

Committee on Consumer Policy

# Workshop on Protecting Consumers in Peer Platform Markets

## Agenda

8 November 2017, 14:00 - 18:00  
OECD Conference Centre

## Introduction

Peer-to-peer transactions have long played a role in commerce, but today's online platforms enable them on a much greater scale. Early examples include platforms for the (re)sale of goods (e.g. online auction and classified listings sites). Newer models include the short-term rental of accommodation and transport or mobility services. Using real-time geo-locational data accessed through mobile apps, mobility services enable the rental of private cars, rides and parking spaces. Other areas undergoing transformation involve small jobs, meal services and financial services.

Sometimes described as the "sharing" economy or "collaborative consumption" the business models at issue in this workshop -- "peer platform markets" (or PPMs) -- involve commercial exchange. These business models open up economic opportunities for the individuals supplying the goods or services ("peer providers") and for the platforms making the connections ("peer platforms"). For consumers of these services ("peer consumers"), there are advantages in terms of price, selection, convenience and social experience. Some may also be attracted to the prospect of more sustainable models of consumption.

In addition to these benefits, peer platform markets raise new policy and regulatory challenges, including consumer protection issues. It can be difficult to apply existing consumer protection frameworks to business models that blur the boundaries between consumers and businesses. Some peer providers may generate sufficient commercial activity to suggest that they should bear consumer protection responsibilities, while at the same time appearing to be in a consumer relationship with the platform. Many peer platforms employ trust-building mechanisms for the users of their services (e.g. secure payment mechanisms, reputation or rating systems, pre-screening and verification, insurance, and complaints handling and dispute resolution). These mechanisms may help meet consumer protection objectives.

A 2016 report by the OECD's Committee on Consumer Policy (CCP), [\*Protecting Consumers in Peer Platform Markets\*](#), describes PPMs and outlines a set of issues for further research and consideration. To facilitate that consideration, the CCP commissioned an online survey to better understand the drivers of consumer trust in PPMs. The study that was carried out in early 2017 across ten OECD countries, Australia, Canada, Chile, Germany, Italy, Japan, Mexico, Norway, Turkey, and the United States.

This workshop will continue the policy discussion. Following a brief welcome, the workshop will begin with a session focused on the evidence that is now emerging about consumer experiences in these markets. The session on the evidence base will begin with a presentation of the main findings from the OECD survey of consumer attitudes, the full results of which will be released at the workshop. Two other sessions will explore policy issues and will be oriented around the other two main actors. The focus of the second session will be the peer providers that supply the goods or services in these markets. A concluding session will consider the role of the platforms in addressing the consumer protection issues that may arise in these markets.

The workshop will provide an opportunity for policy makers from OECD and non-member governments to engage with representatives of the peer platforms as well as researchers and civil society. The event is by invitation and advance registration is required (contact: [denise.wilson@oecd.org](mailto:denise.wilson@oecd.org)).

## Welcome (14:00 – 14:10)

- **Mr. Andrew Wyckoff**, Director for Science, Technology and Innovation, OECD
- **Ms. Nathalie Homobono**, Chair of the Committee on Consumer Policy

## I. Drivers of consumer trust in PPMs -- Assessing the evidence (14:10 - 15:40)

The challenge of building trust in "traditional" business-to-consumer e-commerce would seem to be particularly imposing in PPMs, where the supplier of goods or services (peer provider) is a non-professional without an established brand or other indicia of reliability. These factors may be compounded where there is uncertainty about the extent to which regulations established to protect consumers apply to the transaction. Although much of the overall media attention that PPMs attract is positive, when negative incidents do occur they often attract significant publicity.

In spite of these obstacles, PPMs have grown and expanded at an astonishing rate. The OECD's recent study of 10 000 consumers across ten OECD countries reveals that consumers generally have a relatively high degree of trust in PPMs, even when compared to conventional businesses in similar markets. This session will explore the available evidence about consumer experiences in PPMs with a view to better understanding the key factors influencing consumer behaviour and the role of trust building mechanisms that have been put in place.

The session will begin with presentation of the results of the study commissioned by the OECD with a view to addressing two main issues:

- What are the key drivers of trust for peer consumers when transacting in a peer platform market?
- To what extent do the kinds of trust enhancing mechanisms and initiatives put in place by peer platforms respond to the key drivers articulated by peer consumers?

Panellists will then be invited to discuss the findings of the OECD study and introduce evidence from other studies, highlighting areas where progress has been made in understanding trust and areas where further evidence would be beneficial.

### Moderator

- **Mr. Dirk Pilat**, Deputy Director, Science, Technology and Innovation, OECD

### Presentation of the findings from the OECD Study

- **Mr. Alan Terry**, Vanilla Research

### Panellists

- **Ms. Antonia Fokkema**, DG Justice and Consumers, European Commission
- **Ms. Lisbet Berg**, Consumption Research Norway Oslo
- **Ms. Stacy Feuer**, Federal Trade Commission, United States

## Coffee Break (15:40 - 16:00)

## II. Policy approaches to the role of peer providers (16:00 - 16:50)

The status of the provider - whether they are a peer provider or a business – may be an important determinant of the rights afforded to the peer consumer in any given transaction. In some jurisdictions, consumer laws will not be considered to apply to the relationship between peers, because the activities of peer providers would not be considered that of traders or professionals. But that status might not be readily apparent to the consumer in some instances. Other approaches adopt a more functional approach to consumer protection, which focuses on the actual activity, rather than the link to any professional practice, trade or profession. Either way, many of the requirements imposed by consumer laws will not be well adapted to the capabilities of peer providers.

One way to side-step questions about the legal responsibility of peer providers is to focus on the trust mechanisms provided by platforms that may address some consumer protection concerns. The results of the OECD study raise the question of whether reputation systems and other trust mechanisms reduce the need for regulation or require new or additional types of regulatory oversight. It is challenging to determine the right blend of well-tailored regulation, self-regulation, and platform-specific mechanisms to protect consumers, promote public safety, and meet other legitimate public policy goals.

- What are the criteria for determining when commercial peer activity falls under the ambit of consumer laws? How can consumers know when they are dealing with amateur providers versus professional providers, and does it matter?
- When peer providers are considered as needing to comply with consumer protection laws, should the rules and standards apply in the same way as would be the case for a more traditional business?
- How do these types of trust-building mechanisms interface with existing consumer laws and other types of consumer protection and public safety regulations? How do they compare to other, more formal types of self-regulation, which often involves codes of conduct, accountability measures and enforcement mechanisms?

### Moderator

- **Mr. Alex Schofield**, Competition and Markets Authority, United Kingdom

### Panellists

- **Ms. Amaya Apesteguía**, Organisation of Consumers and Users, Spain
- **Mr. Bryan Cowell**, Competition Bureau, Canada
- **Mr. William MacLeod**, Kelley Drye & Warren LLP, BIAC Consumer Policy Task Force Vice Chairman

### III. Policy approaches to the role of peer platforms (16:50 - 17:55)

Regarding the applicability of consumer law to the peer platforms – who are clearly businesses – consumer law is considered to apply to the basic offer of services to peers (matching, screening, search functions, pricing, etc.). These would include, for example, rules about unfair commercial practices and prohibitions on deception. The revised [OECD E-commerce Recommendation](#) indicates as much, expressly including certain business practices that facilitate consumer to consumer transactions.

But determining how the full range of consumer protection provisions apply is not obvious. Allocating responsibility among various peer platform marketplace participants may vary depending on factors such as consumer expectations, the degree of sophistication of the peer providers, and the level of involvement by the platform.

- What responsibility should a peer platform bear for consumer injury arising from transactions undertaken through the platform? How might such responsibility vary depending on the type of peer platform?
- To what extent peer should platforms be held accountable for the behaviour of peers on their platforms? Do they have a role in ensuring that the peer providers on their platforms comply with acknowledged principles of consumer protection? How could such a responsibility be articulated, given the dynamism and variety of these marketplaces?

#### Moderator

- **Ms. Satu Teopfer**, Competition and Consumer Authority, Finland

#### Panellists

- **Ms. Ana Perdigao**, Homeaway
- **Mr. Stefan Krawczyk**, eBay
- **Ms. Joanna Ghorayeb**, Direction générale de la concurrence, de la consommation et de la répression des fraudes, France
- **Ms. Susan Grant**, Consumer Federation of America

### Closing Remarks (17:55 - 18:00)

- **Ms. Nathalie Homobono**, Chair of the Committee on Consumer Policy