AUTOMATING CONSUMER RIGHTS ENFORCEMENT IN THE EU

Martin Samek

Abstract: The rising volume and complexity of consumer disputes in the European Union, particularly in cross-border and digital contexts, places increasing strain on existing enforcement bodies. This Article explores how artificial intelligence (AI) tools can support the work of two key institutional actors: the European Consumer Centres Network (ECC-Net) and the Czech Trade Inspection Authority (CTIA) in its role as a national ADR body. Drawing on practical procedures and selected qualitative interviews, the paper maps the potential for AI integration at different procedural stages, from complaint intake to dispute resolution. It argues that most AI applications in this context fall under the "limited risk" category of the EU AI Act and do not fall under the prohibitions in Article 22 GDPR, provided meaningful human oversight is maintained. The Article also identifies key governance requirements, including transparency, explainability, and the promotion of AI literacy among staff in the public sector. The paper concludes that responsible AI adoption is both feasible and desirable for enhancing consumer protection in the digital era.

Resumé: Rostoucí počet a složitost spotřebitelských sporů v Evropské unii, zejména v digitálním a přeshraničním kontextu, zvyšuje tlak na existující systémy vymáhání spotřebitelského práva. Tento článek zkoumá, jak mohou nástroje umělé inteligence (AI) podpořit činnost dvou klíčových institucí: sítě Evropských spotřebitelských center (ECC-Net) a České obchodní inspekce (ČOI) při výkonu její role národního subjektu mimosoudního řešení sporů (ADR). Na základě analýzy reálných procedur a vybraných polostrukturovaných rozhovorů článek mapuje možnosti integrace AI do různých fází řízení – od příjmu stížností po jejich vyřízení. Autor argumentuje, že většina navrhovaných AI aplikací spadá do kategorie „nástrojů s omezeným rizikem" dle nařízení o AI (AI Act) a neaktivuje zákaz automatizovaného rozhodování dle čl. 22 GDPR, pokud je zachována smysluplná lidská kontrola. Článek rovněž identifikuje požadavky na transparentnost, vysvětlitelnost a rozvoj AI gramotnosti ve veřejné správě. Závěrem konstatuje, že odpovědné využití AI je realisticky dosažitelné a žádoucí pro posílení ochrany spotřebitele v digitální éře.

Key words: EU, Consumer law, Enforcement, Artificial Intelligence, Administration, Automation

About the author:

Mgr. Martin Samek is currently a Ph.D. candidate at the Charles University, Faculty of Law in Prague. He was a part of research team focusing on legal aspects of virtual and augmented reality and now is a part of a research team supported by public funding focusing on artificial intelligence and machine-human interactions. His research interests include consumer protection, information technology law, intellectual property and data protection. He can be contacted at: mart.samek@gmail.com or samekmar@prf.cuni.cz.

Introduction[1]

Recent years have seen a marked increase in the number of consumer complaints, particularly in cross-border contexts. This trend reflects broader developments in consumer markets, including the growth of e-commerce, the proliferation of digital goods and services, and the emergence of new forms of contractual relationships facilitated by technology. As a result, consumer disputes are not only becoming more frequent, but also increasingly complex—often involving technical issues such as dark patterns, digital content defects, provision of digital services, or geo-blocking practices. These changes place considerable pressure on the mechanisms of consumer enforcement, both public and private, and challenge the operational capacity of organizations such as the European Consumer Centres Network (ECC-NET) and government and non-government alternative dispute resolution (ADR) and online dispute resolution (ODR) bodies.

Properly designed and implemented AI applications, can alleviate some of the systemic burdens facing enforcement bodies and consumer organizations by increasing efficiency, improving case handling, and enabling more consistent legal analysis. The following section explores how AI could be deployed at various stages of the complaint-handling process within ECC-NET and Czech Trade Inspection Authority (CTIA) ADR.

Methodology – Research Design and Scope Limitation

This Article employs a qualitative institutional analysis approach, examining AI implementation within two specific consumer enforcement institutions: the European Consumer Centres Network (ECC-Net) and the Czech Trade Inspection Authority (CTIA) ADR division. The methodology builds on established frameworks for institutional analysis that focus on understanding how institutions work and practical implementation challenges. The decision to concentrate on these two aforementioned institutions is methodologically justified by several factors. First, both institutions represent distinct but complementary enforcement models within EU consumer protection: ECC-Net operating as a cross-border network with informal mediation powers, while CTIA functions as a national authority with formal regulatory standing. This institutional diversity provides analytical depth while maintaining manageable research boundaries by limiting the scope to Czech Republic. Second, both organizations face similar operational challenges (increasing caseloads, growing legal complexity, and resource constraints) making them ideal cases for examining AI implementation potential.

This study deliberately limits its scope to detailed analysis of procedural mapping and regulatory compliance within these two institutions, rather than pursuing a broader comparative analysis across multiple EU Member States or international jurisdictions. This methodological choice reflects several considerations identified in institutional analysis literature: depth over breadth, resource and access constraints and regulatory framework coherence. A focused approach such as this focused approach necessarily excludes certain analytical dimensions. The study does not examine consumer perspectives on AI-mediated enforcement, broader political economy factors affecting institutional change, or detailed

technical specifications of AI systems. These limitations are acknowledged as areas for future research rather than methodological shortcomings.

While this study does not pursue extensive comparative analysis, such research represents a valuable future direction. A systematic comparison of AI implementation approaches across different EU Member States' consumer enforcement bodies would provide important insights into regulatory harmonization, best practices transfer, and institutional learning processes. Similarly, comparative analysis with non-EU jurisdictions (such as US state-level consumer protection agencies or Canadian provincial bodies) could illuminate different approaches to AI governance in consumer enforcement contexts.

Position of Current Literature

Foundational frameworks have been established by Marabelli, Newell, and Handunge[2], who developed the influential "lifecycle of algorithmic decision-making systems" framework examining organizational choices and ethical challenges across design, implementation, and decision-making stages. This work helps with understanding how AI systems create risks throughout their operational lifecycle. Building on institutional analysis approaches, Haitsma provides critical examination of "The Murky Waters of Algorithmic Profiling" in social security enforcement, demonstrating how algorithmic systems can systematically discriminate against vulnerable populations.[3] This study is particularly relevant as it examines enforcement contexts similar to consumer protection mechanisms.

As for the comparative aspect of AI implementation in the EU, the JuLIA project handbook offers comprehensive analysis of AI in public administration, synthesizing European cases and legal frameworks while establishing the methodological foundation for examining algorithmic governance within fundamental rights constraints.[4] The handbook tries to explore how different EU Member States have approached AI implementation challenges with comparative context for institutional analysis.

Comparative enforcement literature has established that consumer protection systems face increasing complexity in digital markets. The European Law Institute's interim report on EU Consumer Law and Automated Decision-Making provides systematic analysis of how existing consumer protection directives interact with algorithmic systems.[5] BEUC's position paper on Automated decision-making and artificial intelligence established early policy framework identifying key consumer concerns including discrimination risks, transparency obligations, and the need for contestability mechanisms.[6] While the position paper is based

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[2]   MARABELLI, Marco, Sue NEWELL a Valerie HANDUNGE. The lifecycle of algorithmic decision-making systems: Organizational choices and ethical challenges. *The Journal of Strategic Information Systems*. 2021, vol. 30, no. 3.

[3]   HAITSMA, Lucas Michael. The Murky Waters of Algorithmic Profiling: Examining discrimination in the digitalized enforcement of social security policy. *Recht der Werkelijkheid*. 2023, vol. 44, no. 2, pp. 61–83.

[4]   COLOMBI CIACCHI, Aurelia, María Lorena FLÓREZ ROJAS, Lottie LANE a Tobias NOWAK, ed. *AI and Public Administration: The (legal) limits of algorithmic governance*. JuLIA Handbook. 2025.

[5]   European Law Institute. *EU Consumer Law and Automated Decision-Making (ADM): Is EU Consumer Law Ready for ADM?* Interim Report. 2024.

[6]   BEUC. *Automated decision making and artificial intelligence – a consumer perspective*. Position Paper. Brussels: Bureau Européen des Unions de Consommateurs, 2018.

on (and limited to) then-existing EU legislation (mainly the GDPR), these concerns remain central to current enforcement challenges and are supported by findings of this study as well.

The literature on algorithmic bias and accountability has expanded significantly following landmark court cases. Xenidis and Senden provided foundational analysis of EU non-discrimination law in the era of artificial intelligence, mapping challenges of algorithmic discrimination within existing legal frameworks in a chapter of a comprehensive publication on EU digital policy: General Principles of EU law and the EU Digital Order.[7]

Recent work by Binns on "Human Judgement in algorithmic loops" addresses the complex interaction between human decision-makers and automated systems, identifying risks including automation bias and rubber-stamping that are directly applicable to consumer enforcement scenarios.[8] The Article centers on the concept of "individual justice" – the principle that each case should be assessed on its own unique merits rather than through predetermined generalizations from previous cases. Binns' work connects to broader literature on automation bias – the tendency for human operators to over-rely on algorithmic recommendations. For the purpose of this work, Binns' framework provides theoretical grounding for understanding why purely automated complaint processing would be inadequate. Binns' individual justice framework suggests that AI tools should support rather than replace human mediators. Binns' work connects to broader literature on automation bias: tendency for human operators to over-rely on algorithmic recommendations. This is particularly relevant, because of a risk for algorithmic rubber stamping in consumer protection: consumer enforcement staff may defer to AI risk assessments without adequate scrutiny, leading to systematic blind spots. As Binns explains in his article, recent empirical studies show that operators tend to prioritize organizational efficiency over fairness considerations, even when aware of potential bias. This creates challenges in resource-constrained consumer enforcement contexts.

While this literature provides essential theoretical foundations, significant gaps remain in institutional-specific analysis of consumer enforcement mechanisms. Most existing research examines either broad policy frameworks or specific technical implementations, with limited attention to the practical challenges facing consumer protection institutions like ECC-Net and national ADR bodies. The comparative dimension remains underdeveloped, with few studies systematically analyzing how different EU Member States approach AI implementation in consumer enforcement contexts. This gap represents a valuable direction for future research building on the institutional analysis presented in this study. Cross-border enforcement challenges have received limited academic attention despite their practical importance in digital markets. Future research examining how AI tools can facilitate coordination between national enforcement bodies while maintaining fundamental rights protections would significantly advance the field. While foundational frameworks for AI governance exist, the specific challenges of implementing AI in consumer enforcement contexts require targeted institutional analysis of the type undertaken in this study, with broader comparative research representing essential future directions for advancing both theoretical understanding and practical implementation guidance.

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7   XENIDIS, Raphaële a Linda SENDEN. EU non-discrimination law in the era of artificial intelligence: Mapping the challenges of algorithmic discrimination. In: Ulf BERNITZ et al., ed. *General Principles of EU Law and the EU Digital Order*. Alphen aan den Rijn: Kluwer Law International, 2020, pp. 151–182.
8   BINNS, Reuben. Human Judgment in algorithmic loops: Individual justice and automated decision-making. *Regulation & Governance*. 2022, vol. 16, no. 1, pp. 197–211.

1. European Consumer Centres

The European Consumer Centres Network (ECC-Net) plays a key role in facilitating the resolution of cross-border consumer disputes. As consumer complaints become increasingly complex—particularly in digital markets—and the demand for assistance continues to grow, the question arises whether and how the complaint handling process can be rendered more efficient and adaptive through technological tools. The process involves several stages: from the initial submission of a complaint by the consumer, through legal assessment, to mediation with the trader. At each of these stages, the integration of AI tools can significantly enhance efficiency, accuracy, and user experience.

Here I examine the potential integration of AI technologies into the various stages of the complaint handling procedure followed by the ECCs, highlighting both the functional opportunities and structural constraints. The analysis is grounded in the current procedural framework as described in official sources such as the Czech ECC website and the ECC-Net Quality Charter[9] as well as my own time as an employee of Czech ECC as well as structured interviews with employees from the Czech, Austrian, German and Slovak. ECC. The analysis proceeds sequentially, mirroring the typical lifecycle of a consumer complaint—from intake to closure—and identifies concrete scenarios in which AI systems may complement or augment human decision-making and administrative capacities. Since there are minor differences between different ECCs, I have opted to base this analysis on the procedure of the Czech ECC as a baseline, as that is what I am most familiar with. However, I am incorporating practices from other ECCs as well, and the general results of my analysis are applicable universally among not just ECCs but also consumer protection organizations in similar position.

Landing page

Even before consumers decide to file a complaint or contact ECC, they usually gather information on the ECC website. Here AI systems can be leveraged to enhance contents and interactivity of available information, mainly in the form of providing a chatbot assisting consumers.

Intake and preliminary screening of contacts

The ECC-Net encourages consumers to initially contact the national ECC with all relevant documentation pertaining to the dispute, including receipts, contracts, correspondence with the trader, and a brief description of the problem. Complaints are submitted via electronic forms, email, or telephone, and are often accompanied by attachments in various formats and languages. In case of the Czech ECC, the phone line serves only to answer consumer questions, but due to the requirement of accompanied attachments, Czech ECC mainly takes cases submitted through email and sometimes, such as in case of elderly consumers or consumers from rural areas without access to modern technologies, using the traditional letters sent through post.

At this early stage, AI could be deployed to improve both accuracy and speed in processing submissions. Optical character software, combined with machine learning

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[9]   EUROPEAN CONSUMER CENTRES NETWORK. Quality Charter. [online]. [quot. 2025-04-10] Available from: https://www.eccnet.eu/quality-charter.

models, may be used to extract structured data from unstructured sources—e.g., scanning a PDF invoice to identify the trader's name, product type, and transaction date, or even to simply evaluate the relevance of the sent file.[10] This can be done as early as the submission stage to quickly notify consumers to provide a relevant document, so that employees of ECCs do not have to manually check the files and spend time reminding consumers to send correct documentation. Furthermore, natural language processing tools can assist in automatically detecting the language of the complaint, translating it where necessary, and conducting preliminary issue spotting. Such systems might recognize whether the complaint pertains to non-delivery of goods, unfair commercial practices, or warranty issues, and match it with internal taxonomies or keywords corresponding to relevant legal categories.

AI-powered classification engines could also prioritize complaints based on factors such as legal urgency, monetary value, or procedural complexity. For instance, a dispute involving expiring deadlines might be flagged for immediate attention. While ultimate decisions on priority would remain with human staff, AI could support more consistent triage and enable more efficient use of resources.

Many ECCs, including e.g. German ECC already opted to using a web form, which allows for better categorization of complaints and makes AI tools less necessary by already providing contextual info (or some of it) in the exported file. But AI tools can still help with deciphering provided documents or detecting contents of the text to speed the process of intake of cases that leads to the assessment phase.

Legal assessment and internal coordination

Once a complaint has passed preliminary screening, it undergoes legal analysis to determine whether it falls within the scope of the ECC-Net. Each center is responsible for ensuring that the issue involves a cross-border transaction between a consumer and a trader established in the EU, Norway, or Iceland, and that the nature of the complaint pertains to consumer rights under EU or national legislation.

AI can play a facilitative role in this stage by assisting legal advisors in assessing the merits and admissibility of cases. Text analysis tools can compare the facts described in the complaint with a corpus of applicable legal provisions, previous case law, and precedent decisions resolved by other ECCs. For example, if a consumer alleges that a trader failed to deliver an item purchased online, an AI system could flag relevant rules under the Consumer Rights Directive or past cases with similar fact patterns. Such a tool would not replace legal judgment, but it could significantly reduce the time needed for initial legal mapping and offer helpful context for new or less experienced advisors.

Moreover, internal coordination across ECCs could be enhanced through shared AI systems that help harmonize procedures and communication protocols. An intelligent case management platform could suggest draft messages to counterpart centers, summarize key facts, or identify potential jurisdictional conflicts or overlaps with ongoing cases. Case handlers from ECCs report, that extracting relevant information from consumer submissions and inputting them into the database for transfer of cases between different ECCs[11]

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[10] Employees of different ECCs agree that oftentimes the consumers send files that are not relevant and-or do not support their case.

[11] Currently JIRA system is used for this use case. Although there are different levels of automation present among different ECCs, the ticketing system is currently not fully automized and requires a lot of input from human

Communication with other ECCs, the traders and informal dispute resolution

If the case is deemed admissible, and the trader is located in another participating country, the ECC where the trader is based (the trader ECC) is contacted using the internal ticketing-like system where the consumer complaint is processed as described above. As ECCs are from different countries and speak different native language, the complaints are shared within the network manually translated into English. Here, translation AI tools can automate complaint translation and potentially eliminate the need for manual translation, as the complaints can be auto translated in the system (or in the AI tool) from the consumer ECC country language into the trader ECC country's language.

Then together with the home center (the consumer ECC) the trader ECC attempts to mediate the dispute by contacting the trader and proposing a resolution based on applicable laws and best practices. In this phase, AI can be employed to generate tailored communication drafts, using templates aligned with the legal nature of the complaint and the relevant language. For example, an AI model trained on a number of resolved cases and prior correspondence could generate a letter to a trader explaining the legal basis of the consumer's claim, while adjusting the tone and complexity based on past response patterns of the same or similar traders.

Sentiment analysis tools might also be used to assess the likelihood of trader cooperation based on their prior interactions with ECCs. If the trader has a history of engaging in good faith, the system might suggest a more conciliatory tone. Conversely, if the trader frequently refuses settlement, the system might flag the need for escalation or further legal review.

Translation engines using neural networks can ensure accurate communication across multiple languages, reducing the risk of misunderstanding and enabling quicker resolution. As government and similar agencies often struggle to hire highly qualified employees with high language skill, the automated translation tool might allow some leeway in this area. Although final communication would still undergo human review, AI can accelerate the drafting and translation process, thereby decreasing response times.

Closure and consumer feedback

Once the dispute is resolved or closed, amicably or not, the ECC must document the outcome in the ticketing system and communicate it to the consumer. In some cases, feedback is also collected to evaluate satisfaction and identify potential shortcomings in the process.

Here, AI can support documentation by generating structured summaries of case outcomes, auto-filling resolution forms, and organizing data for archival purposes. Consumer feedback may be analyzed using sentiment detection algorithms to identify common themes or dissatisfaction trends, which can inform future procedural or policy adjustments.

In addition, machine learning models could be trained on case outcomes to identify which mediation strategies are most effective in different sectors or with different trader profiles. Such knowledge could be incorporated into training modules for staff and lead to improved standard-setting across the ECC-Net.

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case handlers before the individual complaint can be shared within the network, as reported by every ECC I have surveyed for this research (Swedish, German, Austrian and German ECC).

Systemic learning, feedback and informing policies

Beyond individual cases, one of the core missions of the ECC-Net is to contribute to EU-level policy through the aggregation and analysis of complaints. This may include the identification of recurring cross-border issues, the monitoring of particular economic sectors (e.g., online travel, e-commerce platforms), and the formulation of recommendations for legislative reform beyond a mere compilation of data based on statistics from filled columns and classification fields in the ticketing system of ECC-NET.

AI systems can process large volumes of case data to detect patterns that may not be visible to human analysts. For instance, AI could identify a sudden increase in complaints against a specific trader or sector, prompting early intervention or alerts to regulators. Clustering algorithms may reveal emerging legal gaps or forms of trader behavior that systematically disadvantage consumers.

Moreover, predictive analytics could be applied to forecast complaint volumes or the likelihood of successful mediation, thereby allowing better resource planning within ECCs. These models could help policy-makers assess the effectiveness of existing rules and anticipate the regulatory needs of future markets.

2. Czech Trade Inspection Authority ADR

In the Czech Republic, consumers benefit from institutionalized government authority, when it comes to domestic disputes. As discussed in the preceding analysis of the ECC-NET, the AI holds promise for enhancing the handling of consumer disputes in environments facing growing complexity and caseload pressure. This section examines how similar technologies might be integrated into the alternative dispute resolution (ADR) process administered by the Czech Trade Inspection Authority (CTIA), based on its procedural rules and operational mandate. Although CTIA and ECC-Net differ institutionally—CTIA being a national authority with formal regulatory standing and competence for domestic disputes—the practical steps of intake, assessment, communication, and closure show strong functional convergence. As described in the internal rules of procedure, CTIA operates as the principal national ADR body for a broad range of consumer disputes in the Czech Republic, unless a specialized authority (such as the Financial Arbiter or Czech Telecommunication Office) holds competence over the subject matter.[12]

Although CTIA operates within a domestic framework, the challenges it faces mirror those observed in ECC-NET: increasing caseloads, growing legal and technological complexity, and the need for efficient yet fair resolution of disputes. Moreover, many of CTIA's procedural steps—particularly regarding intake, legal assessment, mediation, and closure—are functionally comparable to those of ECC-Net, thus making it possible to draw on a shared model for AI integration.

Although ECC-Net and CTIA operate under different institutional mandates, both face similar strategic challenges. CTIA, however, benefits from a centralized national structure and operates primarily in a single language, which makes AI deployment more straightforward from a technical standpoint. Additionally, the mandatory procedural steps under the

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[12] See Art. 2 of Pravidla pro mimosoudní řešení spotřebitelských sporů (ADR). [online.] [quot. 2025-04-01] Available from: https://www.coi.cz/wp-content/uploads/2021/12/Op_18_21_Pr_1_Pravidla_ADR.docx,

CTIA rules are more formalized, which facilitates the application of rule-based AI tools for compliance checking and case filtering. However, any integration of AI into CTIA's processes must respect key principles established in its procedural rules: impartiality, transparency, and fairness.[13] Given that CTIA may also issue legal recommendations or facilitate expert input, care must be taken to ensure that AI-generated suggestions are presented as decision-support tools, not binding determinations. The requirement for communication with parties via written form also implies that AI outputs must meet standards of legal formality and clarity.

Submission and initial screening

The ADR process at CTIA is initiated upon the consumer's submission of a formal proposal via online form, data mailbox, electronic signature, or in writing.[14] The proposal must contain clearly specified information, including the identity of both parties, a narrative of the factual background, the remedy sought, and confirmation that the dispute has not already been resolved by court or arbitrator. Consumers initiate ADR proceedings most often via an online form on the CTIA website, where they must provide factual background, identify the trader, and attach supporting documents. This initial stage is resource-intensive due to the need for case-by-case validation and frequent follow-ups to address incomplete or unclear submissions.[15]

As with ECC-Net, AI can assist at this early stage in several ways. Machine learning models could verify whether all mandatory elements (e.g., proof of prior contact with the trader, legal standing and deadlines) are present. Missing elements could be flagged in real-time, prompting consumers to correct or supplement submissions before formal review. AI tools using optical character recognition can extract key identifiers (names, dates, invoice numbers) from attached documents and categorize them, making it easier for ADR staff to assemble and manage case files. Based on the content of the complaint, AI could suggest whether CTIA has material competence or if the dispute should be forwarded to another specialized ADR entity.

Initial review and rejection

CTIA performs a substantive admissibility review and may reject the case if, for example, the dispute falls outside its jurisdiction, the matter has already been decided, or the proposal is clearly unfounded.[16] The authority also checks whether the consumer observed the one-year limitation period from the first assertion of their right.[17]

Automated systems can flag procedural obstacles, e.g. duplication of cases, litigation already pending or missing deadline by comparing the submission data to rules codified in the Rules for consumer ADR of the CTIA. AI could also assist in identifying ambiguous or unjustified claims and recommend cases for further scrutiny, while still allowing human case workers to make final determinations.

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[13]   Ibid. Art. 3.

[14]   Ibid. Art. 7.

[15]   A need for repeated follow-ups with consumers and how it is time consuming, especially in cases concerned with digital goods and services and e-commerce in general, was among the most mentioned topics when I interviewed the staff of CTIA ADR section.

[16]   See Art. 8 of Pravidla pro mimosoudní řešení spotřebitelských sporů (ADR). [online.] [quot. 2025-04-01] Available from: https://www.coi.cz/wp-content/uploads/2021/12/Op_18_21_Pr_1_Pravidla_ADR.docx.

[17]   Ibid Art. 7.

Communication and case management

If the proposal is accepted, CTIA notifies both parties and facilitates communication. Traders are required to respond within 15 business days, and the ADR department may propose a preliminary legal opinion based on the consumer's submission. The entire procedure is generally paper-based or conducted electronically, but in some cases may involve expert consultations or oral hearings.[18]

Here AI text generation tools could assist in producing standard letters of initiation, legal overviews, and summaries tailored to the dispute type, saving time for case handlers. AI systems could also identify similar past disputes and present successful resolution models or precedent summaries to staff, enabling more consistent recommendations. Finally, AI could analyze tone and content in trader replies to gauge willingness to settle, which might influence how the ADR department engages further, e.g. the tone that case handlers should adopt in their correspondence.

Resolution and closure

The ADR process of CTIA must conclude within 90 days, extendable by another 90 in complex cases. The outcome may be a mutual agreement (requiring written form), unilateral withdrawal by the consumer, lapse of time, or rejection.[19] CTIA may also issue a non-binding legal assessment of the dispute.[20]

Drawing on input from earlier stages, AI systems could generate standardized case closure notices, legal opinions, or summaries of agreed settlements. Furthermore, the AI can systematically analyze consumer and trader feedback after closure to identify friction points and inform continuous improvement, much like feedback analytics proposed in the ECC-Net context. Since CTIA cooperates with EU-level bodies and ECCs, AI tools could help format and standardize reporting on cross-border cases, including structured metadata submission to the EU's online dispute resolution (ODR) platform.

3. Comparison of ECC-NET and CTIA ADR processes for the purpose of AI implementation

While both CTIA ADR and ECC-NET serve consumers in resolving disputes, CTIA's centralized, rule-based, and largely domestic structure enables more uniform AI implementation. In contrast, ECC-NET operates through a network of national offices with varying procedures and languages, which poses a greater challenge for centralized AI tools. However, both systems involve similar procedural bottlenecks—intake burden, classification, communication, and closure—making them fertile ground for the application of shared AI architectures tailored to their respective scopes.

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[18]   Ibid. Art. 10, 11, 12.
[19]   Ibid. Art. 14.
[20]   Ibid. Art. 15. The EU Directive on Consumer ADR in its Article 10 allows member states to create laws for ADR procedures with binding effect and also with a solution that is imposed on the trader. Even though in Czechia, the national ADR body is a government body and CTIA ADR staff are government employees, the assessment of CTIA ADR remains non-binding. The parties are free to conclude an agreement, which then is enforceable in courts.

Notably, CTIA's more structured rejection framework and the mandatory timeline for resolution create strong incentives for operational efficiency. This regulatory clarity provides a robust foundation for incorporating automation in admissibility screening, deadline tracking, and communication scheduling—areas where AI can deliver measurable gains.

Both institutions, however, share the obligation to maintain neutrality, transparency, and fairness in all proceedings. Accordingly, AI tools must remain subordinate to human decision-making, operate under principles of explainability, and be carefully monitored for bias.

4. Regulatory problems

As illustrated in the preceding analysis, both the ECC-NET and the CTIA ADR could benefit from the integration of AI tools at various stages of their respective consumer dispute resolution procedures. These tools—ranging from document classification and communication assistance to sentiment analysis and predictive analytics—promise increased efficiency, consistency, and responsiveness in dealing with ever-growing caseloads. However, the deployment of such systems also triggers important regulatory considerations. I have identified two key legal frameworks in the EU[21]: the General Data Protection Regulation (GDPR)[22] and the Artificial Intelligence Act (AI Act)[23].

Article 22 of the GDPR

With the General Data Protection Regulation (GDPR), this chapter does not address general legal obligations—such as confidentiality, data retention, or non-discrimination—that already apply to consumer enforcement bodies irrespective of AI deployment. These obligations are not AI-specific and remain fully in force regardless of the use of automated tools. The analysis here is therefore limited to the provisions of the AI Act and GDPR that are uniquely triggered or substantively altered by the integration of AI systems into dispute resolution processes.

Article 22 of the GDPR establishes a specific data subject right not to be subject to a decision based "solely" on automated processing, including profiling, which produces legal effects or similarly significantly affects the individual. At first glance, this provision appears directly relevant to AI applications in consumer enforcement contexts, particularly if such tools were to issue outcome recommendations, determine case admissibility, or generate legally persuasive assessments.

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[21] National legislation on administrative processes and national body-specific legislation might introduce additional legislative obstacles. The main one being, whether a process under specific consumer ADR requires certain standards of due process that might differ on national level or whether it ends in a decision in that would be scrutinized under national and EU regulation, such as Article 22 of the GDPR.

[22] Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

[23] Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act).

However, two key interpretive thresholds must be considered. First, is the decision "solely automated" in the meaning of the Article 22, and second, does the decision produce "legal or similar effect".

For Article 22 to apply, the decision in question must be made "without any meaningful human involvement."[24] In the case of both ECC-Net and CTIA, the current and foreseeable AI use cases are designed as decision-support systems, where staff retain final responsibility for legal assessment, communication, and resolution. For example, an AI system might suggest that a case appears inadmissible due to the expiry of a statutory deadline or that the trader's tone suggests low willingness to cooperate, but the final decision to proceed, reject, or issue a legal opinion remains with human staff. As long as such systems are used to support, rather than replace, human discretion, Article 22(1) GDPR does not prohibit their use. Nonetheless, ensuring that this human oversight is "meaningful" requires appropriate transparency and documentation. Case handlers must understand the logic of AI recommendations and retain the practical ability to override them. In practice, this might be done by facilitating necessary training as well as software design choices. Although removing human intervention could save time, it would risk triggering Article 22 GDPR. A practical question is whether the number of unfounded or out-of-scope cases, where filtering resulting in refusal would be highly beneficial for time efficiency, is enough to warrant the omission of human intervention. The ECC-NET does not provide official statistics that are detailed enough to show the number of rejected cases on the grounds of lack of being unjustified, out-of-scope, or similar grounds.[25] According to official ADR report, as filed by the CTIA ADR section, in the year 2021,[26] the CTIA received 6198 consumer complaints, of which 1,624 were refused on the grounds of inadmissibility according to Article 5 paragraph 4 of the Directive on consumer ADR.[27] That is more than 26 %. A fully automated system for refusal would save a significant amount of time even with human case handler review in place, especially as the user interface can be designed (and such is a case with most modern LLMs/AIs) to allow quick and efficient review of refused cases. With this in mind, the system can be designed to involve a meaningful human involvement and thus completely circumvent the Article 22. A question for practical application is, whether such system would significantly help human case handlers. In my interviews with case handlers of Czech ECC-NET, which I conducted in March and April 2024 and again in January 2025, they admitted, that currently they are able to recognize about a third of unjustified submissions simply from the input data already.

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[24] Article 22 of the General Data Protection Regulation says that: *"The data subject shall have the right not to be subject to a decision based solely on automated processing, including profiling, which produces legal effects concerning him or her or similarly significantly affects him or her.".*

[25] According to my interview with members of the Czech ECC-NET, the number of cases reported in the case handling system as "Out-of-scope" is very low. However, including the cases labeled as "Unjustified" or cases transferred to another ECC-NET member (different country), it could be 10-20 % of all received cases.

[26] See Národní zpráva o mimosoudním řešení spotřebitelských sporů (ADR) v České republice za roky 2018–2021. [online]. [quot. 2025-05-01] Available from: https://mpo.gov.cz/assets/cz/ochrana-spotrebitele/2022/8/Narodni-zprava-o-mimosoudnim-reseni-spotrebitelskych-sporu-2018-2021.pdf.

[27] Article 5 paragraph 4 of the Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR) allows member states to allow their national ADRs to use parameters from the directive as grounds to refuse complaints, such as that the consumer did not try to solve the situation with the trader, the dispute is out of scope etc.

The second threshold concerns the impact of the decision. Not all "decisions" of case handlers assisted by AI will fall within the scope of Article 22. For instance, classifying a case into a legal category or drafting a letter to a trader does not produce a legal effect. However, the rejection of a consumer complaint—particularly under Article 8 of CTIA's ADR Rules— may have significant effects if it prevents access to an ADR mechanism or undermines the consumer's perceived legitimacy of their claim.

To mitigate this risk, institutions should provide consumers with an explanation of how AI systems contribute to such outcomes and, where relevant, an opportunity to contest the result or request human review. Even where Article 22 does not apply formally, the principles of fairness, transparency, and accountability under Articles 5 and 13–15 GDPR remain relevant.

Moreover, the enforcing bodies need to adhere to established principles when providing safeguards to data protection rights of consumers. In a recent ruling, The CJEU addressed whether the creation of a credit score by a third party, and its use by a bank to decide on loan applications constitutes "automated decision-making" under Article 22 GDPR in the so-called "*SCHUFA*" ruling.[28] The CJEU held that if a third party (like a credit agency) produces a credit score based solely on automated processing and a bank relies heavily on that score in making a decision (such as rejecting a loan), the creation of the score itself is considered automated decision-making under Article 22 GDPR, even if the final decision is formally made by the bank. This means that companies providing AI-driven analytics or automated decision-making tools to other organizations may be subject to Article 22 GDPR if their outputs significantly influence decisions affecting individuals. Following this, the national enforcement bodies cannot relieve their liability and duties under the GDPR by simply outsourcing the procedure. The CJEU also reiterated that, where Article 22 applies, safeguards must be in place, including the right to human intervention, the right to express one's point of view, and the right to challenge the decision.

Another very recent ruling by the CJEU focuses on the right of access to information in the context of automated decision-making under Article 15(1)(h) GDPR, specifically regarding creditworthiness assessments made by AI systems.[29] In the *Dun & Bradstreet"* ruling, the CJEU ruled that data subjects have the right to receive "meaningful information about the logic involved" in automated decisions. The explanation must be concise, transparent, intelligible, and easily accessible. Merely providing a complex algorithm or a detailed technical description is insufficient; the explanation must allow the individual to understand how their personal data was used and how it affected the decision. National consumer protection authorities that employ ADM systems for triaging complaints, assessing case admissibility, or prioritizing enforcement actions are now likely subject to the same stringent transparency requirements established in the ruling, including their limited capacity to invoke trade secret protection, which under the ruling, can be in certain circumstances used to limit the duty of decision transparency. While commercial entities like credit agencies can invoke trade secret protection, public authorities naturally face significantly more restrictive circumstances for withholding algorithmic information.[30] Consumer protection authorities must now carefully structure their technology procurement contracts to ensure they can

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[28]   Judgment of 7 December 2023, OQ v Land Hessen, SCHUFA Holding AG, C-634/21.
[29]   Judgment of 27 February 2025, CK v Dun & Bradstreet Austria GmbH and Magistrat der Stadt Wien, C-203/22.
[30]   Ibid.

meet transparency obligations. This may require authorities to demand source code access, detailed technical documentation, or explanation capabilities as contractual requirements in procurement processes. The ruling confirms what some authors already established as a good administration principle, that when national authorities use automated systems to assess consumer complaints, they must ensure that affected parties can meaningfully challenge these determinations and that public agencies must document how their ADM systems process personal data and reach decisions.[31]

The AI Act – risk classification and AI literacy

The AI Act serves as a product safety legislation and essentially aims to regulate the development and use of the AI. It uses risk-based tier system for imposing duties on providers as well as so-called "deployers" (in practical world: the professional users) of AI systems. The risk framework is four-tiered with "unacceptable risk", "high-risk", "limited risk" and "minimal risk" categories.

The unacceptable risk AI systems (or practices, for that matter) are set out in the Article 5 of the AI Act. These are practices, that are generally incompatible with western values and human rights and as such, no practical use in consumer enforcement falls in this category.[32] The differentiation between the remaining categories (and with it the obligations the AI Act imposes) is key, as most of the obligations are aimed at the providers and deployers[33] of the high-risk AI systems.

According to Annex III of the AI Act, high-risk AI systems are those used in critical infrastructure, education, employment, law enforcement, migration, or

administration of justice and democratic processes. At first glance, one might think that consumer ADR falls within the last category—especially since both CTIA and ECC-Net operate dispute resolution mechanisms with legal relevance. However, Annex III specifically refers to systems intended "*to assist a judicial authority in researching and interpreting facts and the law and in applying the law to a concrete set of facts*".[34] Key reasons why ECC-Net and CTIA ADR tools are unlikely to qualify as high-risk: 1) They are not part of formal judicial authority: ECC-Net has no binding decision power; CTIA may propose outcomes but cannot issue enforceable judgments. These functions are non-judicial and designed to be informal, conciliatory, and non-coercive. 2) They do not apply the law with binding effect: Even if AI tools are used to screen cases or propose outcomes, they do not impose legal obligations or final rulings on the parties. 3) They are not used to automate decisions without human review: The tools support administrative functions (e.g., drafting, classification, communication), which fall clearly under limited-risk AI or possibly even minimal-risk, depending on their implementation.

The AI Act requires deployers of limited-risk systems to ensure that individuals are clearly informed when interacting with an AI system (e.g., via a chatbot or receiving an

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[31] See e.g. HOFMANN, Herwig C.H. a Felix PFLÜCKE, ed. *Governance of Automated Decision-Making and EU Law*. Oxford: Oxford University Press, 2024.

[32] Article 5 of the AI Act prohibits use cases such as social scoring and manipulation.

[33] The AI Act differentiates between providers (the creators, developers) of AI systems and deployers (professional users) of the AI systems. As long as the tools mentioned here are not developer internally, the consumer enforcement authorities would be considered deployers of the AI systém under the EU AI Act.

[34] See Annex III, para. 8 of the AI Act.

AI-generated document); users (i.e., staff of ECC-Net or CTIA) are aware when content is generated or influenced by AI and AI outputs are not misleadingly presented as human (e.g., impersonation is prohibited).[35] For example, if a consumer receives a response letter partially drafted by an AI language model, they should be informed of this—either through a disclaimer in the correspondence or at the outset of the interaction.

While limited-risk systems are not subject to certification or mandatory technical documentation, deployers are encouraged to adopt voluntary codes of conduct under Article 95. These can include internal guidelines on: explainability of AI-assisted outcomes, human review policies, staff training in responsible use of AI or auditing or review mechanisms for AI accuracy and fairness. Such internal governance measures would be appropriate for institutions like CTIA and ECC-Net, particularly to ensure consistency with their commitments under administrative fairness and good administration principles.

A key innovation of the final AI Act is its recognition of AI literacy as a necessary precondition for safe and effective use of AI systems found in the Article 4 of the AI Act.[36] This provision does not impose a hard legal barrier but introduces a regulatory expectation that public authorities provide appropriate training, documentation, and institutional support for their employees. In the context of ECC-Net and CTIA, this includes: ensuring that case handlers understand when and how AI-generated content is created, providing training in interpreting AI recommendations and distinguishing them from authoritative legal guidance and implementing procedures that encourage questioning, overriding, or disregarding AI outputs when contextually or legally inappropriate. While this requirement does not mandate formal certification or deep technical expertise, it recognizes that meaningful human oversight presupposes a baseline understanding of how AI systems function and what their limitations are. Given the typical resource constraints in public bodies, this literacy obligation may require phased implementation and support from central government, training agencies, or civil society partners.

5. Conclusion

The integration of AI into the complaint-handling procedures of the ECC-Net presents a promising avenue for enhancing administrative efficiency, legal consistency, and consumer satisfaction. While AI cannot and should not supplant human legal reasoning and judgment, it can serve as a valuable tool for augmenting decision-making, reducing repetitive administrative burdens, and promoting a more responsive and data-informed enforcement infrastructure. The adoption of AI should be carefully calibrated to preserve core principles of procedural fairness, transparency, and consumer trust, but the potential benefits—especially in the context of rising digital consumer disputes—are substantial and merit further exploration in both academic and policy domains.

And while the use of AI cannot solve all problems, that the enforcement faces in digital era of consumer law, such as complex digital services, customized practices and dark patterns or

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[35] See Article 50 of the AI Act.

[36] The Article 4 of the AI Act says that: *"Providers and deployers of AI systems shall take measures to ensure, to their best extent, a sufficient level of AI literacy of their staff and other persons dealing with the operation and use of AI systems on their behalf, taking into account their technical knowledge, experience, education and training and the context the AI systems are to be used in, and considering the persons or groups of persons on whom the AI systems are to be used."*

digital goods, it can save time and effort to employees such as case handlers and enforcement agents, allowing them to focus on more complex issues, instead of dealing with the increase of complaints.

There are not many regulatory concerns for implementation of AI into existing consumer enforcement framework. Two main pieces of legislation that are of concern: the GDPR and the AI Act. Both the GDPR and the AI Act emphasize transparency and human control, even for non-binding or administrative tools. Although Article 22 GDPR does not generally apply where no legally significant automated decisions are taken, the broader obligations still require clear disclosure of AI use, the right to know how personal data is processed and the principles of proportionality, purpose limitation, and data minimization. These align closely with the AI Act and can be satisfied through relatively simple interventions—such as transparency statements, user manuals, or clear documentation of human review processes. Although the AI tools envisaged in ECC-Net and CTIA are rightly classified as limited-risk or minimal-risk under the AI Act, their public sector context demands care. When embedded in consumer dispute resolution procedures, such tools should be deployed with a strong emphasis on transparency, human oversight, and institutional support for AI literacy.

The intersection of GDPR and the AI Act does not prohibit the use of such systems, but it does structure their deployment through well-established legal principles: fairness, purpose limitation, accountability, and user awareness. The AI Act's recognition of AI literacy as a regulatory obligation underscores that compliance is not only about software design, but also about human preparedness and organizational culture.

By implementing modest transparency tools, supporting their staff with basic AI training, and documenting internal oversight practices, ECC-Net and CTIA can meet these expectations without assuming the burdens imposed on high-risk AI systems—thereby enabling responsible innovation in the public interest.

I remain optimistic that, for the foreseeable future, careful implementation of AI systems to assist—rather than replace—human case handlers is the most sensible option.