is the inter-relation between standards-making body, such as CEN-CENELEC, which will develop standards that the European Union (EU) AI Act will harmonise (i.e. make mandatory). While roundtable participants acknowledged the benefits of collaborating on standardisation, they cautioned on the resource intensity of participating in standard-making processes.



Some of the challenges raised included:

- cost and time investment, especially for small not-for-profits that are not funded to specifically participate in standard-making processes
- longer lead time for standard-making processes, many noting it can be years before a standard is finalised
- inability to participate in a standards committee as a consumer advocate in some jurisdictions if technical qualifications are not met, and
- uncertainty of whether voluntary standards will progress towards becoming legal obligations in a timely manner.

Readings and resources

- **The Alan Turing Institute – AI Standards Hub:**
<https://www.turing.ac.uk/research/research-projects/ai-standards-hub>
- **Summary of the EU AI Act:**
<https://www.lexology.com/library/detail.aspx?g=813bdbdc-c265-4f45-b512-c4622ffec9c>
- **Fair and Responsible AI for Consumers – World Consumer Rights Day 2024:**
<https://www.consumersinternational.org/news-resources/news/releases/world-consumer-rights-day-2024-to-equip-consumers-for-an-ai-future>
- **Ghost in the machine: addressing the consumer harms of generative AI” – Norwegian Consumer Council report:**
<https://storage02.forbrukerradet.no/media/2023/06/generative-ai-rapport-2023.pdf>
- **Fostering consumer trust – ethical artificial intelligence in e-commerce (Hong Kong Consumer Council):** https://www.consumer.org.hk/en/advocacy/study-report/ai_in_ecommerce
- **The role of standards in future EU digital policy legislation – a consumer perspective (BEUC (EU) – report):**
https://www.beuc.eu/sites/default/files/publications/BEUC-X-2023-096_The_Role_of_Standards_in_Future_EU_Digital_Policy_Legislation.pdf
- **Data Privacy BR: Where the SabIA sings: governance and regulation of artificial intelligence from Brazil** <https://www.dataprivacybr.org/en/projeto/where-the-sabia-sings-governance-and-regulation-of-artificial-intelligence-from-brazil/>
- **AI transparency in practice (Mozilla Foundation):**
<https://foundation.mozilla.org/en/research/library/ai-transparency-in-practice/ai-transparency-in-practice/>

Tech tools and expertise in regulation

While consumer education was discussed as a possible in-road to mitigating some consumer harms in the digital economy, most delegates acknowledged that the burden of protection cannot remain on consumers alone.

Enforcement has to play a crucial role in holding businesses accountable and Commissioner Slaughter from the USA, in particular, noted the importance of deterrents that incentivise corporate managers to do right by consumers. At a side conversation with Commissioner Slaughter, she stated that approximately 90% of AI-related enforcement actions by the FTC has leant on Section 5 of the Federal Trade Commission Act that deals with unfair or deceptive practices. While Australia may likely need some specific laws on AI, an effective prohibition of unfair business practice could address a number of consumer harms that stem from AI.¹

Panel discussions considered how enforcement teams need specialised technologists that have the capability to probe the backbone of the technology. CPRC has previously called for the need to increase diversity within regulatory agencies and not rely on just legal and economic expertise. Agencies must also consider professionals such as ethical designers, data scientists, artificial intelligence experts and information security

¹ CPRC et.al., “Submission to Treasury: CRIS – Protecting consumers from unfair trade practices”, (November 2023), <https://cprc.org.au/submission-make-unfair-illegal>.

analysts and how they can all play a valuable role in a digitally-focused enforcement framework.²

Recruiting a diverse workforce becomes even more relevant as TechReg (use of technological-enhanced tools to conduct investigations and enforcement) is fast becoming a possible solution for regulators to support their enforcement objectives. Discussions on TechReg covered the myriad of possibilities such as:

- using real-life use cases to enable regulators to understand real-world consumer outcomes
- pinpointing providers that need enforcement attention
- identifying key enforcement priorities, and
- publishing data insights gained via TechReg initiatives to facilitate reputational regulation and incentivise businesses to course-correct.

However, Congress delegates noted the need for well-resourced regulators that have the power to access the data they need from businesses. It becomes imperative for regulators to be empowered so they can effectively leverage data for meaningful enforcement outcomes.



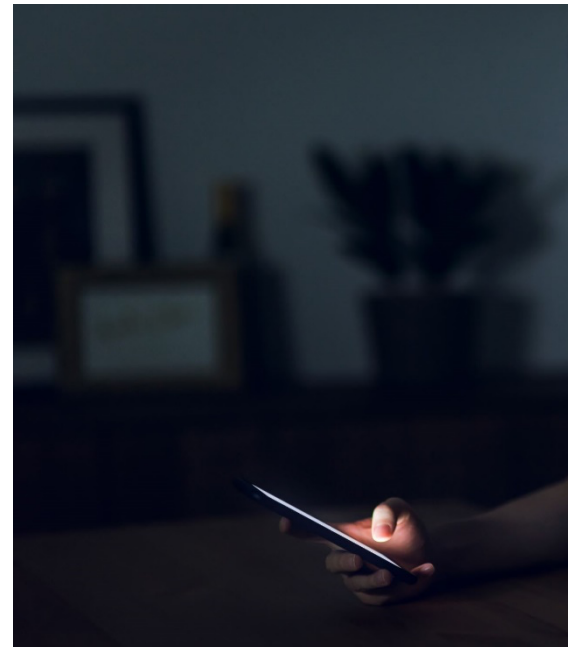
Readings and resources

- **University of Cambridge's** State of SupTech Report <https://lab.ccaf.io/state-of-suptech-report/>
- **Innovations for Poverty Action:** Using consumer complaint data for targeted consumer protection <https://poverty-action.org/using-consumer-complaint-data-targeted-consumer-protection>
- **Tech Reg: Rules for the Digital Economy** – <http://dx.doi.org/10.2139/ssrn.3969436>

Scams and fraudulent reviews

The burden of navigating and reducing the risk of scams currently rests largely on individuals. Consumer naivety and victim-blaming have become the usual narrative when consumers incur losses via scams. The Congress widely recognised the need for online platforms, banks and telecommunication industries to be held accountable for preventing and mitigating scams. This is becoming the reality in jurisdictions such as the UK with its Online Safety Act and its Bill on scams and fake reviews. In Poland enforcement action on fake reviews remains on foot, with social media influencers also being held accountable when perpetuating fake reviews.

In recognition of scams being a global concern, Consumers International in partnership with CHOICE Australia launched the Global Member Statement on Stopping Online Scams, signed by more than 20 organisations, calling on governments worldwide to ensure adequate protection across technology platforms.



² CPRC, "Submission to the Productivity Commission: Australia's Data and Digital Dividend", (October 2022), <https://cprc.org.au/data-and-digital-dividend>.

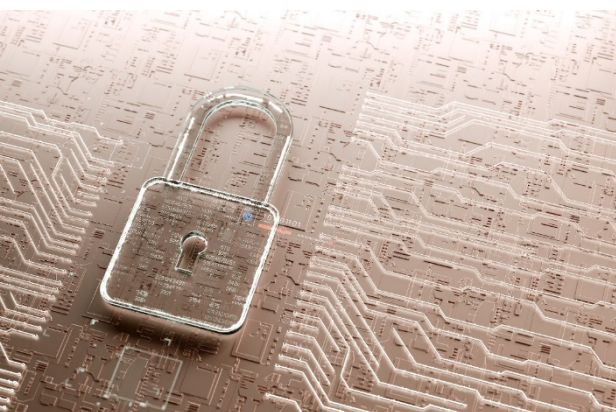


Readings and resources

- **Global Member Statement to Stop Online Scams:**
<https://www.consumersinternational.org/news-resources/news/releases/global-congress-2023-global-coalition-of-consumer-advocates-call-for-an-end-to-online-scams/>
- **The Psychology of Scams – a UK Which? study:** <https://www.which.co.uk/policy-and-insight/article/the-psychology-of-scams-aizJj8FOE4rY>
- **A guide to the UK Online Safety Bill:** <https://www.gov.uk/guidance/a-guide-to-the-online-safety-bill>
- **Information on the UK Bill on scams and fake reviews:**
<https://www.which.co.uk/news/article/new-laws-announced-to-tackle-fake-reviews-awdfe2V4htTI>
- **Poland: Penalties for companies publishing false reviews:**
<https://www.twobirds.com/en/disputes-plus/shared/insights/2023/poland/poland-penalties-for-companies-publishing-false-reviews>
- **#ScrapInfluence Observatory (Mexico)** – Two consumer organisations – TeCheck and El Poder Del Consumidor – have teamed up to identify instances where online influencers use misleading or illegal advertising techniques to promote unhealthy products: <https://chatarrainfluencer.mx/>
- **The future of scams: AI enters the ring – Euroconsumers webinar:**
<https://www.euroconsumers.org/webinars/the-future-of-scams-ai-enters-the-ring/>

Data, privacy and digital finance

The Congress explored the intersection between privacy and digital finance, acknowledging that the common denominator between the two is data. The onus to date has rested mainly on the shoulders of consumers, whether it's navigating their privacy or engaging with digital finance. For example, in countries such as Fiji, the lack of regulatory action has meant consumer groups have had to lean on consumer education and when things go wrong (e.g. scams) often the blame is passed straight to the consumer.



Visa's global research into privacy and consent management found that 68% of consumers believe companies benefit more from using their data than they do.³ The research confirmed that consumers globally are not empowered, nor have autonomy over their personal information. Looking through the lens of digital inclusivity, delegates discussed the importance of protecting consumers beyond information disclosures.

BEUC's Agustín Reyna noted that nothing to date has been as inclusive as cash and the next step is to consider what is created in the digital finance world that brings all consumers along on the journey.

The issue of digital inclusivity and transparency came further to the fore with delegates exploring the rise in demand of unsecured short-term loans. Buy Now, Pay Later (BNPL) is becoming a fast-growing avenue to meet this demand. In the UK, one in 10 people will

³ Visa, "Consumer Empowerment research paper", (2023), <https://globalclient.visa.com/ConsentManagement>.

use BNPL for their Christmas shopping this year and, Consumer Reports in the US has found that 80% of consumers are using at least one financial app, with many using several at a time.

Consumer Reports evaluated eight most popular finance apps across criteria such as privacy, safety and transparency. Evaluations of these apps revealed concerns about over-collection of data, hidden costs, and the risk of over-extension due to loan stacking. Tec-Check in Mexico noted issues with high-interest rates, aggressive debt collection, and risks of unknown transactions which can often be scams.

Discussions also highlighted challenges across Switzerland, and the US, with calls for stronger online redress mechanisms, national debt registries, and outcomes-based regulation. Delegates globally are advocating for transparency, suitable product design, and protections that mindfully account for consumer behaviour.



Readings and resources

- **Buy Now, Pay Later: A Case Study for a Digital Finance Standard:** <https://advocacy.consumerreports.org/research/buy-now-pay-later-a-case-study-for-a-digital-finance-standard/>
- **How Popular Buy Now, Pay Later Services Compare:** <https://www.consumerreports.org/short-term-lending/buy-now-pay-later-services-comparison-a2826028593>
- **After researching cars and privacy, here's what keeps us up at night (Mozilla Foundation):** <https://foundation.mozilla.org/en/privacynotincluded/articles/after-researching-cars-and-privacy-heres-what-keeps-us-up-at-night/>
- **Interoperability for all: Cross-border consumer redress and trust:** <https://www.consumersinternational.org/what-we-do/digital-rights/>
- **Visa's Consumer Empowerment research paper:** <https://globalclient.visa.com/ConsentManagement>
- **Consumers International's Fair Digital Finance Accelerator:** <https://www.consumersinternational.org/what-we-do/fair-finance/fair-digital-finance-accelerator>
- **Money lending – reforming law and trade practices for consumer protection (Hong Kong Consumer Council report):** <https://www.consumer.org.hk/en/advocacy/study-report/moneylending>

Sustainability – not a luxury

Advocates and experts discussed tangible steps that jurisdictions need to take to ensure they're moving towards a more sustainable future. It was unanimously agreed that sustainability cannot be a luxury, given that only eight years remain to achieve the United Nations' Sustainable Development Goals and only 12% are on track.

Actions to reduce greenwashing

Consumer advocates called for protections to make green claims more meaningful and comparable for consumers while standardisation of language and substantiating claims were key call-outs from regulators. CPRC's latest research in partnership with the ARC Centre of Excellence for Automated Decision-Making and Society (ADM+S), Seeing Green, was featured as part of one of the panel discussions. Reforms need to help consumers meaningfully compare options, while also making sustainable the default with access to services such as product repairability.



Readings and resources

- **Seeing Green – Prevalence of environmental claims on social media (CPRC report):** <https://cprc.org.au/seeing-green>
- **Embracing sustainable consumption for a happy life – a tracking study on consumer behaviour (Hong Kong Consumer Council report):** <https://www.consumer.org.hk/en/advocacy/study-report/20210617>
- **The Great Green Maze: how environmental advertising confuses consumers (A BEUC report):** https://www.beuc.eu/sites/default/files/publications/BEUC-X-2023-149_The_Great_Green_Maze_How_environmental_advertising_confuses_consumers.pdf
- **Consumer NZ seeks High Court declaration that Z Energy has misled New Zealanders:** <https://www.consumer.org.nz/articles/consumer-nz-and-others-seek-high-court-declaration-that-z-energy-has-misled-new-zealanders>

Making sustainable options the default

While clear and substantiated green claims can give consumers meaningful choice, consumer advocates from across the globe explored the idea of what the world would look like if sustainability was no longer a choice but accessible by default. Consumers International's new consumer research into sustainability reveals that 62% of consumers are willing and eager to change their purchasing habits to reduce their environmental impact⁴ – it is no longer a matter of if, but how.

⁴ Consumers International, "Unlocking sustainable living through global consumer insights", (2023), <https://www.consumersinternational.org/news-resources/news/releases/new-report-unlocking-sustainable-living-through-global-consumer-insights>

Several delegates noted that regardless of a jurisdiction's socio-economic outlook, sustainability is currently a luxury for many consumers globally. Products and services that claim to be sustainable are often more expensive than their not-so-environmentally friendly counterparts. With the potential to reduce 70% of greenhouse gas emissions through demand-side interventions, consumer advocates called for various practical measures such as:

- taxing non-sustainable products so they become the more expensive option
- incentivising businesses to introduce buy-back programs for their products (the example of IKEA was provided as it rolls-out its buy-back program of used IKEA furniture worldwide)
- manufacturing products with repairability and longevity in mind, and
- ensuring consumers have local, easy access to repairs.



In terms of mitigating plastic pollution, there was a broad call to introduce strict reduction targets for single use plastics along with a call on consumer organisations to advocate for:

- hotels to stop using single-use plastic by end of 2024
- supporting a treaty that forms an international agreement to collaboratively combat and reduce plastic pollution, and
- standardising consumer information that includes clear information about recycling and any additives.



Ideally regulatory frameworks and government initiatives need to pivot to make sustainable choice the easy choice for both consumers and businesses. One example of this is the Indian Government's Green Skill Development Programme which invests in sustainability training that candidates can apply to their current area of employment.⁵

Research presented at the conference outlined how consumer appliances are responsible for 39.3% of energy-related CO₂ emissions. Billions of people do not yet own adequate appliances to live healthy, productive lives, creating a challenge to help low-income people move directly to sustainable and affordable options.

Ten appliances such as LED lighting, refrigerators and heat pumps have been recognised as the top priority for energy transition to close the CO₂ gap. To complement the research, the session also featured an induction cooktop manufacturer, Burn Manufacturing, that is making energy-efficient electric cooking appliances that are affordable, repairable and recyclable a reality across many countries. Burn Manufacturing offers a 7-year warranty on its products based on its product's durability, with access to repairs and a program to buy-back the product so the stainless steel can be recycled at end of life. Initiatives such as these provide an insight into the possibility of innovation that is consumer and environmental-centric, leading

to meaningful change.

The discussions confirmed that in many jurisdictions, genuine efforts are being directed towards repairability and end-of-life recyclability and it is a focus that Australia also needs to adopt to make sustainability a reality for Australian consumers.

⁵ See Green Skill Development Programme: <http://gsdp-envis.gov.in/index.aspx>



Readings and resources

- **Unlocking sustainable living through global consumer insights (Consumers International):** <https://www.consumersinternational.org/news-resources/news/releases/new-report-unlocking-sustainable-living-through-global-consumer-insights/>
- **CLASP's Net Zero Heroes project:** <https://www.clasp.ngo/report/net-zero-heroes>
- **Burn Manufacturing electronic cooking options for sub-Saharan Africa:** <https://www.burnstoves.com/products/electric/>
- **Broken appliances: are they repaired or dumped? (Consumer NZ):** <https://www.consumer.org.nz/articles/broken-appliances-are-they-repaired-or-dumped>
- **Buying and installing a heat pump, how hard can it be? A mystery shopping exercise (BEUC report):** https://www.beuc.eu/sites/default/files/publications/BEUC-X-2023-119_Consumers_experiences_with_heat_pump_installers_and_retailers_Report.pdf
- **A replicable model of consumer activism (MGP India):** <https://www.goodnewsindia.com/Pages/content/institutions/mgp.html>

Energy efficiency that's good for the planet

With 36 million individuals worldwide installing solar on rooftops and surpassing government spending on climate, it's clear that consumers are committed and doing their part towards achieving clean energy outcomes. Delegates discussed the 'prosumer' approach, emphasising that consumer-owned renewables can lead to benefits for both people and the planet. However, affordability is a pivotal factor, particularly in low and middle-income countries. In many countries, transition has been slow with limited accessibility for many consumers.

There is a need for a holistic approach to the clean energy product lifecycle, from financing to end-of-life management, while also reducing costs that act as a barrier and lead to unequal distribution of renewable energy investments globally. Examples from Malawi showcase the importance of consumer-friendly models, combining grant funding and pay-as-you-go approaches that enable wider accessibility. As the world transitions towards a prosumer energy paradigm, questions arise about corporate responsibility, urging major oil companies to invest in clean energy, given their substantial profits.




Readings and resources

- **Designing a One-Stop-Shop for Consumer Renewable Energy Systems (Consumers International):** <https://www.consumersinternational.org/news-resources/news/releases/new-report-designing-a-one-stop-shop-for-consumer-renewable-energy-systems>
- **Improving the Consumer Journey on the Road to Clean Energy (Consumers International):** <https://www.consumersinternational.org/news-resources/news/releases/latest-report-improving-the-consumer-journey-on-the-road-to-clean-energy/>

Cost of living – the global struggle

Consumers worldwide are feeling cost of living pressures. Live polling of conference delegates at the close of the Congress revealed that close to 70% agree that cost of living crisis was top-of-mind for consumer delegates. Cost of living was also discussed in relation to food and product safety.

Affordability often means processed food

Cost of living pressures mean consumers worldwide are sourcing affordable food. However, affordable food often means consumers are purchasing packaged food that is overly processed, and high in oil and sugar content. Access to Nutrition's Greg Garrett reported that 70% of packaged food is unhealthy.

Once again when consumer education was raised as a potential opportunity, consumer advocates were quick to acknowledge that the issue is not about lack of consumer awareness. People know what's good for them; they just can't afford it.

Some of the solutions discussed by experts and consumer advocates included:



- governments increasing their investment in agriculture
- introducing retail transparency through clear labelling
- outright banning of marketing unhealthy foods to children, and
- supporting small-medium enterprises and local food systems, especially with cost reduction.



Readings and resources

- **Access to Nutrition's Global Index 2021:**
<https://accesstonutrition.org/index/global-index-2021>
- **Consumers International's Fair Food Price Monitor:**
<https://www.consumersinternational.org/news-resources/news/releases/fair-food-price-monitor-new-analysis-exposes-risk-of-unfair-pricing-in-africa>
- **Rising Food Prices in Africa – Consumers and Authorities Back Competition Action to Tackle Unfair Food Prices:**
<https://www.consumersinternational.org/news-resources/news/releases/rising-food-prices-in-africa-consumers-and-authorities-back-competition-action-to-tackle-unfair-food-prices/>

Safety vs affordability

An adjacent yet related issue to cost of living is the role of online marketplaces in providing products that are both affordable and safe. CPRC's own research highlights how often the need for convenience and affordability can lead to consumers purchasing sub-par products. With many jurisdictions placing no legal obligations on online marketplaces to facilitate the supply of safe products, several jurisdictions, including Australia have introduced product safety pledges with large online marketplaces to help reduce the number of unsafe products sold online. While delegates recognised the benefits of such initiatives, two core issues still remain unaddressed:

1. **Large volumes of unsafe products remain online:** OECD's global online product safety sweep in 2021 revealed that 87% of banned or recalled products were still available online.⁶
2. **Safety is not equal:** The variances between product safety obligations across jurisdictions means that a product deemed unsafe in one jurisdiction is not necessarily considered unsafe in others.

"What is considered unsafe in one country should be considered unsafe everywhere."

*Manorama Mathur Dabidin
Ministry of Commerce and Consumer Protection, Government of Mauritius*



Advocates and experts agreed that more must be done in this space. Interoperability of product safety obligations globally is one solution followed by incorporating product safety obligations for online marketplaces (as the EU is doing now) may now be the natural next step. In June 2023, the new EU General Product Safety Regulation came into force which includes specific obligations for online marketplaces to protect consumers from unsafe products sold via their platforms.⁷ This becomes vital especially when products are being designed with sustainability in mind as OECD's Jan Tschke noted that there should not be a trade-off between sustainability and safety.

The conversation highlights the need for much broader protections when it comes to product safety. A piecemeal approach where select handful of products are regulated and online consumerism is managed through voluntary commitments alone, can no longer remain the status quo. Everyone in the supply chain, whether manufacturing, retailing or facilitating the purchase of a product, should be held accountable for delivering safe products.

⁶ OECD, "Online product safety sweep report – October 2021 sweep", (June 2023), <https://www.oecd.org/sti/consumer/online-product-safety-sweep-report-c1faa51e-en.htm>
⁷ EU Commission, "Stronger EU product safety rules enter into force today", (12 June 2023), https://ec.europa.eu/commission/presscorner/detail/%20en/ip_23_3190.



Readings and resources

- **OECD Recommendation of the Council on Consumer Product Safety:** <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0459>
- **Australia's Product Safety Pledge:** <https://www.productsafety.gov.au/pledge>
- **EU Consumer Protection Information Sheet – The New General Product Safety Regulation:** <https://commission.europa.eu/system/files/2023-07/factsheet%20GPSR%20final.pdf>
- **Five long years of the hackable home (EuroConsumers).** EuroConsumers have been testing smart home devices for five years but have found little sign of security improvements. <https://www.euroconsumers.org/five-long-years-of-the-hackable-home-what-will-end-this-security-standstill/>

CPRC

The Consumer Policy Research Centre (CPRC) is an independent, not-for-profit, consumer think-tank. Our work is possible thanks to funding from the Victorian Government. CPRC aims to create fairer, safer and inclusive markets by undertaking research and working with leading regulators, policymakers, businesses, academics and community advocates.

Acknowledgements

Authors: Chandni Gupta and Erin Turner

CPRC references specific individuals and organisations in this report that were present at the Consumers International's 2023 Congress in Nairobi, Kenya. The views expressed in this report should not be attributed to them. CPRC is responsible for the views in this report, including any errors or omissions.

Statement of Recognition

CPRC acknowledges the Traditional Custodians of the lands and waters throughout Australia. We pay our respect to Elders, past, present and emerging, acknowledging their continuing relationship to land and the ongoing living cultures of Aboriginal and Torres Strait Islander Peoples across Australia.

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GET IN TOUCH
+61 3 9607 7101
office@cprc.org.au
www.cprc.org.au

Level 6,
179 Queen Street
Melbourne VIC 3000, Australia

