



Brussels, **XXX**
[...](2022) **XXX** draft

COMMISSION STAFF WORKING DOCUMENT

Biennial overview of actions carried out by national authorities under Regulation (EU) 2017/2394 on consumer protection cooperation and key market trends that might affect consumers' interests in the future

The redacted parts and pages 1, 2, 3, 4, 5, 6, 7, 8, 11, 12, 16, 17, 18, 19, 20, 21 are out of the scope of the request.

Digital markets

a) Online platform checks

The CPC network initiated a record number of joint actions on different practices carried out by big online platforms.

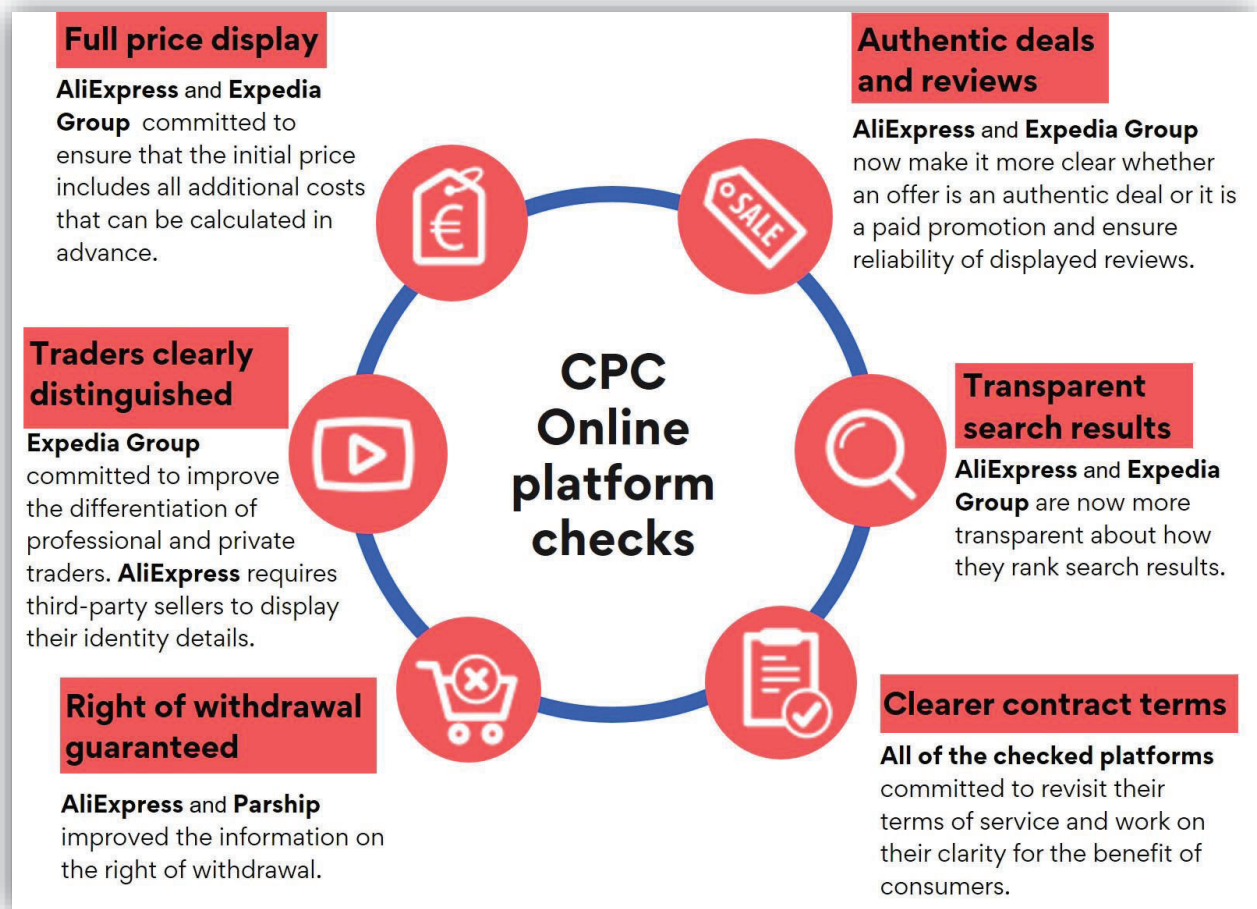
CPC authorities performed thorough platform checks on online marketplaces, search engines, social media and entertainment platforms, dating platform as well as travel booking platforms. All the named platforms have cooperated with the CPC network in a positive manner:

- **AliExpress**, a popular low-cost online marketplace, made EU-wide commitments to ensure that its practices as well as those of its traders respect EU consumer law. In particular, this concerns clear and transparent information on the right of withdrawal, the identity of the seller, how products are ranked in search results on the website and the two-year legal conformity guarantee applicable under EU law. AliExpress also committed to revisit its terms of service and to better inform consumers on how to complain or take action against sellers.
- The CPC authorities reached out to **Google** requesting more transparency (on its business model, search results and reviews policy) and more clarity on prices and essential pre-contractual information that Google provides to consumers in its various services (Google Hotels and Flights, Google Store, Google Play, Google Search and Ads).
- The CPC network has also started a dialogue with **TikTok**, the most popular social media and entertainment service provider in 2021 in terms of new downloads²⁵. CPC authorities requested TikTok to make improvements in relation to its business operation related to advertising practices and labelling of commercial content (paid adverts and influencers), personalisation and targeted marketing aimed at a young audience, and its internal policies on the virtual items available for users on the platform to express appreciation of video content published by other users. This dialogue was triggered by an external alert of the European Consumer Organisation BEUC²⁶.
- The dating platform **Parship** has improved the information displayed on its website regarding users' right of withdrawal and automatic renewal of contracts. Following these changes, consumers are now better informed of the cost of subscribing to Parship services.
- The **Expedia Group** committed to make the search results more transparent so it is clearly presented when an offer displayed on the website is in effect the best possible offer or if it has been promoted by the trader because it is a paid advertisement. Expedia also improved the presentation of prices and discounts and implemented an improved audit system for special price offers across the EU/EEA sites. Users can now clearly distinguish between accommodation offered by professional and private hosts since Expedia committed to continuously updating the information disclosed by accommodation providers.

²⁵<https://www.forbes.com/sites/johnkoetsier/2021/12/27/top-10-most-downloaded-apps-and-games-of-2021-tiktok-telegram-big-winners/?sh=3e96d3003a1f>

²⁶<https://www.beuc.eu/publications/beuc-files-complaint-against-tiktok-multiple-eu-consumer-law-breaches/html>

The actions taken with respect to online platforms have resulted in the following improvements²⁷:



²⁷For more details on the coordinated actions see: https://ec.europa.eu/info/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/coordinated-actions_en



Consumer-related issues of social media advertising

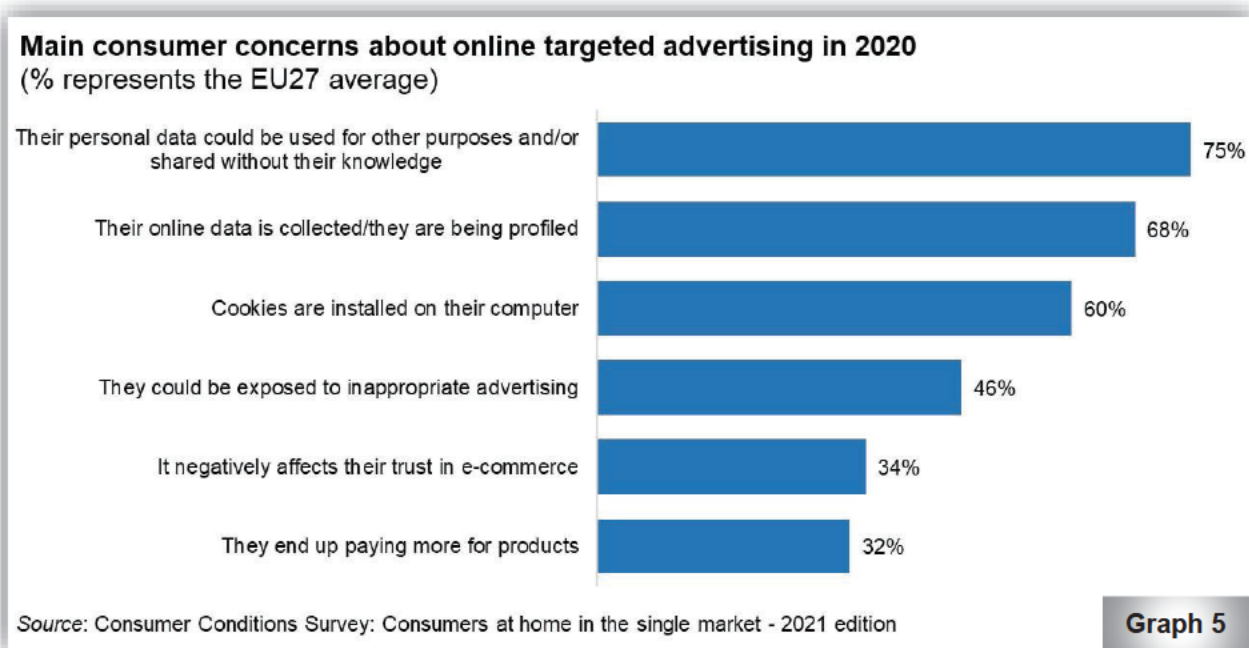
Social media and entertainment platforms have become effective tools to boost and facilitate e-commerce. In 2020, spending on social media advertising in Europe was EUR 16.1 billion, growing over 16% year-on-year during the COVID-19 pandemic.³⁵ Germany and France were the top two markets with highest social media advertising spent in EU27.³⁶ Such platforms create a multi-level environment where commercial content blends with 'organic' user-generated content. For example, when consumers engage on social media or play games offered free of monetary payment, they may not always realise that they give access to their data in exchange, or they might not be aware of its extent. And indeed, such systems expose consumers to advertisements, product placement or incentivised comments of users via sophisticated algorithms based on consumers' online behaviour. The latest *Key Consumer Data* published by the Commission in March 2021 show that 75% of consumers, when explained how targeted advertising work, shared the concern that their personal data could be used for other purposes, or without their knowledge.³⁷ CPC authorities consider it key to ensure that businesses comply with their information

³⁵<https://www.statista.com/statistics/461963/social-media-advertising-revenue-countries-digital-market-outlook-europe/>

³⁶<https://www.statista.com/statistics/899269/ad-spend-social-vs-other-display/>

³⁷[Consumer Conditions Survey: Consumers at home in the single market – 2021 edition](#)

requirements in the domain. Graph 5 shows the top 6 main consumer concerns about online targeted advertising.³⁸



In particular, children and young people, who are vulnerable consumers, have become extremely active online and exposed to new marketing techniques, notably via influencers, which can have high impact on their consumer behaviour.³⁹ According to Eurostat data, in 2020, 57% of people in the EU used the internet to participate in social networks.⁴⁰ Among young people aged 16 to 24 years, almost 9 in every 10 did so (from 79% in Italy to 97% in Denmark).

According to a Forbes article⁴¹, the majority (97%) of Gen Z⁴² consumers say they now use social media as their top source of shopping inspiration. For instance, in May 2021 the hashtag #tiktokmademebuyit reached 2.3 billion views worldwide on TikTok, and #amazonfinds had more than 6.7 billion views⁴³.

³⁸Ibid.

³⁹The recent testimony of a former Facebook employee and whistle-blower, Frances Haugen, on the negative impact of big tech companies' products on users, delivered in the public hearing of the European Parliament's Committee on the Internal Market and Consumer Protection on 8 November 2021 available at https://multimedia.europarl.europa.eu/en/webstreaming/committee-on-internal-market-and-consumer-protection_20211108-1645-COMMITTEE-IMCO

⁴⁰<https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20210630-1>

⁴¹<https://www.forbes.com/sites/forbesagencycouncil/2021/05/17/gen-z-and-the-rise-of-social-commerce/?sh=169b1df5251d> using data from <https://theinfluencermarketingfactory.com/wp-content/uploads/2021/03/social-commerce-report.pdf>

⁴²People born from 1995 to 2010.

⁴³<https://www.forbes.com/sites/forbesagencycouncil/2021/05/17/gen-z-and-the-rise-of-social-commerce/?sh=169b1df5251d>

Social media-generated commerce is thus likely to revolutionise the way consumers shop by “offering something radically different through a sense of connection and community”, as advertisement and communication consultant predicts.⁴⁴

CPC authorities report that their concerns are often cross-cutting and can relate to lack of transparency on the use of personal data, in particular for questions such as personalised advertising, aggressive practices to impose cookies or inefficient age verification mechanisms. The particular vulnerability of children on online markets is an added source of concerns for authorities.

With the online experience becoming even more immersive (e.g. live streaming, AR/VR experiences), national enforcement authorities consider that their approach is constantly challenged by innovative marketing techniques which require to assess their compliance with EU consumer standards, notably in relation to big market players in the social media and entertainment sector which set industry trends regarding marketing techniques. Regarding children, authorities are particularly concerned about the impact of neuro-marketing (using brain imaging to fine-tune advertising) for example as their persuasion power is strong and should not be used in an unfair manner all the more that vulnerable consumers may be concerned.

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In [August 2021](#), the hashtag #tiktokmademebuyit had over 4.1 billion views, and in [October 2021](#) it had more than 5 million views on the platform.

⁴⁴<https://www.accenture.com/il-en/insights/software-platforms/why-shopping-set-social-revolution>

[REDACTED]