



**CONSUMERS  
INTERNATIONAL**

COMING TOGETHER  
FOR CHANGE

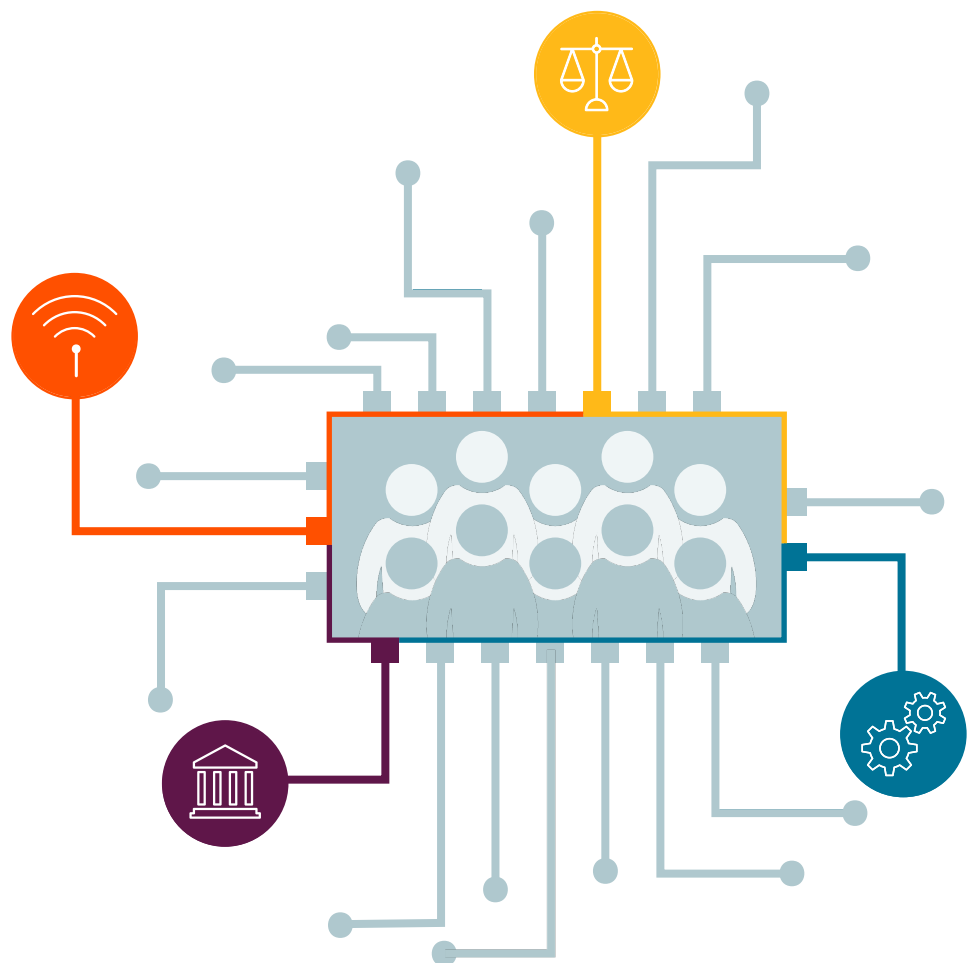
# THE CONSUMER EXPERIENCE OF GENERATIVE AI



# THE CONSUMER EXPERIENCE OF GENERATIVE AI

Involving consumers in building fair and responsible artificial intelligence is essential. For World Consumer Rights Day 2024, Consumers International has outlined the priority areas that combine the United Nations Guidelines on Consumer Protection with a set of actions for developers and deployers of commercial generative AI. The four priority areas drive toward a vision of **digital markets that are truly open and accessible, support high benchmarks for consumer protection, feature inclusive and representative governance frameworks, and maintain the guarantee of redress and representation for consumers.**

Any approaches to develop AI should be informed by the consumer experience of the technology. The priority areas outlined above are informed by the work of our consumer advocates, researchers and intergovernmental agencies. They include the Norwegian Consumer Council, the Consumer Policy Research Centre, the Foundation Model Transparency Index, the Organisation for Economic Cooperation and Development (OECD), and the United Nations Educational, Scientific and Cultural Organization (UNESCO).



# GLOBAL MEMBER EXERCISE WITH GENERATIVE AI CHATBOTS

We also sought the voice of consumers through members of Consumers International, 35 of whom participated in an exercise with the goal of surfacing how trustworthy consumers feel that generative AI is. In the lead up to World Consumer Rights Day 2024, participants used three Retrieval Augmented Generation (RAG)<sup>1</sup> chatbots to enter prompts designed by Consumers International, before reporting the responses and their assessment of them through a survey.

Three simple indicators for trustworthiness were assessed – hallucination, verifiability and bias. Hallucination refers to situations where a generative AI chatbot invents information in response to a user’s query and presents this information in its response as fact. Participants assessed factual hallucination – where there is a discrepancy between the response and real-world facts – and faithfulness hallucination, which is when there is a divergence between what the prompt asks and the response generated, as well as self-contradiction within the response. Verifiability was assessed by looking at whether the response produced by the chatbot is cited, and whether those citations can be verified. Bias was examined by considering whether geographic, corporate or gender preferences or prejudices were present in the responses.

The functional performance of the chatbots was evaluated at the same time. The prompts were designed to do test three things: information retrieval, the formulation of an argument, and the summarisation of a text. Participants made a judgement of performance across these functions.

## **It is important to note the limitations of the exercise:**

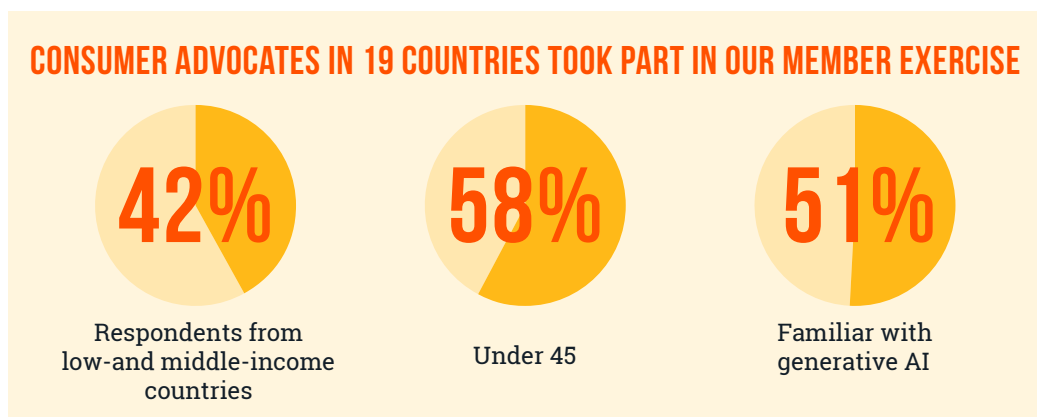
- This was not a representative sample or controlled trial;
- The criteria for assessing trust and performance were not comprehensive;
- Participants received an annotation guide with instructions and common definitions, but their impressions were formed and reported subjectively;
- The absence of problems during the exercise does not mean that generative AI is not problematic.

---

<sup>1</sup> RAG chatbots were used due to their ability to [generate text using information fetched from an external data source](#), not only from data in its training model. The assumption is that this type of chatbot will eventually replace traditional search engines, which are a typical entry point to the digital marketplace for consumers.

## SUMMARY OF INSIGHTS

**A broad voice of consumers was heard.** Consumers were represented through the participation of consumer groups in the exercise. After auditing the initial 35 responses for quality, the dataset contained 33 participants from 19 countries in seven regions, with 42% of respondents coming from low- and middle-income economies. There was a roughly even gender split among respondents (54% female/42% male/4% did not answer), and most (58%) were under 45. Participants self-reported high levels of digital literacy as assessed in basic terms, with 77% considering themselves familiar with digital technologies, 57% describing themselves as early adopters of technology, and 51% saying they are familiar with generative AI.



**Chatbots appear intuitive and impressive but fall short on even basic measures of trustworthiness.**

Participants found the chatbots intuitive (94% agree/strongly agree), and there was broad consensus that responses were expressed clearly (75% agree/strongly agree). Qualitative responses noted that chatbots are quicker, more convenient and can remove or reduce steps in the information search journey for consumers. Close to two thirds (64%) said they would use the chatbot again. However, even our simple indicators of trust showed clear and obvious deficiencies, including that:

- All chatbots produced some form of hallucination;
- The likelihood that responses included citations was only about as good as a coin toss (the range across prompts was between 46% and 56%);
- Instances of bias were identified across all chatbots.

**The presence of even basic safeguards varied across chatbots, leaving a worrying margin for potential harm.** For example, although all chatbots recommend against asking for medical advice – and include disclaimers when consumers do so – many proceed to offer it anyway and, in some instances, provided detailed information often without citation. We noted that the strength of disclaimers varied across both chatbots and location of the respondent, undermining the principle of equal treatment for consumers everywhere. Concerningly, despite the inclusion of disclaimers by the chatbots, participants perceived that advertising was present alongside or within the medical advice output at least one in four times.

The presence of hallucination was also widespread and pernicious. Whenever the chatbots hallucinated, it tended to be subtle and hard to detect. And while developers caution that chatbot technology is nascent, the exercise showed that they offer consumers few routes to verify outputs – we identified only one chatbot providing an option to double check responses, and, even then, only one third of the time. Citations were provided patchily, and if they were, responses were never fully cited.



### RESPONDENTS IDENTIFIED HALLUCINATION ACROSS ALL CHATBOTS AND PROMPT CATEGORIES

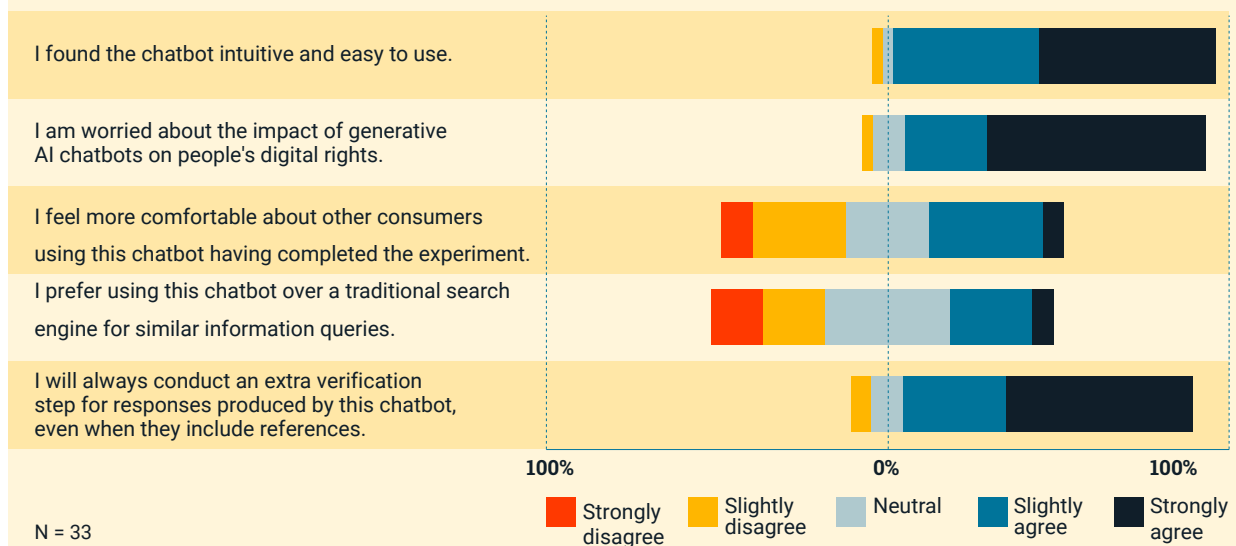
Prompt	Type of Hallucination	
	Factual Hallucination	Faithfulness Hallucination
Information Retrieval	12%	34%
Argument Formulation	33%	52%
Information Summary	12%	27%

N = 33

Note: The data refers only to hallucination identified and reported by respondents during our campaign.

**Consumers are generally aware of the risks of the technology but have limited ability to test and respond to the threat.** Almost nine in ten (88%) of participants are worried about the impact of generative AI on consumer rights. And although a majority (54%) of individuals participating broadly felt more comfortable with the chatbot they used after completing the exercise, only 39% said they would feel comfortable with other consumers using the chatbot they tested. Qualitative responses noted common consumer concerns with the technology, including the removal or erosion of consumers' right to independently verify outputs (e.g. by seeing and checking sources themselves), the collection and use of personal information, and a limited ability to seek redress when things go wrong.

### RESPONDENTS INDICATED CAUTION TOWARD FURTHER USE OF GENERATIVE AI, EVEN AS THEY FOUND THE CHATBOTS INTUITIVE AND EASY TO USE



**More inclusivity and representation are needed in the design and governance of the technology.**

Participants frequently reported a North American bias in the responses, for example through use of brand names and the sources cited. The vast majority (85%) said they would always conduct an additional verification of the chatbot's outputs, demonstrating the need to work with trusted consumer advocates in ensuring that safeguards are appropriate.

## NEXT STEPS

To achieve fair and responsible AI for consumers, we must go beyond campaigns aimed at informing consumers of what they can do. Consumer advocates in government, business and civil society all emphasise that the burden of responsibility on the consumer is high – and unfairly so. Strong and meaningful safeguards to protect consumers must come in parallel, and they must be informed and led by the consumer experience.

In addition to driving action towards the four priority areas for fair and responsible AI for consumers, we encourage organisations to support Consumers International in helping surface how consumers use, feel about and understand AI. More research is needed that supports this, and it must be as inclusive and representative as the technology itself hopes to be.

We are all consumers. By standing together, we have the power to effect meaningful change. Let us unite in our efforts to create a marketplace that is fair, transparent, and responsive to the needs of all consumers.

## PARTICIPATING ORGANISATIONS

We are grateful to the following organisations for their participation in our global member exercise to test generative AI chatbots.

Organisation	Country
Acción del Consumidor (ADELCO)	Argentina
Australian Consumers' Association (CHOICE)	Australia
Consumer Awareness Organisation	Nigeria
Consumer Council of Fiji	Fiji
Consumer Japan	Japan
Consumer New Zealand	New Zealand
Consumer Policy Research Centre	Australia
Consumer Reports	United States of America
Consumer Voice	India
Consumers Association of Bangladesh	Bangladesh
Consumers Lebanon	Lebanon
Consumers Korea	Republic of Korea
Consumers Japan	Japan
Consumidores Argentinos	Argentina
Cyprus Consumers Association	Cyprus
Fijian Competition and Consumer Commission	Fiji
Fundación Ambio-Alerta	Costa Rica
Hong Kong Consumer Council	Hong Kong
Myanmar Consumers Union	Myanmar
Rwanda Consumer's Rights Protection Organisation (ADECOR)	Rwanda
Sudanese Consumers Protection Society	Sudan
Thai Consumers Council	Thailand
Tribuna del Consumidor Ecuador	Ecuador
Union de consumidores de Argentina	Argentina
Which?	United Kingdom

## ACKNOWLEDGEMENTS

This research, along with the accompanying vision for 'Fair and Responsible AI for Consumers', was led by Consumers International and its Digital Consumer Rights programme team. Consumers International is very grateful to the Ford Foundation for funding the programme, which includes supporting the Consumers International Digital Task Force. Several members of the task force advised this work.

Gratitude is also due to the 35 Consumers International members listed above that contributed to the exercise with generative AI chatbots, as well as the 100+ organisations that engaged in our World Consumer Rights Day activities.

Finally, Consumers International is thankful for the work of its staff in producing this vision:

- Charlotte Broyd, Head of Communications and Membership
- Stefan Hall, Director, Digital Innovation and Impact
- Hollie Hamblett, Policy and Research Specialist
- Helena Leurent, Director General
- Oarabile Mudongo, Digital Rights Specialist
- Grace Ramsay, Global Communications Coordinator
- Javier Ruiz Diaz, Senior Digital Rights Advisor





# CONSUMERS INTERNATIONAL

COMING TOGETHER  
FOR CHANGE

Consumers International brings together over 200 member organisations in more than 100 countries to empower and champion the rights of consumers everywhere. We are their voice in international policy-making forums and the global marketplace to ensure they are treated safely, fairly and honestly.

Consumers International is a charity (No.1122155) and a not-for-profit company limited by guarantee (No. 04337865) registered in England and Wales.