

EEB submission to the call for evidence on the Digital Fairness Act

The European Environmental Bureau (EEB) welcomes the opportunity to submit input to the consultation on the Digital Fairness Act. With ever-evolving technologies, deceptive techniques are being used to push consumers to purchase ever-increasing volumes of products. Dark patterns, monetised trade-ins, misleading promotions, buy more to receive discounts – these patterns not only undermine rational decision-making, but also impact consumers negatively with excessive spending (even debt) and clutter while affecting mental health. It goes without saying that the combined pattern of overconsumption has severe consequences for the environment through increased resource use, waste generation and pollution.

Overconsumption is accentuated by unfair and extreme marketing related to pricing and other incentives, such as "Buy Now Pay Later" products, which allow consumers to split or delay payments, product placements and points/bonus systems. Practices such as personalised advertising or pricing techniques use consumers' personal data to adjust the price and optimise the exact time that they are shown a product. This problem exists both online and offline, with online marketing creating "needs" that consumers are compelled to fulfil next time they enter a shop, as well as, influencer marketing and discount models that encourage more, not smarter, consumption.

This is happening while current levels of consumption are known to go far beyond what the planet can bear. At least six of the nine planetary boundaries have now been breached. Globally, material use, a major cause factor of the triple planetary, has increased more than three times over the last 50 years, and continues to do so by an average of more than 2.3 per cent per year, with high income countries using six times more materials per capita. The European Environment Agency's latest state of the environment report also confirms that the targets of significantly reducing material use and waste generation are largely not on track and the EU is consuming at a unsustainably high levels, placing enormous pressures on the life support systems upon which humanity depends.

The exploitation of consumer vulnerabilities through unfair personalisation practices, addictive design such as infinite scroll and aggressive commercial practices is well-documented. In the case of one particularly egregious example, BEUC in June filed a <u>complaint</u> with the European Commission and European consumer protection authorities against SHEIN for its use of deceptive techniques ('dark patterns') such as low-stock messages, countdown timers, peer pressure through testimonial and confirm-shaming (e.g. "You are eligible for promotions now! Are you sure you want to leave?").

A recent <u>survey</u> conducted by the Swedish Society for Nature Conservation shows how the largest online clothing companies are increasingly deploying digital technologies to exploit psychological and cognitive vulnerabilities of their customers. Covering nine of the largest online fashion retailers in Sweden, the study identified which "purchase triggers" consumers are exposed to, showing how these companies are gradually evolving into tech-driven businesses that capitalise on behavioural data and design strategies that stimulate constant consumption.

While consumer protection is slowly improving, legislation and enforcement are moving at a significantly slower pace than digital innovation. The rapid advancement of AI further amplifies this imbalance, enabling increasingly sophisticated forms of behavioural targeting and personalisation that challenge existing regulatory frameworks.



Moreover, the larger the company or platform, the greater its influence on market practices. When major industry players introduce manipulative design mechanisms, smaller companies often follow suit, increasing the risk that purchase triggers and dark patterns become an industry standard.

While some of these practices are already considered illegal, many other unfair practices are not yet regulated. Current regulation has also too many ambiguities and loopholes. Importantly, as digital environments and design choices systematically drive consumer behaviour, this leads to a clear gap in consumer protection. The fashion industry is a clear example, where consumption is largely triggered by social norms, inspiration and emotional influences. Stronger regulations are therefore urgently needed to curb manipulative design practices and ensure that technological progress aligns with consumer rights, transparency, and ethical business.

The issues identified in the questionnaire (addictive design, specific features in digital products, unfair personalisation practices, harmful practices by social media influencers, unfair marketing related to pricing, issues with digital contracts) are *all* crucial drivers leading to marketing obsolescence, overproduction and should all be explicitly addressed.

We do not have the resources, at the global or local level, to continue consuming at the current (growing) level. It is crucial to consider how digital practices lead to overgeneration of products and open the market to an increasing volume of products, easy to obtain with direct delivery – but may even include non-compliant and potentially harmful products.

Moreover, some Member States are already exploring ways to ban advertising practices leading to overconsumption and overproduction such as the advertising ban of the French Fast Fashion law, which the Commission should support and take inspiration from.

To create digital fairness for consumers and businesses, it is also important to ensure increased transparency and accountability in the digital environment. One way could be through mandatory disclosure of where a parcel is being shipping from, who the seller is and where it is based, and whether it has been verified to comply with EU safety and environmental legislation.

Stronger supervision with resources for control, scrutiny and clear sanctions that prevent companies from circumventing the rules are needed together with strengthened consumer support and protection through education.

Finally, we would like to reiterate that endeavours towards simplification should raise, not harm, environmental ambitions, and consumer protection. The Fitness Check identified some limited potential for simplification and burden reduction, specifically in the area of information requirements and the right of withdrawal. Now is not the time to go back on our commitments. To avoid further climate, pollution and biodiversity tipping points (and to safeguard human health and wellbeing), we need to strengthen, not weaken our ambitions.