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14th Global Symposium for Regulators

Capitalizing on the potential of the digital world

Bahrain
GSR 14

# Consumer protection in the online world

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Aim of the discussion paper

- Identify main concerns of consumers when they engage in ordinary online activities
- Identify cross-cutting regulatory issues that need to be addressed by
  - Policy makers
  - Regulators/agencies
  - Industry
- Identify best practices
- Launch a broad debate
- Comments welcome

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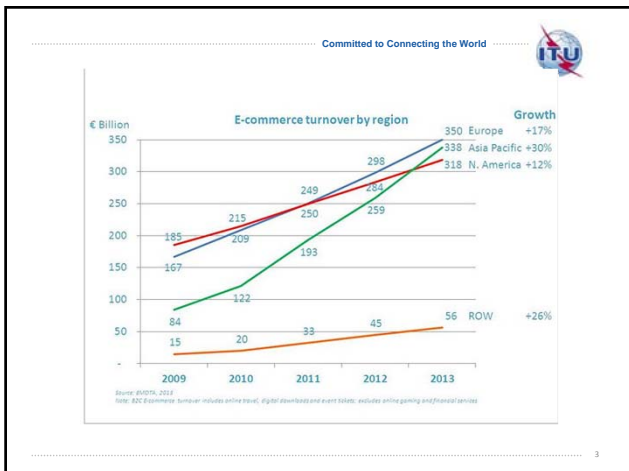
Consumer concerns

Search
- How will my data be used?
- Search results manipulated?

Shopping
- What if goods don't arrive?
- What redress when shopping cross border?

Paying
- Can I trust new payment methods?
- Will I need to pay extra for some methods of payment?
- Are my bank details secure?

Consuming music and video
- Why can't I access certain services?
- Do I have sufficient bandwidth to watch my film?

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Consumer concerns

Gaming and using apps
- This game was not free!
- My credit card has been charged!

Social media
- My children are exposed to inappropriate content
- We seem to be locked in with Facebook
- I can't get a job because of my profile

Cloud
- Will my data be safe on the cloud?
- What if the service becomes unavailable?

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Cross-cutting regulatory questions/areas of concern

Privacy	Security	Illegal and harmful content
Copyright	Net neutrality	Payments
Consumer rights and trust	Delivery	Consumer redress and education

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Privacy

- Many laws adopted across the globe
- In some regions, strong privacy authorities
  - In the EU, the intention is to strengthen their roles

- **Emerging solutions/best practices**

Strong role for data protection authorities to:
  - enforce privacy rules vis-à-vis large online operators
  - issue guidance to help companies respect consumers' personal data
  - foster industry codes of conduct

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Information and network security

- Surprisingly little in terms of laws
- In many countries, no obligation for companies (other than telecom operators or operators of critical infrastructure) to notify security breaches
- In many countries, no clear authority in charge

  - Digital consumer is lost when his data is compromised
  - Is this a no man's land?

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Information and network security

- Emerging solutions/best practices
- In the EU, new legislation in preparation to force 'key internet enablers' to notify security breaches to customers and to national regulators
  - Member states would also be obliged to set up national competent authorities to deal with network and information security
  - National competent authorities would be able require market operators to undergo security audits
- Industry led solutions

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Illegal and harmful content

- Many laws exist which deal with illegal content on the internet
  - General laws (on the roles of ISPs, hosting service providers etc.)
  - Specific laws (fighting online piracy, child pornography etc.)
- Hotlines to report illegal content
  - INHOPE network
- Industry has developed filters and provide reporting facilities

  - But consumers are still quite often lost
  - Is this a no-man's land?

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Illegal and harmful content

- A few best practices
  - Regulators inform digital consumers on what to do (e.g. Malaysian Communication and Multimedia Commission)
  - Regulators involved in notice and take-down procedures
  - Regulators provide information on available filters

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Consumer rights and trust

- Clear set of rights often exists in the laws
  - Who is operating the website?
  - No unfair commercial practices
  - Price transparency
  - Right to cancel the order
  - ...
- But who is making sure that digital consumers benefit from these rights?
- Is this a no man's land?

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Specific market players

- Google
  - Competition law remedies v. Abuse of dominant position in online search and search advertising
- Online games and in-app purchases
  - Principles developed by consumer enforcement authorities in the EU
  - FTC action against Apple

- Social media
  - Self-regulatory initiatives
- Cloud
  - Self-regulatory initiatives, public private partnerships

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Who is in charge?

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The difficulty

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Conclusion

- Laws/norms certainly need to be adopted in some areas and in some regions of the globe to protect digital consumers
- International dimension needs to be taken into account
- A no man's land seems to exist even if laws exist
- The no man's land is where there is no clearly defined regulator/agency
- There is a strong role for regulators to ensure that digital consumers are protected in this no man's land
  - Informing consumers of their rights
  - Informing consumers on what do do if things go wrong
  - Fostering self regulation
  - Cooperating with other regulators/agencies
  - Supervising the market in a more active way

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