



ACPF 2024

المنتدى العربي
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Arab Consumer
Protection Forum



Shared Prosperity Dignified Life



20-21 February 2024 - Bahrain

Role of Consumer Protection Directorate(CPD) in Consumer protection and dispute resolution

Ministry of Industry & Commerce, Kingdom of Bahrain

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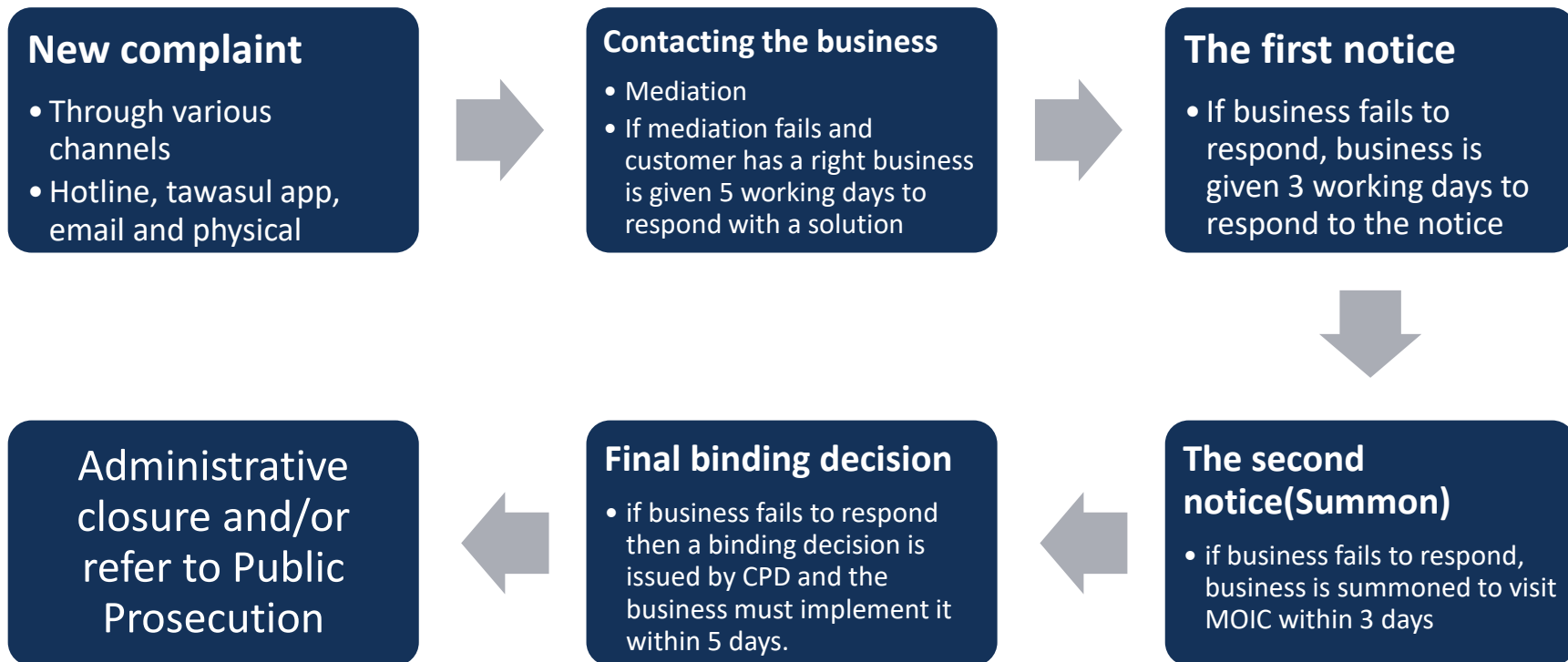


The Consumer Protection Directorate (CPD) serves as the authorized executive body entrusted with the enforcement of the Consumer Protection Law.

CPD's role

1. **Mediator** – Facilitating an amicable solution between the business and the consumer.
 2. **Arbitrator** – Enforcing a legally binding decision upon the business in accordance with the provisions outlined in the Consumer Protection Law.
- In the event of unsuccessful resolution attempts, the case is referred to the Public Prosecution for **litigation**.

Complaint resolution process



If the business fails to respond to the first notice, CPD has the right after approval from top management to freeze the commercial registration(CR) of the business to disable the business from performing any activities related to the CR

Complaints statistics 2023

- Key figures

7686



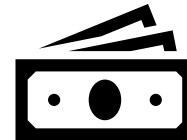
**Total complaints
received**

99.3%



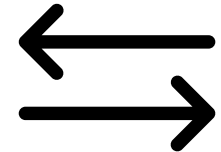
**Complaints
solved**

BD167155 ≈ \$443,000



Money refunded

BD29234 ≈ \$77,000



Value of exchanged goods

Complaints statistics 2023

- Channel-wise highest percentage of complaints

54%



CPD Hotline

29%



Tawasul app(national govt. complaint app)

14%

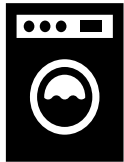


Email

Complaints statistics 2023

- Sector-wise highest percentage of complaints

23%



Electronics and Home appliances

11%



Vehicles

9%



Food items

Complaints statistics 2023

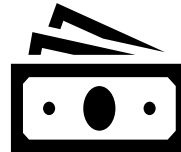
- Subject-wise highest percentage of complaints

29%



**Failure to complete the work as
agreed upon.**

24%



Refund of product/service

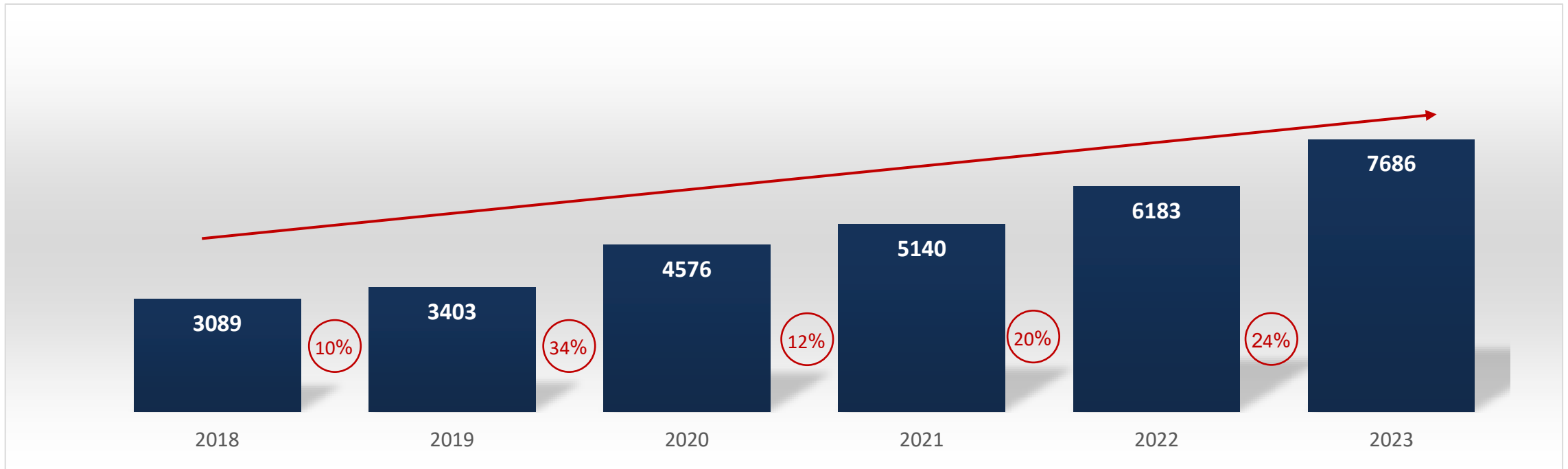
16%



Repair on warranty

Complaints statistics 2023

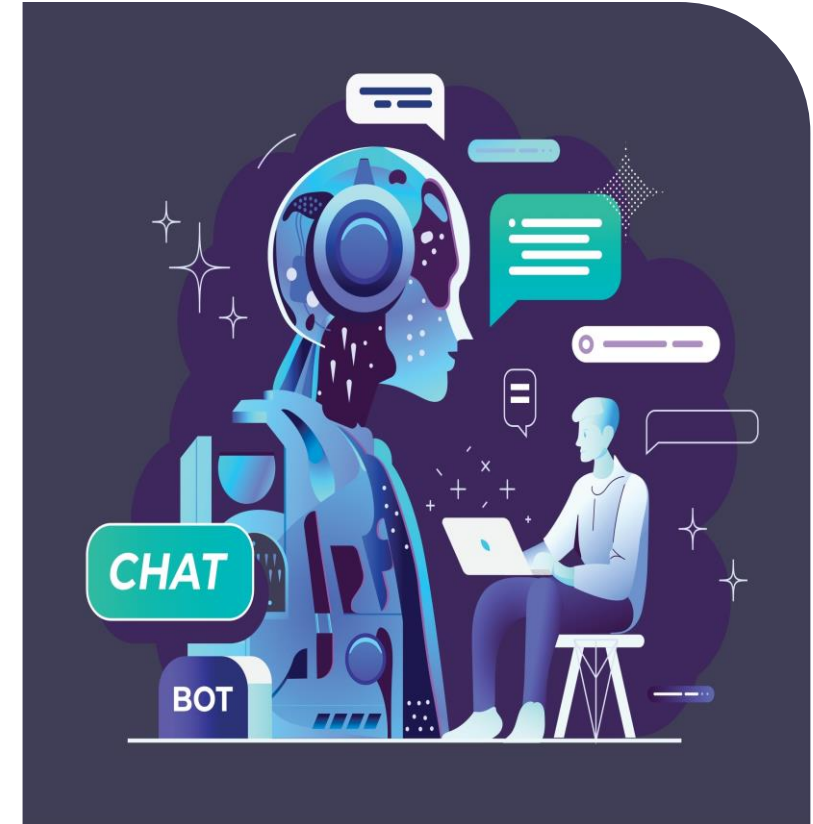
- Increase in total number of received complaints from 2018 to 2023



In-process: Empowering consumers through AI

Mobile app & Smart chatbot using deep learning

- The mobile app will be designed to empower consumers by providing them with the necessary tools to effectively address their concerns.
- It can offer immediate assistance in resolving complaints, even while customers are at retail shops by sending an automatic notification to the business.
- If resolution is not achieved through the chatbot, consumers can submit their complaints through the app. The app also features a complaint tracking feature that provides transparent updates on the status of submitted complaints.



Consumer rights assured under Consumer Protection law

1. Right to health and safety in his normal use of products.
2. Right to obtain accurate data and information about the products purchased, used or provided thereto.
3. Right to free choice of products that fulfil the conditions of quality that conforms to legally approved specifications.
4. Right to obtain knowledge of the protection of his legitimate rights and interests.
5. Right to respect the consumer's privacy, to maintain his personal information and not to exploit them for other purposes.
6. Right of the consumer to live in a healthy environment.



Importance of regulating Promotion and Sales

- According to US FTC losses incurred related to fake prizes scam amounted over \$300m in 2022 alone.*
- Effective regulations facilitate in empowering consumers to differentiate between scams and genuine sales promotions.
- It also ensures that sales promotions are fair, transparent, and deliver on their promises, thereby enhancing consumer trust and satisfaction. This, in turn, encourages recurring purchases, stimulates economic growth, and fosters a positive business environment.

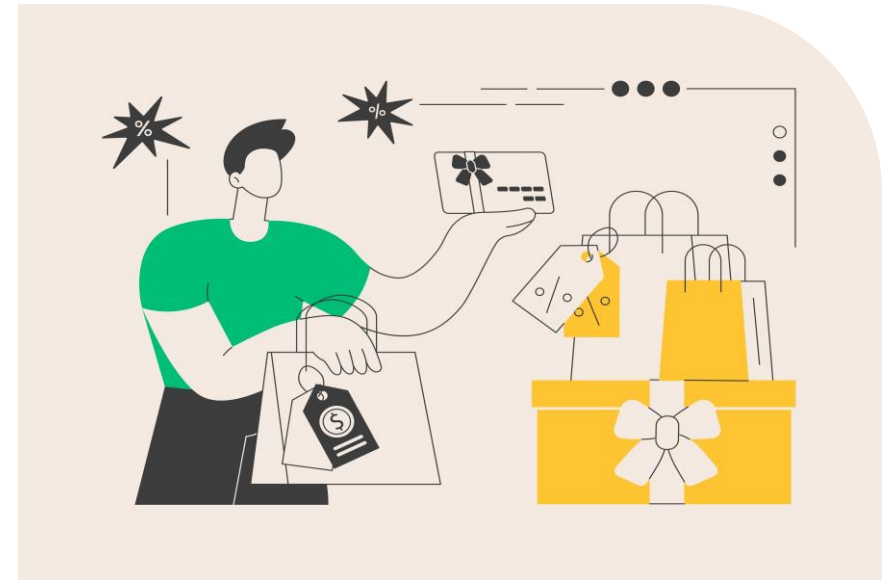
*<https://public.tableau.com/app/profile/federal.trade.commission/viz/TheBigViewAllSentinelReports/TopReports>



Resolution No. 1 of 1993 related to Promotions

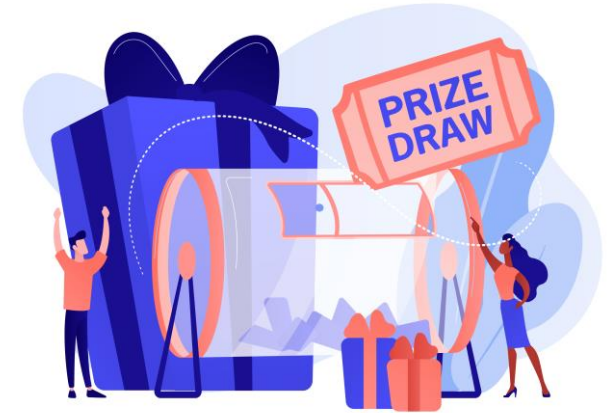
The resolution aims to regulate promotional campaigns conducted by commercial entities. It defines promotional campaigns as actions intended to increase sales, attract customers, or provide benefits such as providing prizes through raffle draws or scratch & win etc. when making a transaction. Key provisions include:

- All consumer promotional campaign should be licensed
- Prevent misleading promotional campaigns or fake raffle draws
- Prevent campaigns that harm the national economy, health or public morals
- Supervising the raffle draws prize selection and distribution mechanism
- Receiving consumer complaints and dispute resolution
- Referring violations to the public prosecution



Most common promotion types

- Extra item with purchase
- Raffle draws
- Scratch & win



Resolution No. 51 of 2007 related to Sales

- The Sales Law focuses on regulating sales discounts offered by commercial entities. Sales include price reductions of products and services based on a percentage or a range of percentages. Key provisions include:
- Prevent fake sales
- Prevent unambiguous advertising
- To curb unrealistic expectations of savings
- To ensure transparency in pricing



Promotion and Sales statistics 2023

5281



Commercial Sales

3589



Promotional Campaigns

30



Violations

849



Raffle draws supervised

1

Picking physical raffle copons from a pool

Conducting manual raffle draws, one of the challenges faced by the authority was the process of picking coupons from a pool of physical coupons. This manual selection process was time-consuming, prone to errors, and potentially result in the exclusion of valid coupons and/or inclusion of invalid coupons.

2

Verification of genuine copons

Another challenge faced by the authority during manual raffle draws was the verification of coupons to ensure they are genuine and linked to verified purchases. Validating each coupon manually can be a cumbersome task, often requiring extensive documentation and cross-checking.

3

Physically attending the raffle draws

Another challenge was a representative from the Consumer Protection Directorate had to physically attend each draw to ensure fairness and transparency. This process was both physically exhausting and time-consuming for the representative.

4

Tackling double-pricing

An ongoing challenge faced during the supervision of discounts and sales was determining whether the price before the sale, as provided by the business, was genuinely the original price or if it was increased during the sale to mislead customers.

5

Manual Application Handling

The manual application process involved excessive paperwork, making it time-consuming and prone to errors. Additionally, storing and organizing physical files required significant space, which posed a challenge. Also accepting cash payments for licenses and fees posed a risk of loss or misplacement, potentially leading to financial discrepancies.

6

Inconvenience for Applicants

Physical visits to the ministry for submitting applications created inconvenience for applicants, resulting in time and effort that could be avoided.

1

Digitalizing the draw process

By digitalizing the raffle draw process, participations in the draw were recorded digitally in computer systems. Each participation was linked to an actual invoice, providing a transparent and verifiable connection between the consumer's purchase and their eligibility for the draw.

2

External Auditor Report

To further enhance the credibility of raffle draw systems, the ministry introduced the requirement for an external auditor report. This report ensures that the raffle draw system of each company is audited by an independent entity, verifying its compliance with consumer protection regulations.

3

Virtual supervision

Since the draws were digitalized, the representative was able to supervise the draws virtually. Virtual supervision, increased the job productivity of the representative and raised the efficiency and effectiveness of the draw process.

4

Collaboration with Inspection Directorate

To overcome the challenge of double-pricing, CPD collaborated with the Inspection Directorate at the Ministry to conduct field inspections to determine the regular prices of the items on sale.

5

Introducing a dedicated website for applications

Digitalizing the application process provided multiple solutions such as eliminating paperwork and hence storage issues. Additionally, introducing online payment solving cash misplacement issues. Moreover, providing notifications for scheduled raffle draws avoiding missing any raffle draws.

6

Remote application process

By shifting to an online system, applicants were no longer required to physically visit the ministry. They could complete the entire application process remotely, saving time and effort.



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Thank you!