



# Key findings about problems consumers face in the collaborative economy

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The European Commission wants consumer legislation to be fit for the digital age. That's why it is carrying out a review of core EU consumer and marketing laws. To complement this, the Commission is looking specifically into the problems faced by consumers in the collaborative economy, on peer-to-peer platforms such as eBay, Airbnb, BlaBlaCar or Uber<sup>(1)</sup>.

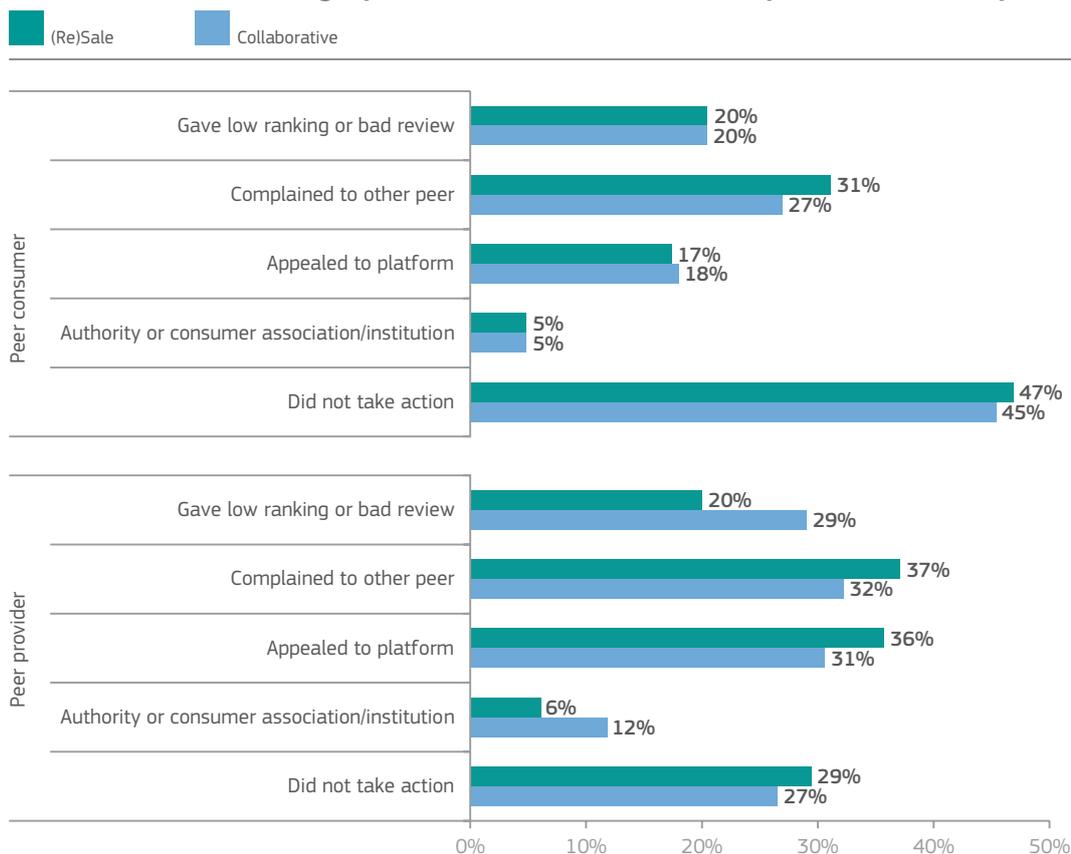
## Many consumers face problems

Most active users are either **satisfied or very satisfied** with their overall experience. However, they also report **frequent problems**: over half of consumers (55%) had at least one problem over the past year, mostly related to the poor quality of goods or services, or to the goods and services not being as described. Almost half of the users (46%) that experienced a problem did not take any action, mostly because they felt it was not worth their time or effort and/or because the amount of money involved was too small. Current users may accept a higher level of risk and problems on peer-to-peer platforms as “part of the game”, in exchange for the opportunity to save money, and because most transactions are relatively low value.

The core trust building tools on such platforms - review and rating systems and identity verification practices - are neither fully reliable nor transparent. Only about 40% of consumers and providers using the platforms use reviews regularly. Those consumers who use reviews are more likely to consult reviews before the transaction than to write reviews afterwards. Among those who took action after experiencing a problem, remarkably few consumers (20%) left a low rating or bad review.

<sup>(1)</sup> Findings presented in this fact sheet are based on *Exploratory Study of Consumer Issues in online peer-to-peer platform markets* by VVA Consulting, Milieu Law& Policy Consulting and GfK Market research for European Commission, Directorate General Justice and Consumers, May 2017.

### Actions taken when facing a problem in collaborative economy – consumers and providers



While most consumers generally evaluate user review systems as a positive contribution to safety and protection and adequate information, three quarters of consumers do not fully trust the reliability of user review systems and do not think they provide full safety and protection. Using these review systems clearly increases trust in the platform for almost 20% of peer consumers. But almost 40% still have doubt, a sizable minority of 34% are neutral about this and another 10% disagree that reviews help increase trust.

### Not knowing what to do if something goes wrong

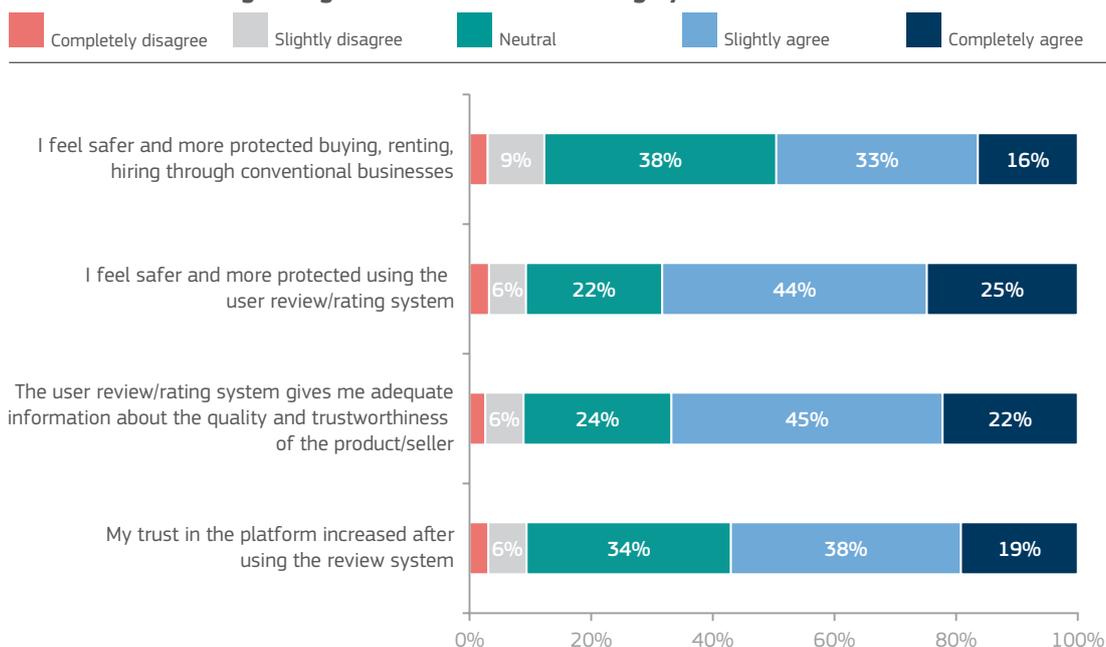
On the larger platforms consumers are likely to be **confused or misled about who is responsible when something goes wrong**: platforms may give the impression they take at least part of the responsibility in case of problems, but their terms and conditions exclude any liability.

About 60% of consumers say they do not know or are not sure who is responsible when something goes wrong, what the responsibility of the platform is or if they have a right to compensation or reimbursement. About 40% of providers say they do not know or are not sure about their rights and responsibilities, and about 30% think they know more or less.

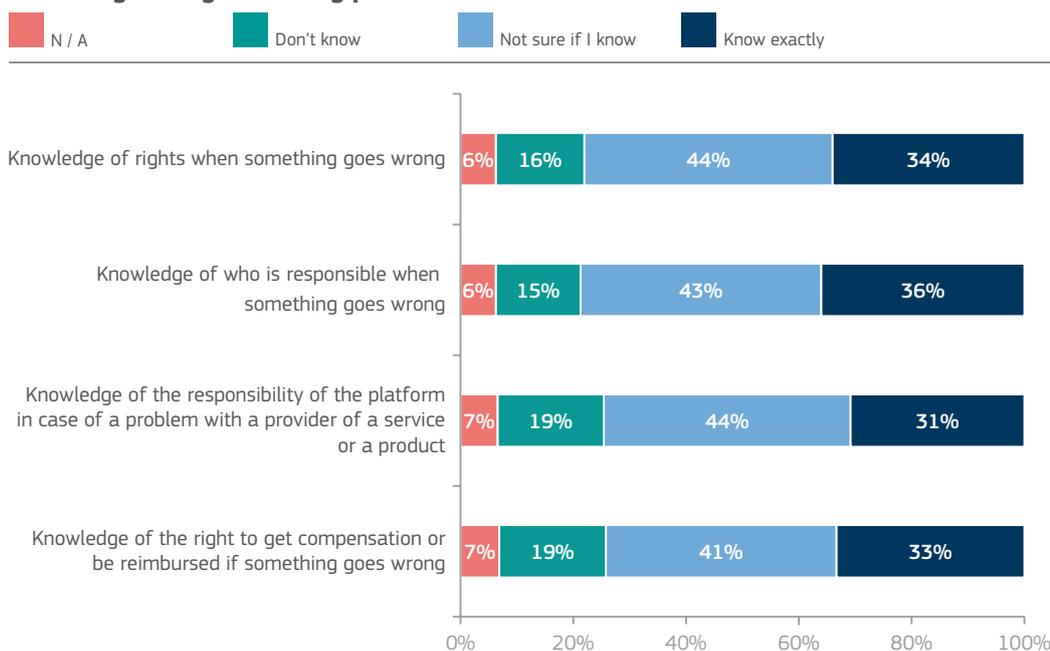
At the same time, about 85% of consumers find it important or very important that collaborative platforms are clear and transparent about who is responsible when something goes wrong, and their rights in case of a problem with the price or quality of a product or service. Providers give similar importance to clarity and transparency about rules and responsibilities when something goes wrong.

Consumer rights apply to the service the platform offers to users, but only civil law rules apply to rentals and sales on platforms between two private persons. These rules are mostly not tailored to peer-to-peer transactions online via platforms, and do not facilitate easy access to redress. Lack of clarity on certain platforms (e.g. AirBnB, Uber) about whether providers act as a private person or as a business creates confusion about whether consumer rights apply. Other platforms either exclude (e.g. BlaBlaCar, easyCarClub) or identify professional or business providers (e.g. eBay, Wimdu).

### Consumer views regarding the user review or rating systems



### Knowledge of rights among peer consumers



## What will the European Commission do with these findings?

These findings are feeding into the ongoing review of core EU consumer and marketing laws <sup>(2)</sup> that aims to make the consumer legislation fit for the digital age. It also feeds into the enforcement activities and monitoring of the development of the collaborative economy as announced in the Commission's European Agenda on the Collaborative economy <sup>(3)</sup> in June 2016.

<sup>(2)</sup> [http://ec.europa.eu/consumers/consumer\\_rights/review/index\\_en.htm](http://ec.europa.eu/consumers/consumer_rights/review/index_en.htm)

<sup>(3)</sup> [http://europa.eu/rapid/press-release\\_IP-16-2001\\_en.htm](http://europa.eu/rapid/press-release_IP-16-2001_en.htm)