



9th February 2022

Shri. Rohith Kumar Singh
Secretary, Department of Consumer Affairs
New Delhi.

Dear Sir,

I am writing from Citizen consumer and civic Action Group (CAG) to stress the importance of protecting consumers from unfair pricing algorithms. Personal data is being used in a non-transparent way by companies to set prices consumers pay for services, as evident by the latest global research.

CAG has worked with Consumers International to conduct mystery shopping research, investigating consumer attitudes and the practice of personalised pricing on the online dating platform Tinder's premium service, 'Tinder Plus'. This research took place in six countries - New Zealand, the USA, the Netherlands, the Republic of Korea, India, and Brazil - between May and September 2021. Key findings include:

- **Personalised pricing on Tinder Plus is being used opaquely and unfair pricing is occurring.** Consumers are not aware that their age, and likely other factors, determine the price of the service they are offered.
- **Consumers care about personalised pricing, no matter their age.** Participants were most concerned about the potential for their personal data to be collected, used, and shared without their knowledge or informed consent.
- **Potential for unfair pricing in personalised pricing wherever it is used – even unintentionally – is high, but can be concealed by lack of transparency.**

The growth of the digital economy in recent years, along with advances in data collection and algorithm technologies, have greatly expanded the capacity for companies to practise personalised pricing. However, there is still limited research on the extent to which personalised pricing is currently in use, and on the ramifications for consumer rights and protections. Personalised pricing is not inherently harmful to consumers, but rather is not always being implemented fairly, responsibly, and transparently, or with proper oversight.

Consumers International have produced a report of the findings, which sets out a series of recommendations that companies practising personalised pricing can take immediately, and an approach to regulation and enforcement that governments can follow to ensure that consumer rights and needs are being met. All of the recommendations are important and are detailed in the report; however, the following two recommendations should be carefully considered in India.

1. The practice of unfair pricing by age, and other factors through personalised pricing on Tinder's platforms and other services must stop; and businesses must be transparent of their use of personalised pricing at the point of purchase and throughout the whole process so consumers can make an informed decision.
2. Consumer associations, other think tanks, and enforcement and supervisory bodies should be given meaningful access to the algorithms that determine personalised pricing in order to establish if the practice is fair and where unfair pricing is occurring.



CAG
Citizen consumer and civic Action Group



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Effective legal, institutional, and social mechanisms are needed in both India and globally to ensure that personalised pricing works in the best interest of all consumers. To ensure consumers are being protected from discrimination, there must be access to the algorithms being used to set prices so that the situation can be understood, and enforcement used, where necessary.

CAG invites you to consider the recommendations made in this report and take them on board.

We welcome the opportunity to work with you in 2022 and ensure that personalised pricing is not being used unfairly and concealed by a lack of transparency.

Thank you for your time, .

Yours faithfully,

Savitha T
Researcher – Consumer Protection

About Citizen consumer and civic Action Group (CAG):

CAG is a 36-year-old non-profit and non-political organisation that works towards protecting citizens' rights in consumer, civic and environmental issues and promoting good governance processes including transparency, accountability and participatory decision-making.

About Consumers International:

Consumers International is the membership organisation for consumer groups around the world, which believes in a world where everyone has access to safe and sustainable products and services. It brings together over 200 member organisations in more than 100 countries to empower and champion the rights of consumers everywhere.