

Ref.: BEUC-X-2016-134/MGO/cs

6 December 2016

Subject: Connected toys do not meet consumer protection standards

Dear Ms Falque-Pierrotin,

I am writing to you on behalf of BEUC, the European Consumer Organisation, in order to draw your attention to multiple privacy and security issues discovered recently in relation to a research about 'internet-connected toys', currently available to consumers in Europe. These issues came to light within the framework of a project carried by our Norwegian member organisation Forbrukerrådet (the Norwegian Consumer Council)¹.

The Norwegian Consumer Council carefully examined the terms of use and privacy policies of three toys: the interactive dolls 'Hello Barbie'² and 'My Friend Cayla'; and the 'i-Que Intelligent Robot'. It also commissioned technical tests of the actual functionalities of the toys and their companion apps.

The toys in question connect to the internet and use their build-in microphones and speech recognition technologies in order to engage in 'conversations' with children. The content of children's interactions with the toys may contain sensitive information that the child shared with them in confidentiality.

The analysis and testing carried out revealed that the toys do not meet the data protection standards required by EU law. For example:

- The companies behind those toys reserve the rights to share children's personal data with unspecified third parties;
- The companies fail to properly identify or restrict the purposes for which they use and distribute children's voice data;
- The companies may use children's data for analytical and research purposes unrelated to toys themselves;
- Toys may collect children's data for advertising purposes and separate or explicit consent for the use of data for this purpose is not asked;
- No clear data retention procedures are put in place and in some cases companies request access to data which does not seem necessary for the functioning of the toys;

¹ For more information see: <http://www.forbrukerradet.no/siste-nytt/connected-toys-violate-consumer-laws>

² 'Hello Barbie', the interactive doll, is currently not being sold in Europe

- Companies transfer children's voice data to third parties, who may use this data for a vast array of purposes;
- In case of the Hello Barbie doll, parents may listen to and share children's private conversations via their apps dashboard.

Moreover, these toys can be easily hacked, making it possible for strangers to communicate via the toy with the children that are playing with it.

We consider that the companies that manufacture these toys are not respecting consumers' privacy and are breaching their rights under EU law. The fact that these products are specifically used by children makes these companies practices even more aggravating.

Our members are in the process of alerting the relevant national authorities in various Member States, including Belgium, Ireland, The Netherlands and your home country, France.

The problems that have been identified are not limited to data protection. There are additional issues related to probable breaches of consumer protection and product safety rules and therefore we have notified the other relevant European networks and authorities, as well.

Given that these toys can easily be bought all across the EU, either in physical stores or online, we would ask that the Article 29 Working Party looks into this issue and takes appropriate measures to ensure that the data protection rights of all European children are adequately protected.

The full report with the findings of the analysis carried out by Forbrukerrådet, published today, is attached to this letter together with the copy of the complaint that they have filed to the Norwegian Data Protection Authority.

Yours sincerely,

Monique Goyens
Director General

Enc.:1