



## Hot issues

### Your place in the connected world

Have you noticed how more and more everyday items are now connected to the internet?

While we used to have ordinary watches that told us the time and the date, we now have smartwatches that track our fitness, alert us about emails and more.

We are told that we can expect many things in our homes will be connected, our cars will be connected and we will see even more connected 'wearable' devices in the future. These new devices and services raise many questions and concerns for consumers.

These emerging new technologies have also drawn the attention of Consumers International (CI) – the international body which aims to empower and champion consumer rights. The organisation launched the Better Digital World campaign earlier this year on World Consumer Rights Day (15 March). The theme for this year was “Building a digital world consumers can trust.”

While acknowledging the benefits of digital technology, CI highlighted consumer questions around:

- How to improve the quality of services
- Which online services and products can consumers trust?
- What happens to the data consumers share online?
- How to establish access to the internet for the many consumers who are not connected

ACCAN agrees that many 'Internet of Things' (IoT) devices and online services will bring benefits for consumers, but there will be challenges and a need for updated consumer protections and guarantees.

### Ten areas for building consumer trust in a digital world

In its ['Building a digital world consumers can trust' report](#), CI talks about how trust in business, government, media and non-government organisations is in decline.

The technology sector is regarded “as falling short on transparency, authenticity, contributing to the greater good, protecting consumer data and paying taxes,” and an Edelman Global Trust in Tech survey found that 71 per cent of consumers worldwide think brands with access to their personal data use it unethically.

CI's report recommends ten areas needed to build consumer trust in a digital world. In this article we will explore some of the consumer implications and concerns relating to the 'always on, always connected' world.

### **Access and inclusion**

According to CI “access to the internet is a fundamental aspect of digital consumer rights and central to development.”

The [2017 Australian Digital Inclusion Index](#) found that digital inclusion is growing in Australia. The Index gives a score on the degree to which all Australians are sharing in the social, cultural, and economic benefits of digital connection. In 2014 Australia’s score was 52.7; by 2017 it had risen to 56.5. While this is positive, the researchers indicated that many are still missing out due to lack of digital connection. As more government and other services move online, it’s important to ensure that all Australians have access to the internet and that services are affordable.

### **Disclosure and transparency**

Clear and simple information about products and services is key to allow consumers to make informed choices about purchases. ACCAN has previously highlighted issues around long contracts and terms of use that many consumers do not understand or even have time to read before signing up.

Consumer group and ACCAN member, CHOICE, also highlighted [the need for clear and simple contracts](#) in March 2017 when they found it would take nine hours to read the 73,198-word terms and conditions for Amazon’s Kindle product. CHOICE called on companies to stop pushing consumers to sign long, unreadable contracts.

### **Fair use and clear ownership**

Licences and ownership of digital products is not always clear to consumers. CI notes that “with numerous links in a complex chain of manufacturers, apps [and] ISPs, it is not always clear who, for example, owns a product that relies on software, or who is responsible when something goes wrong.”

Issues of ownership and access to digital assets were highlighted in the 2012 ACCAN Grants Scheme project, [Death and the Internet](#), which found that many online ‘assets’ are left exposed or stranded after the ‘owner’ dies. This led the researchers to conclude that more Australians should include digital registers with their wills containing passwords and account locations so that materials can be accessed.

### **Digital education and awareness**

Having access to services and digital devices doesn’t guarantee that all consumers can use them. Consumers need to have access to digital education and awareness programs to ensure they can take advantage of digital technology and also know about online safety and security.

There are free, online programs that are run by not-for-profit organisations, such as Infoxchange’s [GoDigi program](#), which helps consumers learn digital skills and allows people who want to help educate others to register as mentors. [The Digital Age Project](#), funded through an ACCAN Grant in 2013, aimed to measure and understand the economic, social, and community impact of access to and use of broadband-enabled information technologies. Tailored training offered under the project resulted in improvements in important aspects of social engagement and personal confidence in more than half of participants. This shows that the benefits of digital education and awareness extend beyond just being able to access online services.

## **Security and safety**

Security is a major concern for many consumers and one that sometimes stops them from interacting with online services. The 2016 CIGI-Ipsos Global Survey on Internet Security and Trust found that 22 per cent had made fewer online purchases and 24 per cent did fewer financial transactions as a result of concerns about their financial information being shared online. ACCAN believes that companies selling services and products online need to have clear privacy policies and be upfront and transparent about any security issues that occur. Products and services should also be designed with security and safety as a priority.

## **Data protection and privacy online**

When using digital products, often consumers do not have a choice and are required to give over private information (date of birth, address, phone number). Consumers should feel that their information will be adequately protected when they sign up for a service.

In order for consumers to have trust in digital services and products, companies must ensure they make information security a priority and they must be transparent when breaches occur, informing affected consumers immediately.

In Australia, the [Privacy Act](#) regulates the handling of personal information about individuals and sets out the Australian Privacy Principles which outline how most Australian and Norfolk Island Government agencies, all private sector and not-for-profit organisations with an annual turnover of more than \$3 million, all private health service providers and some small businesses must handle, use and manage personal information.

In 2016, the Australian Government introduced mandatory data breach notification laws into Parliament. Under the laws, organisations that determine they have been breached or have lost data will need to report the incident, and notify customers that are directly impacted or “at risk.” While this is positive, companies should still strive to ensure that privacy breaches do not occur in the first place.

## **Redress and complaint handling**

It’s important that consumers have somewhere to turn to make complaints about products or services when something goes wrong.

With the advent of new online services and IoT devices, sometimes it’s not clear who consumers can make complaints to. Generally, Australian consumers can make complaints about products or services under the [Australian Consumer Law](#). The ACCC recommends first making a complaint to the business. If the issue is not resolved by the business, consumers can contact their state or territory consumer protection agency.

## **Competition and choice**

Competition for digital services and products will deliver better results for consumers in terms of price and choice. Competition may also drive improvements in products and services offered to consumers. It’s important for the government and regulators to ensure competitive markets are maintained for the benefit of consumers.

Recently, the Productivity Commission released [a draft report on data availability and use](#). ACCAN is supportive of the Commission’s draft report and the ways it proposes to empower consumers to have more control over data about them. ACCAN believes increasing the availability and use of data

across the private and public sectors, and to individual consumers about themselves, there is potential to stimulate innovation and competitiveness in the marketplace, which could lead to increased choice and better decision making for consumers.

### **Regulatory framework**

As more services move online and new IoT devices become more prevalent, we must ensure that the regulatory framework keeps up with the times and adequate consumer protections are in place. CI states that the “international nature of the digital economy also presents real challenges for regulators.” The organisation goes on to state that it took 33 years to update the OECD Privacy Guidelines, which is in stark contrast to the rate at which new technologies can reach audiences. For example, Facebook reached 50 million people in just one year.

Governments should work to ensure that consumer protections and guarantees are up to date so that consumers can have confidence and trust in the digital world.

### **Responsible business conduct**

CI states that in addition to traditional responsible business practices, companies at the forefront of digital technology should be open and transparent about the risks and benefits of their innovations. Consumers should be able to trust that companies will be upfront and open with them, do the right thing and will take a proactive approach to addressing consumer concerns, mistakes, security and safety.

### **Conclusion**

Digital technology has transformed consumer experiences around the world. We anticipate that this transformation will continue and it’s clear that ACCAN has a role in ensuring that consumers are represented in important discussions with government, regulators and industry players about future consumer protections and guarantees for digital and IoT products and services.