



The Virtual Consumer: Fairer, safer online platforms

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The rise of the “Virtual Consumer”

- Nine in 10 (91%) people bought consumer goods from online marketplaces last year. Many buy regularly, and people most value the lower prices and wide choice of products that these marketplaces can offer.
- Most see online marketplaces as indistinct from online retailers - often conflate the two as and describe as “shopping online” and suggesting they don’t see the two as distinct retailers with different consumer rights.
- Social media sites are primarily a social networking space but are increasingly enable people to engage in commercial activities - 43% of Facebook users click on ads, and 45% buy or sell products while on the platform.

Increase in online use

- More than half of UK adults now acknowledge they wouldn’t be able to get through the things they need to do every day if they didn’t use the internet.
- By April 2020, at the height of lockdown, UK adults were spending on average over four hours a day online – up from just under three and a half hours in September 2019 (Ofcom, 2020).
- Our membership - 53% have spent more time browsing the Internet since the start of lockdown; 38% said their use of social media has increased and 40% have been doing more online shopping.

Unsafe products for sale on marketplaces

Our testing and investigations were carried out on Amazon Marketplace, Ebay, Wish.com and AliExpress.

High rates of safety testing failures

- High levels of toxic chemicals, failed safety devices and faults that pose a fire or electrocution risk.
- Two-thirds of the 250 products (across 18 product categories) failed safety tests.

Inadequate action

- Reappearance of listings within days
- Banned products sold illegally online
- Consumers not hearing about recalls or safety issues

Consumer awareness

- Only 1 in 5 (21%) of users aware that online marketplaces have no legal responsibility for the safety of items available on their sites.
- 70% of users thought the law should change to make this a legal responsibility.
- 90% thought the marketplace should be either solely or jointly involved in product recalls.



Fake and misleading online reviews

The importance of reviews

- 97% of consumers consult reviews when purchasing products online and over 3 in 4 trust that online customer reviews are genuine.

The rise of fake and misleading reviews

- Online sellers resorting to tactics such as bribery, hacking and gaming platform systems to inflate overall star rating and mislead shoppers.
- Online platforms' own systems and activities can exacerbate the problem, such as search rankings and endorsement algorithms.

The impact on consumers

- Glowing reviews don't live up to the hype in labs!
- Four in ten (44%) Amazon customers believed it meant a product has been quality checked by Amazon, and a third (35%) believe it means it has been checked for safety. Nearly half (45%) are more likely to buy the product with a Choice logo.
- Fake reviews have an impact on consumers' buying decisions - shoppers are twice as likely to buy a poorer quality product if there are fake reviews.



The thing about fake reviews

By A. Liar 3mins ago



is they look just like the real ones

By Which? 1min ago

Online scams

- Scams and fraud are now the most prevalent type of crime in the UK, causing significant financial and emotional harm.

Few checks and easy to game systems

- It takes only hours for fraudsters to post fake ads on Google and Facebook - expose how easy it is for fraudsters to create and promote false adverts.
- Google requirements - Gmail account, no verification, over 100,000 impressions in a month.
- Facebook - created and paid for the promotion of a business page through a personal profile - 500 likes in one week. One paid-for ad banned but then allowed promotion on page.

Reaching targeted audiences.

- Facebook - targeted females aged between 18-65 with interests in health & wellbeing, water and extreme weight loss.
- Google - those who searched for terms such as "eczema treatment", "high blood pressure" and "suicide".



Which?'s findings on online platforms

1. **Failures to bring in preventative measures** to identify harms and effectively address harms on their sites made known to them.
2. **Reactive measures are inconsistent** and ineffective and often do not lead to overall reduction in harm on their sites.
3. **Little transparency about the responsibilities** of sites - consumers often believe that platforms have responsibility to keep them safe and have undertaken preliminary checks on the content on their sites.
4. **Gaps in regulatory responsibilities**, oversight and enforcement has led to emergence of harms.

Solutions for tackling harm online

Updating regulations for the 21st Century

Clarifying the legal responsibilities of online platforms

- Greater legal responsibility to introduce proactive and reactive measures to prevent and tackle harms online, and incentivise greater innovation to create safer online markets.
- Greater transparency obligations so consumers are aware of their rights and sites' responsibilities.

And regulators empowered to enforce

- Regulators effectively empowered to monitor effectiveness, track innovation and harm, and enforce if fail to keep users safe.



Thank you.