Joint press statement by Didier Reynders, Commissioner for Justice of the European Commission and Lina Khan, Chair of the United States Federal Trade Commission

On 30 March 2022, in Brussels, Didier Reynders, Commissioner for Justice of the European Commission and Lina Khan, Chair of the United States Federal Trade Commission addressed their informal dialogue on consumer protection.

Technological developments, including the growth of the digital economy, have transformed the economic landscape in both Europe and the United States, necessitating changes on both sides of the Atlantic to protect and empower consumers.

In this spirit, based on their shared values, the Commissioner Reynders and Chair Khan affirmed their mutual interest in reinvigorating this dialogue on consumer issues, especially the impact of technological developments, to maximize the mutual benefits of policy and regulatory cooperation.

This cooperation includes sharing insights and experience on consumer issues, with an aim of increasing exchange of technical expertise and coordination on appropriate areas of policy and enforcement strategies.

Particular substantive issues identified for increased dialogue include:

- Dark commercial patterns--practices in online user interfaces that steer, deceive, coerce, or manipulate consumers, often through exploitation of information asymmetries and behavioral biases, into making choices that are frequently not in their best interests.

- Digital business models that rely on artificial intelligence (AI) and which are characterized by pervasive data collection, concentrated computational infrastructure and vast market reach.

- The protection of certain consumer groups, including children and underserved populations, that may be targeted or disproportionately harmed by social media and online marketing techniques.

- Environmental benefit and sustainability-related claims made to consumers.

- Product repair restrictions imposed by manufacturers and sellers (“right to repair” issues).

- Issues arising in connection with online marketplaces, such as the use of reviews, endorsements, and influencers.
• Issues arising in connection with consumers’ domestic and international financial payment transactions, and the use of AI in ways that may affect the availability and terms of financial products to particular groups of consumers.

The Informal Dialogue also makes possible the exploration of new ways that consumer protection authorities can collect and exchange information, and authorities’ approaches to remedies, so that enforcement authorities are better equipped to address new challenges together, and to support domestic efforts as well. Particular topics identified in these areas for further discussion include: Empirical studies about consumer behaviour; empirical research about retail marketing behaviour; the collection, assessment, and use of consumer complaints; experience with consumer protection remedies, and the relationship between consumer dispute resolution mechanisms and public enforcement.

Next steps
Commissioner Reynders and Chair Khan expect the new Informal Dialogue to involve staff discussion, which may include the organization of quarterly webinars, involving, as appropriate and depending on the topic, the EU CPC network members, consumer groups, the OECD committee on consumer policy, ICPEN participants, and/or others. Certain subjects, particularly those related to enforcement, may need to be non-public, while other issues may be appropriate for broader stakeholder involvement.

Commissioner Reynders and Chair Khan plan to reassess the informal dialogue within the next two years, to extend or modify it in whatever way would be most useful for consumers. They expect the cooperation and exchanges within this Informal Dialogue to occur in parallel with other forms of cooperation and exchanges between the European Union and the United States on various digital policies and legislation.

Background
The European Commission (DG Justice and Consumers) and the U.S. Federal Trade Commission (FTC) have a longstanding history of dialogue on consumer protection issues. This includes:

• Cooperation in multilateral settings, such as in the Committee on Consumer Policy at the Organisation for Economic Co-operation and Development (OECD), and in the International Consumer Protection and Enforcement Network (ICPEN). The FTC and the European Commission (DG Justice and Consumers) staff have worked together, along with other jurisdictions, to support policy and enforcement work in both of these important settings.

• Bilateral dialogue on a variety of consumer policy issues, both at staff level and together with consumer groups, in such settings as FTC conferences, EU consumer summits, and the Transatlantic Consumer Dialogue (TACD).

• Exchanges between the FTC and the EU’s Consumer Protection Cooperation (CPC) Network of EU public authorities, in which the European Commission (DG Justice and Consumers) plays a coordinating role.

For More Information
Enforcement of consumer protection | European Commission (europa.eu)