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Date: 23/10/2023
Reference: BEUC-PR-2023-043

EU risks under-regulating generative AI

The European Consumer Organisation (BEUC) is alarmed that the EU institutions may be about to adopt a weak and unclear approach to regulating generative artificial intelligence (AI) systems, which include the likes of ChatGPT or Bard. The potentially decisive talks between the EU institutions on the world's first set of comprehensive rules for AI systems will take place tomorrow.

A strong legal framework to protect consumers from the risks of generative AI is essential to counter the technology's potential for manipulating consumers, creating convincing yet incorrect information, violating people's privacy, making fraud and disinformation disconcertingly easier, or reproducing existing biases.

However, recently leaked documents that will be discussed in tomorrow's negotiations have set off alarm bells among consumer groups.

The suggested approach to determine which types of generative AI systems would have to meet which obligations is unclear and complex. The approach would trigger high uncertainty for regulators, consumers and the companies which might fall under the scope of the law.

Additionally, the risk is that only generative AI systems developed by very large companies get adequately regulated, potentially leaving a large number of generative AI systems facing only weak transparency requirements, which will leave consumers unprotected in too many instances.

Ursula Pahl, Deputy Director General of the European Consumer Organisation (BEUC), said: "It is disconcerting that, on the eve of the decisive EU talks to regulate AI, policy makers are considering weak and unclear rules for generative AI that will create confusion rather than help society assert control over the technology and avoid harm.

"The EU must get this piece of regulation right – there will not be a second chance. If generative AI is improperly regulated now, it will be the big companies that will shape our societies rather than our democratic institutions. For consumers it does not matter whether they are dealing with a large company or a small one – they need to be protected full stop. Now is the time for the EU to ensure all generative AI is safe for consumers to use."

"We call on the European Parliament and EU Member States to push for legislation which protects and empowers consumers when dealing with these new technologies. Consumers must be able to trust the digital market but that will not happen if laws leave key decisions to the big market players."

Generative AI systems are a subgroup of artificial intelligence systems, which can generate synthetic content such as text, images, audio, or video that is indistinguishable from human-created content.

A [report](#) published in June of this year by Forbrukerrådet, a BEUC member and Norwegian consumer organisation, shed light on the many risks of generative AI, on the existing rules which can protect consumers, and which rules still need to be developed.

BEUC already called on data protection, consumer and product safety authorities [this year](#) to investigate the potential consumer harms from these systems. In the U.S. the Federal Trade Commission in charge of consumer protection opened an [investigation](#) into OpenAI over its data collection practices and over claims ChatGPT produces false information.

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