



## **Summary of recommendations for the revision of the UN Guidelines for Consumer Protection**

The United Nations Committee for Trade and Development (UNCTAD) has embarked on the revision of the UN Guidelines for Consumer Protection (UNGCP) with a view to bringing them up to date in light of new developments in technology, business practices and new consumer concerns.

Consumers International (CI) is the international federation of consumer organisations with more than 240 members in 120 countries and has been recognised by UNCTAD as a named stakeholder in the revision process of the Guidelines.

CI believes that there is much in the existing Guidelines that is still valuable and that they have served well as the reference point for consumer protection since their formulation in 1985. We believe that they need comprehensive review, not just in terms of modernisation but also to make them address the needs of all consumers.

**UNCTAD has indicated that there is already consensus on the need to address e-commerce and financial services. In relation to these issues CI recommends with regard to:**

### **E-commerce and digital consumption:**

- Protection of online privacy should be strengthened and enforced.
- The principle should be established that consumers should have equal protection regardless of how a purchase is made, or whether or not the product is in a digital format.
- Intellectual property rights should not be enforced in ways that undermine consumers' access to knowledge. Technical measures (such as digital locks) should not be used to prevent reasonable use of digital products by consumers.

### **Financial services:**

- Providers should abide by such general principles of consumer protection as fair contracts, disclosure and redress, and consumers should be represented in regulation and redress procedures. Staff remuneration should reward consumer-friendly conduct.
- Governments should establish specific statutory provisions for access, competition and systemic stability, the latter including deposit guarantees.

- The principle of responsible lending needs to be enshrined, through a requirement of due diligence before loans are granted to consumers.

In addition, CI recommends the following additions and amendments:

**The needs of *all* consumers should be recognised as follows:**

- Acknowledgement that protection should extend to all consumers not just those in the formal economy.
- Recognition that state-owned and municipal enterprises, as well as private corporations, have responsibilities to consumers.
- Guaranteed access to essential goods and services should be acknowledged as ‘a legitimate need of consumers’.
- Stronger consumer protection is needed across borders, for e-commerce and for stronger protection of the rights of travellers and tourists.

**More emphasis is needed on fairness in the market:**

- Contracts and terms of service should be free of lengthy and complex small print, and should not lock consumers in to unreasonable commitments nor contain unfair terms or restrictions.
- To promote fair competition, governments and regulators should have the powers to tackle market structures as well as abusive practices, some of which are tolerated by current intergovernmental agreements.
- Collective legal action against abusive practices should be acknowledged as an essential tool for seeking redress as well as further development of alternative and online dispute resolution schemes.
- Greater recognition of the role of consumer organisations in monitoring, testing, education redress and regulation.

**Acknowledgement of health as a cornerstone of responsible marketing:**

- Restrictions should be placed on the marketing of food and beverages to children and bans or severe limits placed on the advertising of tobacco and alcohol.

### **Improved guidance in specific sectors:**

- **Water:** sanitation and the principle of universal service should be included. Subsidies should support improvements to access.
- **Energy:** the impact of consumers' energy use on climate change should be addressed, while also stressing the need for greater access.
- **Food:** measures to promote sustainable food production, reduce price volatility and tackle waste should be supported, as should the phasing out of predatory agricultural pricing.
- **Pharmaceuticals:** generic competition should be promoted as a means of providing better access to affordable healthcare.

### **Ongoing support to the implementation of the Guidelines:**

- **A UN International Day for Consumer Protection.** To raise awareness and generate support, we call for the UN to give official **recognition to 15 March** as the annual world day for consumer protection.
  - **A new standing commission on consumer protection.** To monitor implementation of the Guidelines and measure consumer detriment that arises from failure to implement them.
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