
Submission to Digital Platform Services Inquiry September 2023, Report on the expanding ecosystems of digital platform service providers. Issues Paper.

5 April 2023

By email: digitalmonitoring@acc.gov.au

The digital economy and the providers who operate in the 'digital platform ecosystem'¹ have become essential to accessing work, school, other services and entertainment.²

"I can't live without the internet, which is very obvious. Without it I can't do any work, research studies, shopping, banking. Everything." - Participant CPRC Focus Group³

CPRC is a not-for-profit consumer policy think tank. Our role is to investigate the impacts that markets and policies have on Australian consumers and advise on best practice solutions. Consumer protections in the digital world is a current research focus for CPRC.

CPRC has documented consumers concerns about how their data is collected and used, how their privacy is impacted, and how dark patterns can be used to manipulate and influence their decision making online. We have provided this evidence to previous consultations run by the ACCC as part of the DPI. In this submission we provide a high-level summary of the issues we consider relevant to the regulation of the 'digital platform ecosystem'.

Relevant CPRC research that points to the potential consumer harms from these issues include:

- 2022 research into dark patterns, *Duped by Design*⁴
 - 83% of Australians have experienced one or more negative consequences as result of dark patterns.
 - 25% Australians shared more personal information than they wanted to.
 - 29% created online accounts that they didn't want to.
 - 20% Australians spent more than they intended.
 - 17% felt pressured to buy something they didn't want to.
 - 40% felt annoyed when using a website or app with dark patterns and 28% felt manipulated by the practice.
- 2022 research into unfair trading prohibitions, *How Australia Can Stop Unfair Business Practices*⁵
 - We documented the challenges Australian consumers experience unsubscribing to or cancelling products such as Amazon Prime despite EU laws that have required Amazon to provide simplified and easy cancellation options. This

¹ ACCC, 2023, *Digital Platform Services Inquiry September 2023 Report on the expanding ecosystems of digital platform service providers Issues Paper* March 2023

² Consumer Policy Research Centre, 2021, *The Digital Checkout*, December 2021

³ Consumer Policy Research Centre, 2022, *Australian Consumers in Their Own Words*, June 2022

⁴ Consumer Policy Research Centre, 2022, *Duped by Design*, June 2022

⁵ Consumer Policy Research Centre, *How Australia can stop unfair business practices*, September 2022

example demonstrates the importance of Australia implementing local laws to stop harmful practices from digital platforms.

- 2023 research on consumer views on how businesses use their data, *Not a Fair Trade*⁶
 - 84% of Australians agree that companies should always act in the best interest of a consumer when it uses their data.
 - 79% agree that companies should only collect information about them that they need to provide a product or service.
 - 70% are not comfortable with companies monitoring their online behaviour.

Consumer harms are likely to be exacerbated as digital platforms expand to new sectors and acquire businesses in health, education, gaming, and cloud services. The increased market power of the main digital platforms could make it harder for consumers to be confident their data is not being shared between these businesses with common parent organisations. It also makes it harder for consumers to understand their rights and seek redress when the ownership structures of these businesses can be opaque.

CPRC welcomed the proposed reforms from the ACCC in the fifth interim report.⁷ We consider those reforms should be prioritised to deliver a holistic consumer protection framework that will also hold providers in the digital platform ecosystem accountable.⁸ The following reforms should be progressed as a priority:

- Introduction of an unfair trading prohibition to protect consumers from data extraction and digital misuse.
- Reform of the Privacy Act to bring Australia's protection framework into the digital age through a coherent, economy-wide consumer protection.
- Introduction of a general safety provision to clearly make companies responsible for delivering safe, secure data-driven products and services.
- Increased enforcement resources for regulators to proactively operate within a complex digital environment.
- Clear pathways for consumers to access support when experiencing digital harms, such as the establishment of a Digital Ombuds.

We would welcome the opportunity to work with the ACCC and share further insights from our consumer research projects. For further discussion regarding our research and the contents of this submission, please contact [REDACTED].

Yours sincerely,

Consumer Policy Research Centre

⁶ Consumer Policy Research Centre, 2023, *Not a Fair Trade* March 2023.

⁷ ACCC, 2022, *Digital platform services Inquiry Interim report No. 5 – Regulatory reform*, September 2022

⁸ Consumer Policy Research Centre, 2023, *Submission to the Treasury on Digital Platforms: Government consultation on ACCC's regulatory reform recommendations*, February 2023