



**CONSUMER PROTECTION FEDERAL AGENCY
(PROFECO)**

OECD CONSUMER POLICY TOOLKIT

Profeco's Inputs

December, 2010

The Consumer Protection Federal Agency (Profeco) of Mexico wishes to provide information that can complement the "Consumer Policy Toolkit".

Internet policies

Trustmarks

The private and public sectors have worked together in Mexico to develop trustmarks to help increase consumer confidence in e-commerce. The trustmarks are an electronic seal with a digital certificate that recognizes businesses and institutions that are legitimately established and have taken actions to preserve data privacy. The trustmarks are issued by the Mexican Internet Association (AMIPCI)

The Ministry of Economy, the Consumer Protection Federal Agency (Profeco) and AMIPCI have signed two Cooperation Agreements, one in 2006, and the other in 2008, to help develop the obligations that must be met for parties to use the trustmarks.

Commercial Bureau

The *Commercial Bureau* is an initiative of Profeco. It is a tool that allows any person, through the Internet, to have access to information about complaints, procedures and standards contracts that have been registered with the Agency by parties. From January 2009, people have been able to consult the database to obtain information on parties which are the subject of complaints before the Agency.

Telemarketing and spam

Public Registry of Consumers

In February 2004, the Federal Consumer Protection Law (LFPC) was amended in order to include provisions regarding unsolicited commercial information with marketing or advertising purposes. This resulted, in November of 2007, in Profeco

launching the *Public Registry of Consumers (RPC)*, which is a mechanism to prevent unsolicited telemarketing calls. The objectives of the RPC are to defend the right of consumers to decide not to receive advertising via telemarketing and to protect the privacy of consumers who provide their personal data to suppliers. Consumers may choose not to receive advertising from one or more of the following sectors: telecomms, tourism and business. Suppliers are then obliged to refrain from making calls within 30 days. If consumers continue receiving advertising calls, they can submit complaints to Profeco, which can then take actions on behalf of them.

Guidance and advice

- Currently, Profeco provides consumers with guidance and advice about goods and services that are offered in the market and the commercial behavior of suppliers, through different means: personally, by telephone, by fax, by e-mail and through the Internet. The *Consumers Hotline* is key in this regard. It is a service through which consumers may i) request the prices for more than 2 000 products (sold at 1 200 stores in 26 cities nationwide), ii) request the results of the quality studies made by the *National Consumer Protection Laboratory (LNPC)*, iii) complain about unfair treatment, iv) request advice, v) schedule an appointment in order to submit a complaint against a supplier or vi) subscribe to the *Consumers Magazine*. During 2009, Profeco responded to 555 911 queries.

Consumer organizations and media

Consumers Magazine

The *Consumers Magazine* is committed to provide consumers with accurate, high quality and timely information on current consumer topics, the results of the quality studies carried out by Profecos' Lab, price comparisons and consumer rights. During 2009, the Consumers Magazine had circulation of 530 000 copies.

Broadcast products

Profeco has an outreach strategy in order to educate consumers about their rights and effectively promote the principles of smart consumption. In addition to *Consumers Magazine*, which is available in print as well as online (www.revistadelconsumidor.gob.mx), the agency uses radio and television programs, webcasts, podcasts and videos on Profeco's Youtube channel (youtube.com/profecotv) to support consumers.

In the last year, Profeco's broadcasting strategy has broadened to include *Twitter*, *Facebook* and *Hi5*. Other initiatives include *El Mandado*, a free monthly publication targeted to housewives, and *Consumán*, a comic aimed to children and young people; both publications address different consumption topics.

Comparison tools

- The *National Consumer Protection Laboratory* carried out, in 2009, some 179 901 tests on 4 274 products and developed 24 studies on selected products. The results of the studies were diffused in the *Consumers Magazine* in order to provide readers with the best guidance on their purchasing choices and warn them of the risk of acquiring certain products. In addition, Profeco has a program called *Who is Who in Prices*, which reports on the prices of different products available in 26 Mexican cities. Consumers can create lists of goods to ascertain their total cost at each commercial premise.

Codes of conduct

- In 2008, some 19 companies in the food and beverage industry, as well as five business organisations, signed the Self-Regulatory Code of Advertising of Food and Non alcoholic Beverages aimed to Children (i.e., the PABI Code). It is the first self-regulatory advertising code in Mexico. Profeco contributed to its development. The main objective of the code is to assist in combating excessive weight and obesity in children. In 2010, a Self Regulatory and Advertising Ethics code for cosmetics came into force, which should improve the quality and usefulness of advertising for consumers.

Dispute resolution

- Profeco has the authority to help consumers and suppliers to settle disputes. Complaints can be submitted in written, orally, by phone or through electronic means. Disputes can then be settled: i) immediately (by telephone); ii) through a hearing; or, iii) online (Concilianet). The Agency is able to receive complaints from consumers who do not live in Mexico but have acquired a good or service with a supplier established in the country. Nationwide, during 2009, Profeco received 111 380 complaints and recovered approximately USD 92 million in favor of consumers.
- Dispute settlement includes an arbitration procedure, which may be used by consumers and suppliers when no settlement is reached. In this case, the parties can appoint Profeco as arbitrator or appoint an independent arbitrator to settle the dispute.
- Profeco encourages businesses to develop their own mechanisms for dispute resolution. The agency implemented the *Program for Improvement of Quality in Goods and Services* (Promecabise), whose objective is to identify the main reasons for complaints and to establish, through joint actions with suppliers, preventive measures that encourage solutions. Another action carried out by the Agency in this regard was the modernization of the settlement procedure with the electronic service *Concilianet*, which is mentioned above. *Concilianet* covers

everything from the filing of a complaint until a settlement is reached. Suppliers of goods and services must agree with Profeco in order to use the platform.