

COVID-19 MEMBER SURVEY BRIEFING

March/April 2020

Our briefing highlights a range of consumer issues from different perspectives. Unless otherwise stated they do not represent the position of Consumers International

INTRODUCTION

As the Coronavirus (Covid-19) pandemic sweeps across countries, surge pricing and shortages of essential goods like health supplies and food are affecting all regions. Consumers International surveyed our membership to find out how the unfolding crisis was affecting consumers in their country and the actions they were taking to protect and support people.

The 100 responses received from 92 members, revealed a familiar pattern of problems faced by consumers, and calls for swift action to protect not just health but access to essential services like food, utilities, finance and internet connections at a price that leaves no one out.

All of our members are also playing a major part in a much bigger public information effort to promote the importance of safe hygiene and social distancing and are standing up as reassuring and trusted voices in a sea of misinformation.

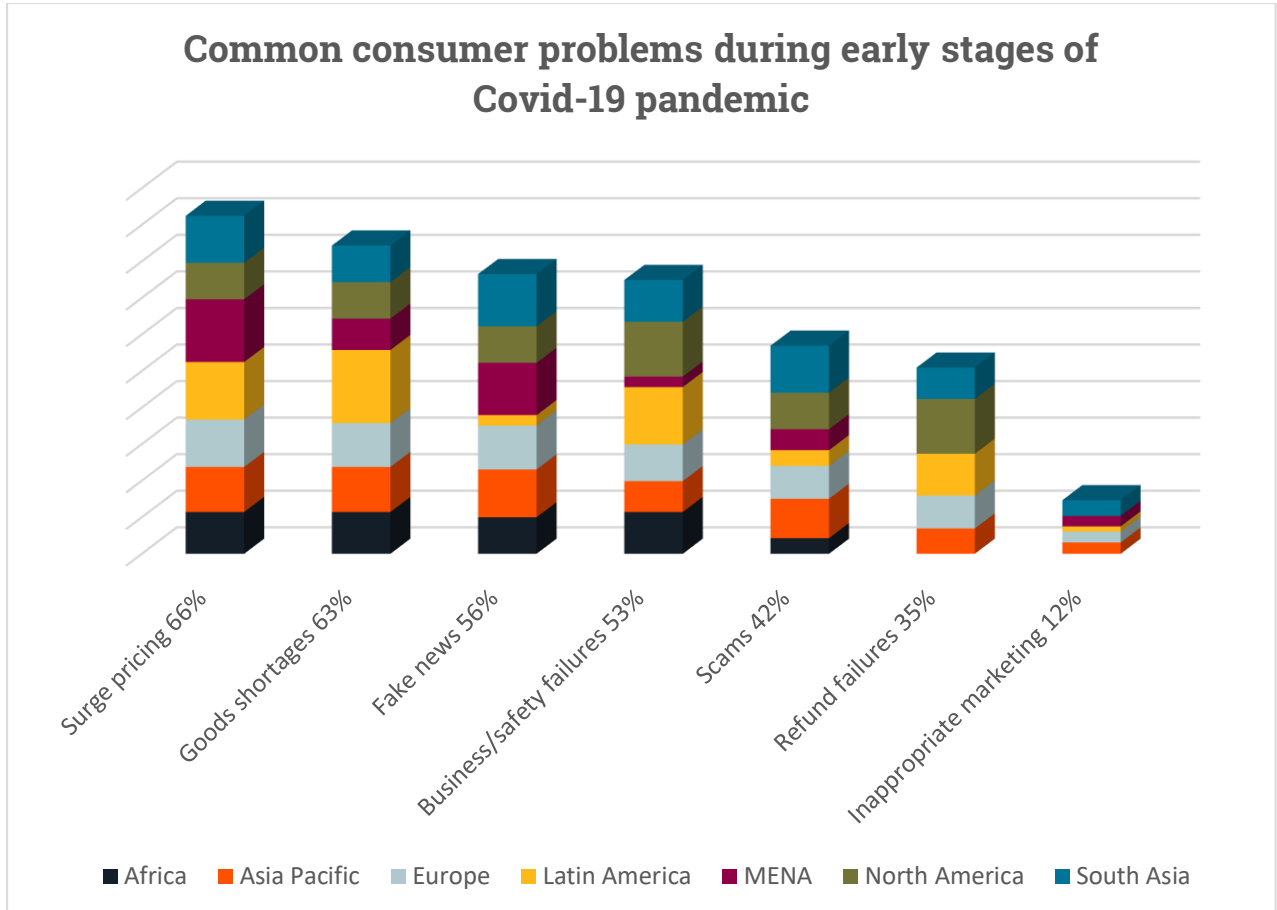
Many are also directly advocating for consumers at the governmental level, through national advisory committees, briefing ministers on the situation for consumers on the ground, and advice on how to enact practices and legislation that would prevent exploitation and keep consumers protected.

The survey ran from Sunday 15 March 2020 until Friday 20 March 2020. Please note that due to the fast changing situation, some of the information presented here may reflect an earlier situation. Responses were from:

Africa	14
Middle East and North Africa	7
Asia Pacific	26
South Asia	15
Europe	20
Latin America	14

North America ¹	4
Total	100

Survey results:



Surge pricing and price gouging: situations where individuals or suppliers buy up and then hike prices of essential goods and services needed in emergency situations was reported by 66% of our members, with the highest rates in Latin America and the Middle East. Note, while price gouging is illegal in most countries, the practice of surge pricing is not illegal everywhere but is widely seen as unfair especially when it is used to exploit essential consumer needs. See below for examples of action being taken:

- In India, the government has declared sanitizer, face masks and other health products as essential commodities – this classification means that a maximum retail price can be fixed, and it becomes illegal to profiteer from their sales.
- Consumers in Japan reported that face masks were being bought by people and resold at extremely high price on online auction and resale sites.

¹ Please note, we received 2 responses each from 1 Canadian and 1 US organisation

- In Serbia, measures have been introduced to restrict the prices for 36 essential goods including some food, hygiene and protective goods, and in Brazil the prices for restricted products are displayed on a central website

Consumer goods shortages

Around two thirds (63%) were also seeing shortages of essentials like food and over the counter medicines, as well as products essential for limiting the spread of the virus like hand sanitiser, face masks and soap. Shortages are due in part to panic buying on the part of consumers, following instructions to stay at home for extended periods of time. As well as urging governments to calm the situation down, consumer groups are giving direct advice to consumers through their own campaigns.

Consumer and community organisations in Australia have made the following call:

- **No disconnections:** continue to offer key services without interruption, including energy, telecommunications, banking and insurance.
- **Pause debt collection and legal/bankruptcy proceedings:** People shouldn't be evicted or be hassled by debt collectors during this time. Lenders should consider moratoriums on loan repayments.
- **Waive penalty and late fees, including additional interest charges:** No one should pay extra if they're struggling to pay bills on time

<https://consumeraction.org.au/covid-19>

Impact on consumers

As well as immediate shortages of goods, many people have lost or are at risk of losing their jobs and income. Consumer organisations are calling on companies providing utilities or finance to implement measures to give consumers space in light of their sudden change in circumstances. The KEPKA Consumers Protection Centre in Greece recognised the difficulties faced by older or digitally excluded consumers without access to online banking who won't be able to get to bank branches to make payments for utilities or loan repayments. Members are calling for data caps to be lifted or for free internet access, which can support access to other essential services.

Comments from members suggest that businesses are getting some respect for their responsible role and support of government measures to restrict social activity, look out for vulnerable consumers and promote good hygiene. However, 53% report that some businesses are failing to implement relevant safety practices (e.g. continuing to gather in large groups, no hand sanitiser available) with highest levels in Latin America (79%) and North America, Africa and Asia.

Empowering consumers

Members are also encouraging consumers to play their part in reporting cases of essentials like masks, sanitisers, soaps at higher prices. In India, the public are encouraged to download an app or call a phone line to register the complaint. In France, consumers can report excessive prices, unauthorized sale of surgical masks, scams or misleading advertising through the Signal Conso website

<https://signal.conso.gouv.fr>

The truth is out there

Misinformation and fake news circulated online was the next highest issue seen by 53 per cent of members, fuelling unease and panic and potentially creating an environment where scams, fake products and products with misleading claims can be sold to worried consumers. The highest reports of fake news was seen in areas with highest rates of virus: Asia – Asia Pacific (54%) and South Asia (64%) and Europe (45%) but less so in Africa, Latin America (21%) and MENA (29%) suggesting that it could be something that increases as virus spreads. CERC in India is advising consumers not to use untested remedies and the Hong Kong Consumer Council has tested face masks and cleaning products and promoted the results to everyone so that they can more easily avoid the misleading claims.

Protecting data in a pandemic

Online platforms are coming under scrutiny for their role in removing fake news and misleading information or products. Elsewhere in the digital world, members are concerned that consumers' data and security could be at risk due to higher levels of downloads of new apps and services to stay connected, or as their health and location data is combined to track their activity. Whilst many agree that pinpointing infected people's location and movements is crucial in tracking and containing the virus, there are concerns that such tracking will become commonplace in the aftermath and more people will be subject to deeper levels of tracking and surveillance.

Rights to refund

Failing to offer appropriate refunds or alternatives was reported at the highest levels in Europe and North America. There has been a mixed response from operators – in Denmark, travel agents tried to avoid paying travel refunds despite the government officially advising against travel. However, in Germany, rail operators have already put voluntary refund schemes in place. DECO-Proteste in Portugal has created a dedicated consumer hotline to give advice regarding refunds and rights for cancelled flights and package holidays.

Members have not reported seeing high levels of inappropriate promotion and marketing during the crisis (on average, only 12% of members reported this) but we have seen some examples like [**Bupa Australia using the crisis to promote its private healthcare.**](#)

In commentary, members felt that business and governments were responding well due to the severity of the situation – however, surge pricing criticism was directed at secondary selling sites. Businesses seem keen to show they are not exploiting the crisis at the moment – although how comprehensive their responses have been (e.g. Amazon removing exploitative sellers) and how they might take advantage in the longer term remains to be seen. However, on average, 53% said businesses were failing to implement relevant safety practices (e.g. continuing to gather in large groups, no hand sanitiser available), particularly in Africa (57%) and Latin America (79%).

Next steps

- We have launched our own [**COVID-19 information hub**](#) which showcases selected examples of how consumer advocacy is protecting and supporting consumers through this crisis. We will continue to develop this page with new examples, global insights and commentary as the pandemic continues.
- We will hold additional global webinars to continue to share insights and experience. Please let us know any suggestions for content and focus. For example, low-income countries experience, or sectoral focus such as food systems or insurance sector.
- We will create a global call on the importance of consumer protection in coping with the Covid-19 pandemic and in supporting the renewal and rebuilding of systems and economies in its aftermath.
- We will also put together recommendations for tools and information that will be helpful for you as the pandemic continues to affect consumers in your country
- A link to [**watch back the Webinar recording**](#) from 25 March 2020, and more information on Hong Kong Consumer Council's COVID-19 response, including the product testing initiatives and awareness campaigns discussed on the Webinar, [**can be found here.**](#) More information on Altroconsumo's COVID-19 response, including [**the Consumer Assistance Service**](#), and the [**crowdfunding campaign**](#) discussed on the Webinar
- Please get in touch with us if you have any other ideas or suggestions for how we can support you, and send your updates and examples to [**media@consint.org**](mailto:media@consint.org)