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Cases Related to User Review in Korea

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**Workshop on Consumer Protection in
Digital Trade: Towards Building an APEC
Regional Consumer Protection Framework
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APEC Regional Consumer Protection Framework Workshop

Cases Related to User Review in Korea

Korea Fair Trade Commission

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1. Contents of the E-commerce Act

Act On The Consumer Protection In Electronic Commerce, Etc.

❖ Provision of Information

1. Identity of the business operator
 - Trade name and name of the representative, address, telephone number, e-mail address, business registration number etc.
2. Transaction terms
 - Names, types and contents of the goods, price, payment method and time, method to supply goods, matters regarding the cancellation

❖ Cancellation, etc. of Orders

1. Unconditional cancellation
 - within seven days from the date the goods, etc., have been supplied
2. Cancellation when the contents of the goods are different from what was indicated or advertised
 - within three months from the date of receiving the goods

Prohibitions

Article 21 (Prohibitions)

(1) Neither a business operator engaged in electronic commerce transactions nor a mail order distributor shall do any of the following acts:

1. Luring customers, concluding a deal with consumers, or interfering with customers' cancellation, etc. of orders or termination of contracts by providing false or exaggerated information or by deceptive means;

Specific Guidelines

Guidelines for Consumer Protection in Electronic Commerce, etc.

10. Prohibited Activities of Business Operators

- A. Examples of "soliciting a consumer or making a deal with a consumer by informing of any false or exaggerated fact or using a deceptive method" in Article 21 (1) 1 of the Act are as follows:

<Examples>

(5) Where a business operator deletes a user's comment unfavorable to the business operator with regard to the quality, delivery, or other aspect of goods, etc. sold at his/her cyber-mall or engages his/her employee or a consumer sponsored by the cyber-mall to write a user's comment fraudulently favorable to the business operator;

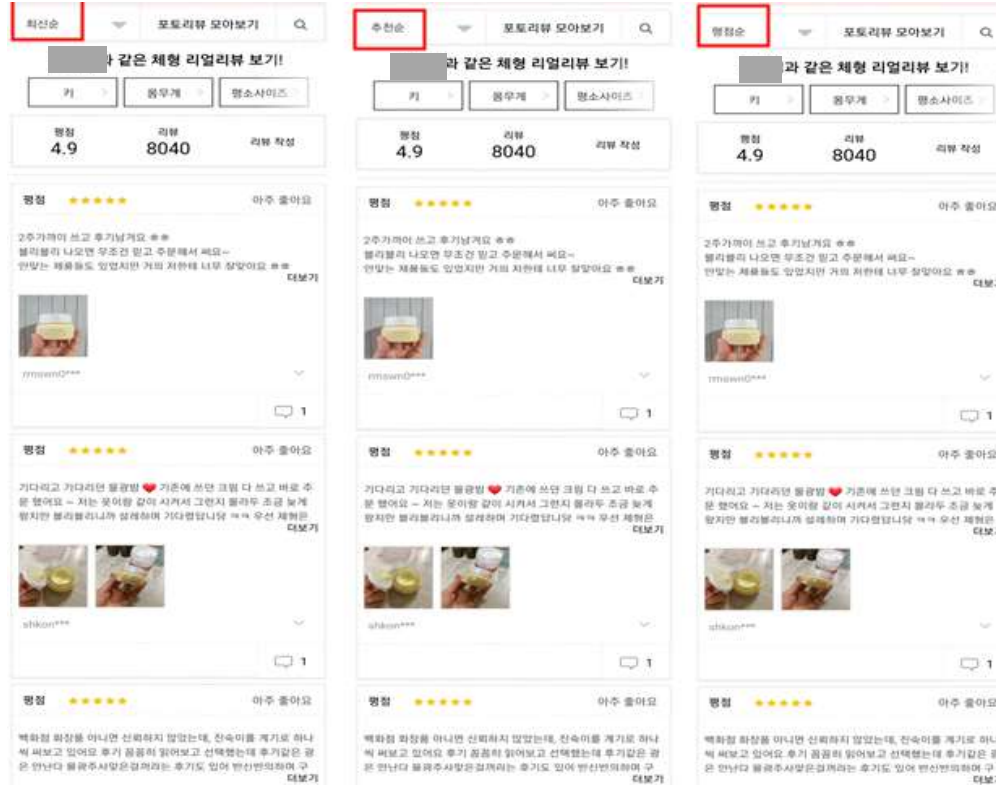
2. Law enforcement experiences

Division	Cases	Corrective measures etc.
Social Commerce(2011)	① Luring customers by deceptive means(2011)	Corrective measures(including public announcement), Administrative fines
	- Writing fraudulent reviews favorable to business operators	
Delivery App	② Luring customers by deceptive means (2016)	Corrective measures(including public announcement), Administrative fines
	- Deleting unfavorable reviews, writing fraudulent reviews	
Accommodation App	③ Luring customers by deceptive means (2017)	Corrective measures(including public announcement), Administrative fines
	- Deleting unfavorable user reviews	
SNS based Internet Shopping malls	④ Luring customers by deceptive means (2020)	Corrective measures(including public announcement), Administrative fines
	- Manipulating the arrangement orders of user reviews	

A. Manipulating the Arrangement method of reviews

- ❖ KFTC investigated whether there was violation of E-commerce Act in SNS based internet shopping malls (2020)
- ❖ Online shopping mall operators had review boards in their online sites, and made it as if consumers can sort the reviews by ‘newest’, ‘recommended’, ‘higher rated’.
- ❖ However, the operators actually fixed the favorable reviews on the top and unfavorable reviews on the bottom, allowing consumers to access only favorable reviews unless they look to at the end of the board.

A. Manipulating the Arrangement method



*Source: KFTC publication(2020.06.19.)

- ❖ Consumers could be hesitant to purchase goods if they have seen the unfavorable reviews.
- ❖ Manipulating the arrangement methods of reviews is concealing or omitting important facts that affect consumers purchase, therefore it is luring consumers using deceptive means.

B. Deleting Unfavorable Comments

- ❖ Accommodation platforms' violation of E-commerce Act (2017)
- ❖ Accommodation platform operators deleted unfavorable reviews regarding the quality of the rooms, service, etc. at the request of the business operators (platform entrants).
- ❖ Deleting unfavorable comments also prevents consumers from making a reasonable purchase based on accurate information (such as true reviews).

B. Deleting Unfavorable Comments

Platform	Period	Number of Cases	Examples
A	2016.4.1. ~ 2016.9.25.	5,952	<p>청결 상태며 창문도 안 닫히고 최악입니다. 욕실에 휴지도 안 걸려있고 욕조는 닦지도 않는지 때는 그대로 있네요. 냄새도 정말 옛날 여관 냄새 나고요. 리모델링을 하셨다는데 외관만 번지르르하게 한 것 인지 의문이 드네요. 다시는 이용하고 싶지 않은 곳 입니다.</p> <p>자주 오는데 오늘따라 냄새가 심하네요. 침구는 깨끗한데 세면대 밑에 진짜 더러워요ㅠㅠ</p> <p>준특실 같지 않았고 미리 전화해서 원하는 방테마 말해도 묵을 수 있던 것도 아니었고 그냥 좀 깔끔한 일반 룸 같았어요 많이 실망스러웠어요.</p>
B	2015.7.28. ~ 2016.9.26.	18	<p>친절하지도 않고 제가 이용해 본 야자 중에 제일 최악. 침대에 머리카락 많고 욕실도 물기 그대로 객실도 좁고... 이 가격에 이정도 친절과 시설이면 손님 다 떨어지겠습니다.</p> <p>들어올 때 있던 직원이 너무 불친절해서 실망했는데 나갈 때 있는 다른 직원은 낫네요. 비가 미친듯이 오는데 저희차를 야외 주차장에 옮겨 두고는 차 위치를 말해주지도 않고 비 완전 맞고 이게 뭐 하는 짓인지.</p> <p>장사 좀 되나 봅니다. 불친절할 뿐만 아니라 주말이라 폭 쉬려고 일부러 다른 곳보다 오래 이용할 수 있다 하여 갔습니다. 근대 결제까지 끝내고 올라가려는데 현금만 4시간이라네요. 어이없음. 미리 말해주던지 기분 나쁘네요. 환불받고 댄 데 갑니다.</p>

*Source: KFTC publication(2017.4.25.)

C. Creating Fraudulent Comments

- ❖ Delivery platforms' violation of E-commerce Act. (2016)
- ❖ Employees of the delivery platform created and posted fraudulent user comments on the 'Best Review' board using false manager accounts.
- ❖ Creating and posting fraudulent reviews prevents consumers from making a reasonable purchase based on accurate information (such as true reviews).

C. Creating Fraudulent Comments

Name of Platform	Period	Number of Comments written	Examples
A	2013.9.1.~ 2014.8.31.	4,731	이제 서서히 여름 다가오는데 계속 냉면 땡길거 같아요 맛있습니다!
			통구이파죽이래서 뭔가 다른거 같아 시켜 먹어 봤었는데 진짜 맛있어요!!ㅋㅋㅋ
			보쌈김치맛이 일품이네요! 왜 같은 걸절인데도 보쌈김치는 이렇게 맛있을까용

*Source: KFTC publication(2017.4.25.)

3. Suggestions

Suggestions

- ❖ It is important to provide consumers engaged in e-commerce with the right to make rational choices
- ❖ If business operators are required to disclose information on user reviews(how the user reviews are collected or processed etc.), consumers can make purchase decisions bases on reliable information.
- ❖ KFTC has announced advance legislation notice for the general revision bill of the E-commerce Act(2020.3.5.~4.14.)
 - ❖ In order to provide consumers with the right to make rational choices, the bill will enhance the provision of information by showing how ranking on results pages are determined, disclosing information on user reviews, etc.

Thank you
