

## JOINT STATEMENT: CONSUMERS INTERNATIONAL CALLS FOR COVID-19 RESPONSE TO FOCUS ON GLOBAL CONSUMER PROTECTION AND EMPOWERMENT

In response to the COVID-19 pandemic crisis **Consumers International members in 100 countries are calling for** a focus on the protection and empowerment of individuals in the marketplace based on consumer rights, and for co-ordinated strategies across nations and intergovernmental bodies to build fair, safe, resilient and sustainable economies through consumer protection.

**Consumers International** is the membership organisation for consumer groups around the world, representing peoples' rights to a fair, safe and sustainable marketplace. Through the COVID-19 pandemic our members have been using their national voices to: share responsible information for health and home; identify ways to reduce financial burdens on individual consumers; encourage businesses and government to act responsibly; and innovating through, for example, online training on privacy to consumers<sup>1</sup>. Through this range of network activity, our members have observed that:

- **Building trust now during the crisis is crucial:** taking decisive, fair and transparent action now will not only save lives but will build trust for the future when rebuilding resilient and sustainable societies and economies will need leadership and engagement from all stakeholders.
- **The international nature of the COVID-19 pandemic crisis is a reminder of how interconnected the world is today,** and how we are only as strong as the weakest link. Globalised consumption and production chains mean people are being exposed to systemic shocks across all core sectors including food, finance, health and mobility.
- **Emerging markets and vulnerable consumers in every nation face the biggest risks** in terms of the immediate impact on health and mortality, and the economic downturn that will follow. COVID-19 will disproportionately affect people living with non-communicable diseases, in areas with poor air quality, in informal jobs, with no internet connectivity, with inadequate housing or with limited savings.

Consumer protection can help now, and when we rebuild safe, fair, sustainable and resilient markets for all generations.

### **Now: Protect people in crucial systems and marketplaces**

#### **1. Ensure all people have access to the United Nations recognised legitimate consumer needs**

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<sup>1</sup> <https://www.consumersinternational.org/what-we-do/covid-19/>

- **Health:** the right to health is a priority for consumer protection. Health services, education, awareness and implementation of preventive measures should be resourced as a matter of urgency to ensure access for all. The cost of basic medical treatment, investigations and vaccinations should be lowered, and appropriate medical insurance provided for those in poverty. Products that help consumers protect themselves from COVID-19 should be affordable and readily available. Co-operation arrangements necessary to ensure the supply and distribution of affordable products to all consumers to prevent a shortage of essential products should be temporarily allowed. Markets for essential products such as disinfectants, masks and gels should be closely monitored to ensure their availability, and if necessary temporary prices caps introduced to protect the health of consumers during the pandemic.
- **Food and essential commodities:** consumers have faced shortages and price rises for food and other essential commodities which is causing major detriment, particularly in emerging economies. Supply chains are facing disruption as a result of panic buying and falls in production capacity. Consumers, especially the most vulnerable, must continue to be able to access safe and healthy food. Local markets and livelihoods must be protected and shifts to more sustainable practices encouraged.
- **Finance:** people who are unwell, caring for others or isolating may not be able to earn an income. They may also lack access to financial services in the usual way and may be more vulnerable to fraud. As well as needing support to access basic needs these consumers may need moratoriums on loan repayments, interest and charges. Additional efforts will also need to be made to ensure consumers continue to have access to financial services and are protected from unfair or fraudulent practices at a time when their situation makes them particularly vulnerable.
- **Connectivity:** access to trusted online services and information becomes more important than ever when the usual access routes to essential goods and services are suddenly disrupted. Internet access for more people could be secured through subsidised devices and data, increasing data allowances, zero-rating websites for official health organisations and other essential government services and ending enforced internet shutdowns or slowdowns.

## 2. Protect people from unfair market practices

- **Price gouging:** enforce legislation, sanction those who charge excessive prices or cause artificial shortages; promote transparency in pricing; introduce limits on pricing of essential goods; take action against secondary sellers on platforms. Enforce competition law against companies that take advantage of the crisis by creating cartels or abusing their market power.
- **Lack of refunds and redress:** offer protection from financial losses from unforeseen changes to circumstances with appropriate refunds or alternatives offered; respect legally guaranteed refunds; make dispute resolution services available; be flexible on insurance exclusions.
- **Fake news, misinformation and misleading sales and scams:** prioritise removing content, accounts and groups that spread misinformation and verify and promote

trusted content, warn consumers against COVID-19 related scams, advise consumers how to protect themselves.

- **Fair respite in times of financial pressure:** provide flexibility for consumers faced with sudden and unexpected changes in their finances e.g. delay loan repayments, waive fees, defer debt collection and enable access to emergency funds, protect consumers against losses of firms who fail as a result of the crisis.
- **Uphold consumer privacy:** personal data has a key role to play in slowing down the spread of COVID-19, but it must be used in responsible, secure and privacy protecting ways and not result in discrimination during or after the outbreak, be subject to oversight and accountability and grounded in law.

### **3. Protect vulnerable and low income consumers**

- Particular attention should be given to vulnerable consumers and those in low income countries where the consequences of a combined health pandemic and a global recession will be catastrophic.
- Attempts to use the current crisis to roll back on product safety, social or environmental protections that would further disadvantage those affected by the pandemic must be resisted.
- Access to essentials such as healthy food, health services, secure energy, finance and connectivity at the lowest possible price should be made available.

## **Next: Invest in the urgent shift to sustainable consumption and production based on people's consumer rights in the marketplace**

**1. Build stronger and more inclusive consumer protection:** it is estimated that up to a quarter of all countries provide no statutory protection for their consumers<sup>2</sup> from unfair practices, misinformation, unsafe products and services, access to redress and marketplaces that do not prioritise health and the environment. As a matter of urgency consumer protection should be implemented where there is none. Where consumer protections exist, they should be upheld – and any gaps in protections as a result of issues that emerge from this crisis must be addressed. The consumer voice is a vital part of the whole of government and whole of society approach called for by the United Nations. Consumers and consumers needs should be more visible in national policy and in intergovernmental processes. These can be strengthened by mechanisms available through consumer protection and empowerment models such as collective action and redress or group purchasing that can create greater fairness, representation and redress in markets.

**2. Prioritise sustainability:** Consumers will play an important role in helping the world to meet the Sustainable Development Goals, adopted by the UN member states in 2015. SDG 12 refers specifically to consumers, but consumer behaviour will be important to many, if not all, the goals. Meeting the urgent need to rapidly transition to a clean, circular and sustainable economic model, particularly when supply chain shifts occur, will be impossible to achieve without the long term trust and engagement of consumers. The current crisis should not lead to the weakening of existing legislation

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<sup>2</sup> UNCTAD and Consumers International member data estimates around 75-85 per cent of countries have Consumer Protection Legislation in place in the form of a Consumer Protection Act <https://unctadwcpm.org/map.html> <https://www.consumersinternational.org/media/154677/the-state-of-consumer-protection-around-the-world-full-report-en-revised-april-2013.pdf>

to protect and promote sustainability, or the delay of urgently needed future initiatives in areas such as sustainable finance, food systems, mobility and household energy measures.

**3. Prioritise health:** Consumer principles can help ensure access to safe products that do not damage health; access to secure, affordable, nutritious food, clean drinking water and decent sanitation; promoting wider scale national investments in clean technology and energy to improve air quality; disseminating verified, trustworthy information on preventative health measures and treatment. Increased use of digital health and data should be enabled by protection, security and accountability to grow trust and participation.

**4. Strengthen food systems:** Consumer protection frameworks can shape affordable, strong and sustainable food systems that meet the health and nutrition needs of consumers, building both individual health and resilience against future pandemic outbreaks, and protecting livelihoods and environmental resources. Developing a diverse mix of supply chains can also help resilience to future disruptions and maintain the livelihoods of a range of stakeholders including small farmers and small businesses.

**5. Access to fair financial services:** financial services such as payments, savings and credit help consumers to manage their money safely and efficiently, however the complex nature of some services can make consumers particularly vulnerable to irresponsible practices, especially at times of crisis and change. Updating the G20 High Level Principles for Financial Consumer Protection<sup>3</sup> to address dramatic changes in financial services and supporting implementation across all countries will protect consumers from misleading information, unfair terms and conditions, fraud and a lack of competition.

**6. Fair public investment:** comprehensive national stimulus packages are being rolled out to mitigate the negative impacts of COVID-19 and ensure economic recovery. Such assistance and further longer term public investment in infrastructure and rebuilding should put public health and resilience needs first and be available to only corporations that are compliant with consumer protection regulations and committed to meeting the Paris Climate Goals and the Sustainable Development Goals. Finance should be prioritised in systems that consumers need the most, but which tend to attract the least investment such as sanitation and hygiene, household energy and efficiency retrofits, zero carbon mobility and last mile delivery systems.

**7. Enable fair and safe digital connectivity:** COVID-19 has shown just how critical digital infrastructure is to people and a functioning economy. Half the world is online, yet most of the offline population lives in least developed countries.<sup>4</sup> Coverage of e-commerce, digital ID, mobile banking and mobile health services must be speeded up to build resilience to future shocks - with innovations to reach marginalized or disadvantaged groups of consumers built around core principles of security, privacy, enhanced platform responsibility for product safety, sustainability and accountability. A concerted, co-ordinated effort must be made to ensure that the remaining offline population is connected to an open, affordable, quality and secure internet and that the rules of engagement in the digital marketplace protect consumers as much as in the offline economy. In a digital world, consumer trust is more important than ever.

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<sup>3</sup> <http://www.oecd.org/daf/fin/financial-markets/financialconsumerprotection.htm>

<sup>4</sup> <https://www.itu.int/en/ITU-D/Statistics/Documents/facts/FactsFigures2019.pdf>

