

Contact: Sébastien Pant: press@beuc.eu
Date: 14/06/2023
Reference: BEUC-PR-2023-024

EU Parliament approves strengthened protections for consumers on AI

The European Parliament has today beefed-up protections for consumers in what will be the world's first mandatory set of comprehensive rules on AI systems. This is a welcome development. Negotiations between the Parliament and national governments can now start, with a view to agreeing a final text in the second half of the year and the AI Act becoming EU law.

Ursula Pahl, Deputy Director General of the European Consumer Organisation (BEUC), said: "We applaud the European Parliament pushing for new and improved consumer rights when people deal with or are subjected to decisions made by AI systems. This position is all the more important given the near absence of consumer protections that the Commission and EU member states have put forward.

"With generative AI like ChatGPT all over the news for the past months, AI has suddenly become real to many people, and yet its rollout is only starting. As AI reaches into more areas of our lives, we will need to be protected from the harm it can cause. The bans proposed by the Parliament today on the use of facial recognition in publicly accessible spaces, or on social scoring by businesses, are essential to protect fundamental rights. The creation of rights for consumers, such as a right to be informed that a high-risk AI system will take a decision about you, are also very important.

"We however regret that the Parliament gives businesses the option to decide if their AI system is considered high-risk or not, and to thus escape from the main rules of the law.

"We now need the Parliament to stick to its guns and hold its ground so its position gets taken up by member states."

On Tuesday 20 June, Forbrukerrådet (BEUC's Norwegian member) will launch a report looking into the risks of generative AI for consumers, including ChatGPT.¹ The report will highlight just how important it is to protect consumers with technology of this reach.

Outcome of the plenary vote today

MEPs have voted to:

- **Ban remote biometric identification**, such as facial recognition, used by private entities in publicly accessible spaces. This is a positive step as this technology is too invasive and undermines our fundamental rights. The Commission had already proposed to ban it when used by public authorities in public spaces.

¹ Forbrukerrådet will organise a [seminar](#) on the day for the launch of the report.

- **Ban social scoring** when used by private entities, which is when an AI system evaluates an individual based on their social behaviour or their preferences. It is too invasive and too arbitrary a practice to be used on consumers.
- Give consumers the right to ask for **collective redress** when an AI system has caused harm to a group of consumers.
- Consumers are granted several **rights**, including a right to be informed when being subject to a decision from a high-risk AI system, a right to complain to an authority about an AI system, the right to bring a supervisory authority to court if it fails to take action.
- Subject **generative AI such as ChatGPT** to specific rules, such as obliging AI developers to identify, reduce and mitigate the risks to health, safety and fundamental rights before placing the AI system on the market.

However, there are also some significant negative aspects to today's votes:

- The Parliament has undermined the principle that **high risk** systems must meet specific obligations by giving developers too much discretion to decide if their system is considered high-risk or not.
- The **principles of transparency and fairness**, which BEUC called for to apply to **all** AI regardless of the level of risk, are only voluntary, which will limit their usefulness.
- **No ban on emotion recognition** when it is used by companies on consumers, which can lead to serious intrusions in consumers' privacy and their ability to take autonomous decisions. This sends a dangerous signal to consumers when Member States have shown a willingness to ban it.

Notes

For further information, you can consult BEUC's [factsheet](#) on AI and our [checklist](#) to EU decision-makers.

