

8 June 2022

New protections needed to stop online designs that hurt consumers

New research shows 83% of Australians have experienced negative consequences from “dark patterns

Consumer think tank, the Consumer Policy Research Centre, today released research that found 83% of Australians have been negatively impacted by a website or app using harmful design features, known as dark patterns.

In its report, *Duped by Design*, CPRC has explored ten types of deceptive designs ranging from features that embed hidden costs into a transaction to scarcity cues that create a sense of urgency may not be accurate or even necessary.

“Our research clearly shows that dark patterns cause consumer harm. One in five Australians spent more than they intended and almost one in six felt pressured into buying something because of web or app designs.” says CPRC Chief Executive Officer Erin Turner.

“We conducted a sweep of Australian websites and found some examples of web designs that appear to be clear breaches of the Australian Consumer Law.”

“For example, Appliances Online automatically adds a \$160 three-year care plan into the cart when you try and buy a washing machine online. Like most extended warranties, this adds very little extra value compared to the rights everyone has for free under the consumer guarantees in the consumer law. The design strongly implies that a shopper needs to pay extra for help if something goes wrong, which just isn’t true.”

“We found other dark patterns that weren’t captured by our current consumer laws but were still deeply unfair. For example, designs that make you jump through multiple hoops to cancel a service or trick you into sharing more information than needed in order to make a purchase.”

“Consumers don’t want to do business with companies that take advantage of them. Our research found that 30% of people stopped using a website or app when faced with a dark pattern. Businesses need to proactively remove these unfair designs to keep customers in the long-term.”

CPRC found that Australian consumers faced financial loss and a loss of control of personal data because of dark patterns:

- Nearly 1 in 10 Australians accidentally purchased something.
- More than 1 in 4 Australians created an account online they didn’t want to.
- More than 1 in 4 Australians accidentally signed up to something.
- 1 in 4 Australians shared more personal information than they wanted to.

The findings were even more stark among younger consumers who were 65% more likely to spend more than they intended and 34% more likely to accidentally sign-up to something.

“Our current competition and consumer laws can only deal with a narrow range of harms and the onus is on the consumer to identify and report those harms. What we have is a whack-a-mole approach when what we need is systemic change.”

The new report makes recommendations for businesses, regulators and government, including strengthening the Australian Consumer Law and calling for new rules that capture how businesses handle consumer data.

More information, including the full report is available at: <https://www.cprc.org.au/DupedByDesign>.

CPRC CEO Erin Turner is available for interview on request. Contact 0431412962 or media@cprc.org.au.

Notes

CPRC surveyed 2,000 Australians exploring the prevalence and impact of dark patterns in Australia in April 2022. The survey is nationally representative of the Australian population. CPRC also conducted a randomised sweep of websites and apps to identify specific dark patterns in use in Australia.

Ten forms of deceptive designs (dark patterns) explored in the report:

- **Confirmshaming** – use of language which suggests a certain choice is shameful (e.g. two buttons: 1. Yes, sign me up for 10% discount | 2. No thanks, I like paying more)
- **Hidden costs** – consumers are unaware or forced to pay more for a product than they initially perceived via pre-selected add-ons being embedded close to the final stage of payment.
- **Forced continuity** – inability or difficulty in cancelling an online subscription, especially after a free trial.
- **False hierarchy** – one choice option is made to stand out over others through size, placement or colour.
- **Disguised ads** – advertising disguised as regular content that trick you into clicking on them.
- **Scarcity cue** - creating an element of scarcity that may/may not be accurate (e.g. low stock message or high-in demand message).
- **Activity notification** – information that tells users what other people are doing on the website or app (e.g. Customer from South Melbourne just bought XYZ dishwasher).
- **Redirection/nagging** – continuously being moved away from the task that a consumer is wanting to complete (e.g. pop-ups inviting to join email subscription service).
- **Trick question** – where questions on an online form use confusing language making it difficult to clearly know how to opt-in or opt-out of an option or service.
- **Data-grab** – being asked for more personal information than what is needed to access a product/service.