

Consumer scams related to COVID-19

Questions and Answers

1. What have the Commission and national consumer protection authorities done to address COVID-19 consumer scams?

On 20 March 2020, the consumer protection (CPC) authorities of the Member States issued a [CPC common position](#) on the most reported scams and unfair practices in this context.

On 23 March 2020, Commissioner for Justice and Consumers Didier Reynders [asked](#) Allegro, Amazon, Alibaba (AliExpress), Cdiscount, eBay, Facebook (Facebook, Facebook Marketplace, Instagram), Microsoft (Microsoft Advertising, Bing, LinkedIn), Google (Google Ads, YouTube), Rakuten, Wish and Verizon Media (Yahoo, HuffPost, AOL, TechCrunch) to cooperate closely with CPC authorities to quickly remove fraudulent practices taking place on their platforms. Platforms replied positively and engaged in a continuous exchange with the Commission and CPC authorities throughout the pandemic. The cooperation led to removal of hundreds of millions of listings from the websites operated by platforms worldwide.

In May and June 2020, CPC authorities under the steering of the Commission carried out a set of coordinated screenings (so called “sweeps”) of online platforms and other websites with the aim to detect potential infringements of EU consumer law related to products that were in high demand due to the pandemic.

On 6 November 2020, Commissioner Reynders [met](#) with the 11 platforms to thank them for their efforts, encourage them to even closer cooperate with CPC authorities and to discuss how to boost their preparedness for future surges in fraudulent practices in the context of the coronavirus pandemic and beyond. The Commissioner also invited the platforms to engage in peer-to-peer exchanges on best practices, such as in the area of consumer education.

The Commission provided [advice](#) to consumers and traders to avoid misleading practices related to the COVID-19 pandemic. These advices are translated into all EU languages. They are relayed by the [ODR platform](#) home page and by the national [European Consumer Centres](#).

2. What does the “common position” of the Consumer Protection Cooperation (CPC) Network mean?

Under the [\(CPC\) Regulation \(EU\) 2017/2394](#), the consumer protection authorities of the Member States are linked in a pan-European enforcement (CPC) network and cooperate with each other and with the European Commission to address cross-border breaches of EU consumer law.

Where consumer law infringements affect several or most Member States, these national authorities undertake a common assessment of the business practices in question, which they publish as a “common position” of the CPC Network.

3. How does the CPC common position contribute to the protection of EU consumers from COVID-19 related scams?

The CPC Network has collected examples of false and illegal claims about products’ ability to prevent or cure COVID-19 infections, pressure selling techniques (i.e. false scarcity claims) and undue price

increases for such products taking place on online platforms, social media, marketplaces and search engines.

Online platforms can benefit from these examples to proactively identify and remove such practices from their websites and to educate consumers and traders using their platforms on what is allowed and what is prohibited under EU consumer law.

4. How did the platforms respond to Commissioner Reynders' invitation for a close cooperation in fighting these scams?

All the platforms replied swiftly and positively. They put in place dedicated communication channels for authorities to signal illegal practices.

The platforms also indicated further measures they took or are implementing proactively in order to combat fraudsters who are ruthlessly exploiting consumers in the current COVID-19 crisis.

As a part of the ongoing dialogue, platforms regularly share with the Commission and CPC authorities updates on their measures and continue with their internal mechanisms to prevent consumers from harm.

5. What kind of measures have the platforms taken to protect consumers from COVID-19 related scams?

Platform operators inform Commissioner Reynders on a regular basis about a vast array of measures undertaken by them across their different online businesses, social media, marketplaces or search engines, including:

- Automated, and where necessary, human monitoring of content using various keywords and categories of products at risks of scams;
- Using algorithms to address price gouging;
- Informing traders and consumers on how to flag these unfair practices to the platforms;
- Temporary bans on the selling or advertising of specific products such as masks or sanitizers;
- White listing of confirmed and reputable providers of certain products and delisting of traders who ignore requests to amend their offers;
- Cooperation with various national authorities, including with the police, where necessary.

The platforms have set dedicated teams to address the crisis and evolution of practices and are proactively, including on 24/7 basis, monitoring the market developments.

The number of products/offers/ads withdrawn are very significant. For example one of the biggest operator mentioned up to one million removals in a week, with also hundreds thousands of price gouges cases detected. While the platforms that are part of the dialogue are signalling declines in numbers of unfair listings related to the coronavirus since June 2020, the Commission urged the platforms to continue with their efforts and prepare for the new threats and risks that can arise in the upcoming period.

6. What about consumer warnings – Are platforms doing what is necessary?

In replying to Commissioner's Reynders call, many of them informed that they launched consumer (and seller) information campaigns in line with official expertise and governmental advice about COVID-19.

Many put warnings on top of their pages. Search engines are taking specific measures to block COVID-19 related ads that are problematic.

7. What more is expected from platforms to protect consumers in relation to COVID-19 scams?

The Commission welcomes the measures platforms already took, which can serve as a good basis for a close partnership between platforms, CPC authorities and the Commission.

Nevertheless, it is important that platforms also remain on a high alert regarding consumer protection and safety issues related to the COVID-19 outbreak and can adapt their policies and their enforcement to the constantly evolving predatory practices of rogue traders. The alerts and feedback they will receive from the authorities shall be helpful in that.

During the preparedness dialogue on 6 November 2020, Commissioner Reynders encouraged the platforms to learn from the lessons of the early pandemic stages and translate them into reinforced activities to prevent mass harm of the consumers and to engage in peer-to-peer exchanges on best practices.

8. What are Member States doing to fight rogue traders at national level?

National consumer protection (CPC) authorities took actions rapidly and engaged in targeted [investigations](#) and enforcement actions by adopting interim measures, issuing fines and even [taking down websites](#) of rogue traders. CPC authorities and some platforms already established good cooperation to take down aggressive and misleading advertisement of products that are in high-demand during the present crisis.

To ensure effective monitoring of market trends and prevent further harm, some Member States proactively conducted broad [checks](#) of market practices of online platforms and their compliance with consumer law.

While vigorous enforcement is a priority for all CPC authorities, many of them also issued concrete [guidance for consumers](#) and traders or launched educational press campaigns to [alert the public](#) on dishonest practices related to the COVID-19 pandemic.

9. What more can be done to fight rogue practices at EU level?

The CPC authorities continue working together, and with the Commission, under the revamped CPC [cooperation framework](#).

The Network is continuously monitoring consumer markets to detect any potentially harmful trends and practices and to act on them. National CPC authorities are ready to use their stronger enforcement powers, for example to impose fines or block websites where necessary and to do so in a coordinated manner in case of large-scale infringements.

In order to facilitate this cooperation mechanism, the Commission has put in place a modern cooperation tool supported by the [Internal Market Information System](#), which is used by CPC authorities to activate the CPC Network in case of suspected cross-border infringements of EU consumer law.

On 13 November 2020, the Commission launched the [New Consumer Agenda](#), which confirms the importance of continuous fight against rogue trading practices and scams on the pandemic-related products. The Commission will support and facilitate cooperation between the CPC Network and other networks and stakeholders to tackle consumer scams, unfair marketing practices and fraud.