



# **Exploratory study of consumer issues in online peer-to-peer platform markets**

Task 4 – Cross Analysis  
of case studies of 10 peer-to-peer platforms



# EUROPEAN COMMISSION

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## Executive Summary

The aims of Task 4 were:

1. To assess the level of clarity and transparency of information on online peer-to-peer (P2P) platforms;
2. To evaluate the effectiveness of self-regulatory mechanisms that platforms implement for trust building, verification of information, complaint handling, redress and insurance.

Task 4 gathered primary and secondary data on 10 case study platforms, focusing on the following topics:

- Clarity and transparency of information given to peers regarding:
  - Legal status of peer providers;
  - Applicable taxes;
  - Nature of monetary transaction (Not-profit/for-profit);
  - Pricing;
  - Safety issues, rules and advice;
  - Terms and conditions (T&Cs);
  - Data and data protection policy.
- Trust building and verification of information:
  - Peer reviews, ratings and reputation systems;
  - User information checks and pre-screening of peers;
  - Security and safety.
- Access to complaints, redress and insurance:
  - Access to complaint handling and redress;
  - Access to insurance.

This reports presents a **cross-analysis of the practices implemented by the 10 P2P platforms under study.**

Despite differences in the size and sector of activity, several common features can be identified among the 10 case study platforms. Indeed, the main issues concerning the relationship between platforms and their users relate to the **lack of transparency in online P2P platforms about rights and responsibilities**, and in the case of more mature platforms, the **mismatch between platform T&C's regarding liability for the P2P transaction and their control over the terms of that transaction.**

The analysis of the ten case study platforms shows that:

### **1. Platform business models and monetisation strategies evolve as they grow and enlarge their user base.**

The case studies did not include platforms that operate exclusively under the first type of business model is based on hosting peer supply and demand. This is because the first type of business model does not raise consumer issues to the same extent as platforms with at least some control over the P2P transaction.

All the case study platforms provide services that go beyond the mere matching of peer consumers with peer providers. Most platforms combine elements of the second (active management) and third (platform governed transactions) business models.

As platforms grow and enlarge their user base, they start offering a wider range of services, have access to more data and get more involved in regulating peer behaviour and interactions.

For example, Peerby Classic started off as a free service in September 2012. To create a solid active, network the platform expanded its service range beyond the mere hosting of listings by actively matching of demand and supply through search functions/filters and instant messaging system, guidance for posting listings, monitoring of user activity and user information checks. Once the service and network was established, the revenue-generating service, Peerby Go, was launched. Peerby Go presents features of the third business model of platform-governed transactions: it imposes rules and fees for cancellation, imposes prices on all items, manages complaints and refunds and provides insurance for both peers as part of the transaction fee.

All case study platforms show features of the second business model to actively facilitate transactions and foster trust. The most frequent platform services in the 2<sup>nd</sup> business model, are:

- matching tools such as search and filter functions and messaging systems;
- guidance for P2P interactions, notably for peer providers regarding pricing and posting listings;
- peer review or rating systems; and
- monitoring user activity.

The most frequent features of the third business model governing peer-to-peer transactions are:

- management of payments and monitoring the success of the transaction before releasing payments;
- setting rules and fees for cancellation;
- insurance as part of the transaction fee; and
- management of complaints and refunds.

Half of the case study platforms are also involved in setting prices (AirBnb, BlaBlaCar, easyCar Club, Peerby Go and Uber) as an optional feature or by setting maximum or minimum prices.

Along with business models, platform monetisation strategies also evolve over time to exploit the business potential of an increased number of peer users. Thus, as platforms mature, **they tend to shift from free services and/or subscription fees to transaction fees.** The case studies show that **for-profit mature platforms charge transaction fees of up to 20-25% of the listing price** ranging from about 10% on easyCar Club and eBay to roughly 20% on Airbnb, Nimmer, BlaBlaCar, Uber and 25% on Peerby Go. In addition, platforms may also charge fees for additional services.

Overall, case study platforms development strategies are characterised by the following features:

- Set-up cost are relatively low and they mainly include software development, Public Relations (PR) and community trust-building.
- Initially, platform services are offered for free or at cost, while the platform invests in building up its user-base as a critical mass of users is required to benefit from network effects.
- As the user base grows beyond the initial community of high-trust individuals, more trust building services are developed and the platform gets more involved in



'policing' peer behaviour and interactions to remedy problems with transactions and combat fraudulent behaviour.

- Transaction fees are charged for use of platform services, and additional revenue streams are developed (fees for add-on services, cancellations etc.)

Most case study platforms do not yet appear to generate profits, but reinvest any earnings in market expansion. Once the platforms grow and enlarge their user base, consolidate their market share and benefit from network effects, the high level of automation of services and low marginal cost of additional transactions to the platform hold the promise of significant profits.

## **2. There is a discrepancy between platform practices and their terms and conditions regarding liability or responsibility for the P2P transaction.**

Most case study platforms <sup>1</sup>implicitly assume a degree of responsibility for the quality and performance of the P2P transaction by setting at least part of the contractual terms of the P2P transaction. This may create the impression among users that the platform shares a certain degree of responsibility in case of non-performance or non-compliance of the performance. For instance, such impressions can be created by:

- holding payments until performance/ compliance of the service is confirmed or withholding payment in case of non-performance or non-compliance by peers.
- imposing rules and fees for cancellations by peer consumers or peer provider.
- intervening to solve problems between peers through management of complaints, mediation of disputes and award of refunds.
- intervening to enhance safety and security by verification of peer identities, or creating the impression that identities are verified.
- (optional) automatic price-setting based on algorithms using internal/external demand/supply data.

At the same time, the **terms and conditions of these platforms systematically exclude any liability of the platform in relation to the contracts concluded between the peers**, and explicitly state that the platform is not a party to such contracts. For instance, all case study platforms exclude liability for:

- the accuracy of information provided by the peer to establish whether they are a commercial or a private provider;
- non-performance, non-compliance of the performance by the peer providers;
- the accuracy of information provided in peer-to-peer reviews.

**The discrepancy between the platforms' level of intervention in setting the terms of the P2P transaction and the liability clauses in its T&Cs risks to confuse or mislead users** with regard to the responsibility of the platform in case of problems with the P2P transaction.

## **3. Information provided to peer consumers lacks clarity and is not transparent enough.**

### **Pre-transaction services:**

All case study platforms qualify as 'traders' and engage in B2C commercial activities. As such they are subject to the pre-contractual information requirements arising from the professional diligence duty set out by Article 5(2) of the UCPD. These requirements include, for example: a) clarifying to users with whom they are concluding contracts on

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<sup>1</sup> except Wallapop and Yoopies

the platform, b) the role and responsibility of the platform, c) the criteria for ranking offers and d) the verification of users' identity.

With regard to these requirements, the case study research presented in this report has shown the following:

- a. Some platforms do not allow or make it difficult for commercial peer providers to operate alongside private peers (BlaBlaCar and easyCar Club); others allow both types of peers and require peer providers to indicate their legal status (eBay, Wimdu, Yoopies. Other platforms do not distinguish between private and professional providers (Airbnb Peerby, Wallapop, Nimber, Uber Pop/Pool<sup>2</sup>), although it appears feasible to be transparent, make the distinction and establish the peer's identity.
- b. Insofar as the role and responsibility of the platform is explained, this is mainly to *exclude* responsibility; there is no clear information about applicable rights, or who is responsible if something goes wrong, but there are extensive FAQ sections explaining to peers what to do in case of problems, which create the impression the platform does assume responsibility and will provide assistance in case of problems.
- c. The algorithms used to determine the search results are not disclosed by the platforms. There is no information if peers with higher ranking or more positive reviews, listings with an instant booking option or peers who choose to follow automated pricing by the platform feature first or higher in the search results.
- d. Verification of identity documents is not systematically performed on most case study platforms but the impression is often created that this is the case if users add more information about themselves (e.g. "verified" badge on Airbnb). The most common practice is to check user information via sending a verification email, or registering with the platform through social media services. Half of the case study platforms explicitly deny responsibility for the accuracy of identity information of peers in their T&Cs (Airbnb, eBay, Nimber, Peerby Classic, BlaBlaCar, Yoopies, Wallapop). Among the case study platforms, only the two platforms in the sharing/hiring ride sector platforms systematically verify official identity documents, and two platforms (BlaBlaCar, and Yoopies) do so on a voluntary basis. The lack of an adequate mechanism to verify identity documents is an issue in case of problems with the transaction and may raise concerns for peer consumers, considering that geolocation data is exchanged among platform users and in some sectors peers meet face-to-face.
- e. While the issues at stake are lower for platforms serving smaller local communities, and/or where the amounts of transactions are low (e.g. Peerby, Wallapop), this lack of clarity and transparency about the status of the peer provider is a source of major concern on larger platforms where peers have opportunities to make significant profit, such as Airbnb.
- f. In the collaborative sector, platforms where transactions are not for-profit (e.g. BlaBlaCar) and smaller platforms (e.g. easyCar Club, Wimdu, Yoopies) tend to have more transparent practices.

### **Price transparency:**

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<sup>2</sup> Uber peer providers can be either private individuals, or professional drivers with license, depending on countries. However, the platform's T&Cs do not differentiate between the two statuses and designate peer providers indistinctly as "independent transportation providers".

- a. The search results on many platforms do not give the total price; notably platform fees which range from 10% to 25% are often added only at the booking stage. The only exception to this is the French language version of BlaBlaCar where the price displayed in search results does include the transaction fee.
- b. Platform algorithms are increasingly used to determine prices, especially by large platforms (e.g. Airbnb, Uber), but there is no detailed information on how these prices are calculated. This is problematic in the case of platforms setting prices (BlaBlaCar, Peerby Go, easyCar Club and Uber) as peers have no or little leeway to modify them. This is also true for platforms that use dynamic pricing mechanisms (AirBnb 'smart pricing', Nimber, Uber 'surge pricing', easyCar club 'market option') where prices may change without consumers understanding why this is the case.

#### **Data use and reuse:**

- a. There is a lack of information about data use and reuse, and sale or resale. Platforms gather a large amount of data from their users: not only basic user information, but also data on behaviour, trends or frequency of transactions. There is a growing trend among platforms to use that data for 'dynamic' pricing or to encourage peers to engage in a transaction on the platform. While some of these data can facilitate solving of consumer issues, data use and reuse also raises concerns regarding the privacy of personal data, especially when they are shared and/or sold to third parties for commercial purposes.
- b. No information was obtained through the case studies on the monetisation of user data. Most platforms do not have a clear data use policy regarding transfers to third parties. All of them indicate they share data with third parties, but only BlaBlaCar, eBay, Uber and Yoopies mention that they only do so with user consent. Only BlaBlaCar mentions explicitly that they do not sell data to third parties.

#### **4. It is not clear how effective peer review and reputation systems are:**

- a. Case study platforms rely on fostering trust among peers by managing user reputation systems (all except Peerby) and peer review mechanisms (all except Peerby and Uber). All the platforms that manage review systems<sup>3</sup> reserve the right to delete reviews if they do not respect certain standards. However, only two platforms systematically check reviews before publication (easyCar Club and BlaBlaCar), and two other platforms monitor reviews after publication through key word searches (Wallapop and Yoopies). On the other platforms, it is not clear whether there is any systematic monitoring of reviews or whether platforms rely on peers to signal suspicious content.
- b. None of the platforms give information to users about the representativeness and reliability of user reviews or ratings, although they dispose of the data to establish the percentage of transactions that are reviewed and the frequency of fake or fraudulent reviews.
- c. Airbnb specifies that it will promote or relegate listings based on peer reviews, and Uber may deactivate providers with low ratings; other platforms do not provide further information on how positive or negative feedback is used to influence the search results or access to the platform.

#### **5. Complaint handling mechanisms and redress policies are limited:**

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<sup>3</sup> except for Nimber which does not specify if it does so or not

- a. All ten case study platforms offer some form of channel for complaints, mainly via online means. All platforms provide peers with a FAQ section where advice is given about what to do to solve problems. However, guidance in the FAQ on what to do in case something goes wrong with the delivery of the product or performance of the service is available only on five platforms (easyCar Club, Airbnb, eBay, BlaBlaCar and Wimdu). Only four platforms allow peers to get in touch by phone (AirBnb, eBay, easyCar Club and Wimdu).
- b. All case study platforms except Wallapop and Yoopies have “redress policies” where they generally set out rules regarding cancellation, returns and refunds by the platform or the other peer. However, refunds by the platform are issued at the platform’s discretion.

## 6. There are a number of good practices and elements of concern:

- a. **Good practices can notably be identified in the Sharing/hiring ride sector as well as on Odd jobs platforms.** Examples of good practices in these sectors include:
  - Clear indication on the listing or the peer profile whether the (peer) provider is a private individual or a business (e.g. Yoopies);
  - Display of prices including transaction fees or clearly display prices in the area (e.g. BlaBlaCar France and Yoopies);
  - Pre-screen of peer information, either systematically (e.g. easyCar Club and Uber) or on a voluntary basis (e.g. Yoopies);
  - Developed set of trust-building tools, i.e. badge systems and two-ways ratings (e.g. BlaBlaCar), deactivation of peer providers in case of bad ratings (e.g. Uber).
  - Clear rules for cancellation (e.g. easyCar Club, BlaBlaCar, Uber) and insurance (e.g. BlaBlaCar).
- b. **Larger and older (Re)Sale goods platforms (i.e. eBay) have also developed some good practices,** in response to changes in their activities and business models over time:

eBay tends to provide more detailed information (e.g. identification of business providers), a wide range of trust-building tools (e.g. review and reputation system), as well as access to complaints, redress and insurance (e.g. clear rules for refunds, insurance as a part of transaction fee). This is reflected in peer consumer knowledge of rights and obligations, which is higher on eBay than the average of all P2P platforms, and the frequency of problems, which is lower on eBay than for the average of all P2P platforms.

- c. **Large collaborative platforms (e.g. Airbnb, Uber) on the other hand raise concerns from a consumer perspective,** despite the trend towards professionalization of the service supply.

Information about the provider’s legal status is not provided (Airbnb) or their status may vary depending on local regulations, but this is not explained to peer consumers (Uber). Information on income tax on Airbnb remains very general, although there is a high likelihood that peer providers make a profit. On Airbnb, user identity is not systematically verified, even though peers are likely to meet face-to-face. Like all case study platforms, these larger collaborative platforms also deny liability for the P2P transactions, which does not fit their involvement in setting the P2P transaction terms, such as provisions regulating P2P transactions in terms and conditions, control over payments, refunds and insurance, and involvement in setting prices. They do not set out clear data sharing/selling policies, although their use of data is extensive. Finally, insurance cover, provided as a part of the transaction fee, is not clear and remains at the platform’s

discretion, with very little information provided in this regard, which brings further uncertainty to peers regarding their rights on the platform.

## 1 Introduction

### 1.1 Aims and objectives of Task 4 - Case studies

The aims of Task 4 were:

1. To assess the level of clarity and transparency of information on online peer-to-peer (P2P) platforms;
2. To evaluate the effectiveness of self-regulatory mechanisms that platforms implement for trust building, verification of information, complaint handling, redress and insurance.

Task 4 gathered primary and secondary data on 10 case study platforms, focusing on the following topics:

- Clarity and transparency of information given to peers regarding:
  - Legal status of peer providers;
  - Applicable taxes;
  - Nature of monetary transaction (Not-profit/for-profit);
  - Pricing;
  - Safety issues, rules and advice;
  - Terms and conditions (T&Cs);
  - Data and data protection policy.
- Trust building and verification of information:
  - Peer reviews, ratings and reputation systems;
  - User information checks and pre-screening of peers;
  - Security and safety.
- Access to complaints, redress and insurance:
  - Access to complaint handling and redress;
  - Access to insurance.

This reports presents a **cross-analysis of the practices implemented by the 10 P2P platforms under study**. The 10 case study reports are included in annexes to this report.

### 1.2 Scope of Task 4

Task 4 assessed 10 selected P2P platforms active in the five sectors considered in the study. Platform selection was in part based on the screening of platforms operating in the EU and the range of services offered by the platforms undertaken as part of Task 1. AirBnb, BlaBlaCar, eBay, Uber were included in the assessment since their services are available in many European countries to assess the range of services offered across countries.

The purpose of Task 4 was to collect detailed information on platform practices and to provide a structured analysis of their business models, while taking into account their evolution over time.

Table 1 briefly describes the 10 P2P platforms under analysis.

**Table 1: Summary of the platforms under Task 4**

#	Platform (year and country of origin)	Sector	Description of activity, MS coverage, size (as of 2016)
1	Airbnb (2008, U.S)	Sharing/ Renting Accommodation	<ul style="list-style-type: none"> <li>Peer providers rent out their accommodation and peer consumers book private or professionally run accommodation.</li> <li>Operates in 28 EU MS and Norway.</li> <li>Website available in Danish, Dutch, German, English, Spanish, Greek, French, Italian, Hungarian, Norwegian, Polish, Portuguese, Finnish, Swedish. Two million accommodation listings in over 34,000 cities in 191 countries, and 60 million peer consumers.<sup>4</sup></li> </ul>
2	BlaBlaCar (2006, FR)	Sharing/ Hiring Ride	<ul style="list-style-type: none"> <li>Long-distance ridesharing platform that connects peer consumers who need to travel with peer providers who have empty seats in their cars.</li> <li>Operates in national languages in 15 EU MS (Czech Republic, Germany, the UK, Spain, France, Belgium, Luxemburg, Croatia, Hungary, Italy, Holland, Poland, Portugal, Romania and Slovakia).</li> <li>20 million members, 12 million travellers per quarter, and has allowed to share more than 3 million Km.<sup>5</sup></li> </ul>
3	easyCar Club (2014, UK)	Sharing/ Hiring Ride	<ul style="list-style-type: none"> <li>Peer providers rent out their personal car to peer consumers.</li> <li>Operates in the United Kingdom.</li> <li>50,000 peer users (roughly 1 peer provider for 9 peer consumers), and 10,000 transactions have been concluded on the platform. The platform has doubled its size and transactions between May 2015 and August 2016.<sup>6</sup></li> </ul>
4	eBay (1995, U.S.)	(Re)Sale Goods	<ul style="list-style-type: none"> <li>Connects peers buying/selling new and used goods by auction or at fixed price.</li> <li>Operates in national languages in 10 EU MS (Austria, Belgium, France, Germany, Ireland, Italy, the Netherlands, Poland, Spain, United Kingdom).</li> <li>159 million active buyers worldwide.<sup>7</sup></li> </ul>
5	Peerby (2012, NL)	Sharing/ Renting Goods	<ul style="list-style-type: none"> <li>Connects peer providers offering to rent/share goods (for example tools) with peer consumers looking to borrow or rent them. The platform works on a neighbourhood-by-neighbourhood basis.</li> <li>Peerby Classic is available in English, French, Dutch and German</li> <li>Peerby Classic operates in most large European cities such as Berlin, Paris, Milan, Rome, Vienna, Dublin, Warsaw, Bucharest, Prague, Stockholm.</li> <li>Peerby Go is available in the Netherlands.</li> <li>250,000 registered users worldwide.</li> </ul>
6	Nimber (2012, NO)	Odd Jobs	<ul style="list-style-type: none"> <li>Connects peer consumers wishing to ship a parcel to a destination with peer providers going in that direction.</li> <li>Operates in national languages in Norway and the United Kingdom.</li> <li>30,000 registered users.<sup>8</sup></li> </ul>
7	Uber Pool/Pop (2009, U.S)	Sharing/ Hiring Ride	<ul style="list-style-type: none"> <li>Connects peer consumers who need transport in cities with drivers.</li> <li>Operates in national languages in 66 cities in 21 EU MS. UberPool available in France (Paris) and the United Kingdom (London).</li> <li>UberPop available in Czech Republic (Prague), Denmark (Copenhagen), Estonia (Tallinn) Finland (Helsinki), Poland [Krakow, Lodz, Prague, Poznan, Silesia, Trojmiasto (Gdansk, Gdynia, Sopot), Warsaw], Norway (Oslo), Slovakia (Bratislava), Romania (Bucharest) and Lithuania (Vilnius).</li> <li>40 million monthly riders worldwide.<sup>9</sup></li> </ul>
8	Wallapop	(Re)Sale	<ul style="list-style-type: none"> <li>Second-hand goods sales platform.</li> <li>Operates in national languages in 3 EU MS (France, Spain</li> </ul>

4 Information available at: <https://www.Airbnb.co.uk/about/about-us>, accessed on 15/12/2016.

5 Information available at: <https://www.BlaBlaCar.co.uk/about-us>, accessed on 09/02/2017.

6 Interview with easyCar Club, 03/08/2016

7 <http://www.bbc.co.uk/news/business-34599745>

8 Information available at: <https://www.nimber.com/press>, accessed on 16/09/2016

9 <http://fortune.com/2016/10/20/uber-app-riders/>

#	Platform (year and country of origin)	Sector	Description of activity, MS coverage, size (as of 2016)
	(2013, ES)	Goods	and the United Kingdom). <ul style="list-style-type: none"> <li>32 million registered users<sup>10</sup>, EUR 2 billion of product advertised, EUR 450 million of products sold. The mobile app has been downloaded 11 million times since 2013.<sup>11</sup></li> </ul>
9	Wimdu (2011, DE)	Sharing/ Renting Accommodation	<ul style="list-style-type: none"> <li>Online accommodation platform that connects peer consumers and peer providers.</li> <li>Operates in national languages in 17 EU MS (Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Poland, Portugal, Spain, Sweden, United Kingdom). 300,000 accommodation listings in 150 countries, and 1 million registered users.<sup>12</sup></li> </ul>
10	Yoopies (2012, FR)	Odd Jobs	<ul style="list-style-type: none"> <li>Connects peer providers offering non-professional services (childcare, tutoring, pet-sitting and homecare) with peer consumers.</li> <li>Operates in national languages in 9 EU MS (Austria, Belgium, Germany, France, Italy, the Netherlands, Spain, Portugal, the United Kingdom).</li> <li>150 000 users in France.<sup>13</sup></li> </ul>

### 1.3 Methodological approach to Task 4

Task 4 used the following quantitative and qualitative data collection tools:

- Desk research (primary and secondary sources on the P2P platforms under study);
- Task 2 survey data;
- Mystery shopping; and
- Semi-structured interviews (via telephone and face-to-face).

#### Desk research

Desk research gathered primary and secondary information regarding each platform and in particular, any mechanisms, tools and processes implemented by the platforms that might affect consumers.

This included company documents, information available online (i.e. websites dedicated to market developments, blogs, press publications, consumer blogs etc.) academic literature and studies produced by other organisations such as the OECD, European institutions, national, regional and local authorities etc.

#### Task 2 survey data

The Task 2 survey collected primary information about the peer user experience on P2P platforms. It was conducted on a sample of 14.597 respondents in 10 countries<sup>14</sup> and for 7 case study platforms.<sup>15</sup> The survey gathered data on user satisfaction with their overall experience on the platform, likelihood to use the platform again in the future, main problems faced when using the platform, and their knowledge of their rights and obligations.

<sup>10</sup> Interview with the platform 18/08/2016

<sup>11</sup> Information available at: <https://rincondelatecnologia.com/wallapop/>, accessed on 08/02/2017

<sup>12</sup> Information available at: <http://www.wimdu.co.uk/aboutus#about-us-about-us>, accessed on 09/02/2017.

<sup>13</sup> Information available at: <https://yoopies.fr/presse/rapport-annuel-yoopies-2014>

<sup>14</sup> Task 2 report, section 1.2.1.

<sup>15</sup> A sample of respondents for case study platform included: AirBnb - 736, BlaBlaCar - 902, eBay - 3,838, Nimmer - 29, Peerby - 52, Wallapop - 206, Wimdu - 65. There were not enough users in the survey to draw specific analysis for Uber Pool, Uber Pop, easyCar Club, Uber and Yoopies.





## Mystery shopping (“Use case”)

The mystery shopping/use case exercise gathered primary qualitative information on the user experience, complementing the consumer survey data. While mystery shopping consists of simulating a purchase/transaction experience on the platform, the “use case” method simulates navigation – not only transaction – by a specific type of user (i.e. peer consumers and peer providers).<sup>16</sup> The exercise covered both peer consumers and peer providers to the extent possible (for instance, access to the peer provider sections of Uber requires approval by the platform).

**Table 2: Main steps of the Mystery shopping/Use case analysis**

- |   |
|---|
| <ol style="list-style-type: none"><li>1. Identifying user profiles and their main needs (i.e. type of services and information they are looking for when they navigate the site);</li><li>2. Simulating a transaction:<ol style="list-style-type: none"><li>a. Creating a listing offer from the peer provider perspective;</li><li>b. Purchasing an item/making a booking;<sup>17</sup></li></ol></li><li>3. Taking note of the main problems or positive aspects encountered throughout the navigation;</li><li>4. Reporting the experience including positive and negative aspects in the usage experience to identify areas of concerns and good practices.</li></ol> |
|---|

The mystery shopping/use case exercise has allowed to understand how the platform works in practice, but also what kind of information is communicated to peers and at which point of the transaction.

## Interviews

Interviews were carried out to capture non-codified and tacit information about P2P platforms, and to ask for clarifications when needed. They were conducted with representatives from each platform between July and August 2016, either by phone or face-to-face.<sup>18</sup> Throughout the drafting of the case study, the research team had several interactions with P2P platform representatives through phone calls, face-to-face meetings and email exchanges, to ensure the accuracy of the information reported.<sup>19</sup>

### 1.4 Problems encountered and mitigation strategies applied in Task 4

The main challenges in Task 4 related to obtaining access to **quantitative data about individual platform activity** (aggregated or by country) from platforms (registered users, number of transactions etc.) and the **fast pace of change in platform services**, business models and the information provided on their websites and apps. Only BlaBlaCar provided data regarding their business model and differences between countries, pricing and payment, verification of information provided by peers. Other platforms did not make data available.

The degree of information available of the platforms about pre-screening and identity verification was not sufficient: while some information was available on the platforms, the details of verification mechanism were discussed during interviews (i.e. BlaBlaCar, Uber, Yoopies, easyCar Club). In contrast, information about terms and conditions, data protection policy or status of peer providers was gathered directly from the platforms.

Furthermore, the larger platforms such as AirBnb or niche platforms such as Yoopies tend to adapt their service offer and terms of use to national, regional and local regulations.

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<sup>16</sup> <http://www.visual-paradigm.com/tutorials/writingeffectiveusecase.jsp>

<sup>17</sup> Please note that the mystery shopping has been limited to navigating the website and/or app up to the point of purchase. No actual purchases were made.

<sup>18</sup> Except Wimdu, for which no interlocutor was available.

<sup>19</sup> All platforms have been consulted except Wimdu.

The research team went through all national versions of the platform and their terms and conditions to identify the main differences in services, fees, and rules. An additional obstacle in this process was the language, when websites and documents were not translated. Contacts with platforms were helpful in this regard, as they could confirm the accuracy of the information provided and add some additional elements.

Access to data about platform management of complaints, and access to informal redress and insurance was particularly challenging. It was not possible to find the number of complaints received by each platform, neither through desk research nor interview. In addition, several platforms did not give any information at all about whether they offer redress options or insurance.

Multiple sources were used to fill information gaps. Interviews helped to clarify elements identified in the desk research and to provide more detailed information. Questions were sent in advance to give the platform the necessary time to gather missing elements. Another way to complete missing information was to contact the Customer service/Help section of the platform in the frame of the Mystery shopping/Use case exercise and ask for more details.

## 2 Business models

The business model is an abstract representation of an organization<sup>20</sup> which shows how the organisation monetises its value proposition. In analysing the different case study platforms, a **business model canvas** was used to capture the key elements of the business model, including the value proposition, infrastructure, customers, revenues and costs.

The research team developed a **business model typology** based on Task 1 and Task 4 inputs that focuses on the **services provided by platforms to peers** and how much **control platforms exercise over the P2P transaction**.

### 2.1 Platform business model canvas

The mapping and analysis of business models helped to answer to the following questions:

- How do the platforms work (*key activities*) and which resources do they need to function (*key resources*)?
- What is their *value proposition*?
- Which kind of partners do they need to deliver the value proposition (*key partners*)?
- What is their target market (*customer segment*), how do they reach it and relate to its members (*customer relationship* and *channels*)?
- How can they financially sustain their value proposition (*cost structure* and *revenue stream*)?

Table 3 shows the most common features found in the P2P Business Models of the platforms covered by the case studies.

**Table 3: Overview of common features in P2P business models**

<b>Key Partners</b>	<b>Key activities</b>	<b>Value proposition</b>	<b>Customer relationship</b>	<b>Customer segments</b>
Community Investors Third party providers of additional services (e.g. payment processing, insurance, etc.)	Product development/Management Community building Customer service  Key resources - community - technology	Facilitate P2P transactions by Listing goods / services Generating trust among peers setting terms of P2P transactions	Co-creation (e.g. user generated reviews) Automated services Channels  Direct online: web & mobile apps	Mass market products (sometimes geographically segmented) Multi-sided platform (targeting both providers and consumers)
<b>Cost structure</b> Fixed costs Variable costs Advertising/PR		<b>Revenue streams</b> Transaction fee Service fees Subscription fees Data reuse Currency conversion fee Add-on services (external investment)		

Source: VVA analysis based on Business model canvas from Osterwalder A. & Pigneur Y. (2010): *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*

20 Al-Debei, M. M., El-Haddadeh, R., & Avison, D. (2008). "Defining the business model in the new world of digital business." In Proceedings of the Americas Conference on Information Systems (AMCIS).

## 2.2 Typology of business models – evidence from Task 4

As a result of the research conducted in Task 1 and Task 4, the research team developed three main P2P platform business models. While Task 1 research focused on monetisation strategies, Task 4 focused on an in-depth mapping of practices on the 10 case study platforms.

As explained in the final report, the level of platform control over the P2P transaction is at the core of the business model categorisation. The rationale behind this categorisation is that, from a consumer policy perspective, greater control over the transaction implies or creates the impression of greater platform responsibility for the performance of the transaction, for pre-contractual and contractual information.

The three categories summarized in Figure 1 reflect the level of control that platforms exercise over the P2P transaction:

**Figure 1: Business model categorisation based on platform control over the P2P transaction**



### Hosting

Model characterised by **passive matching of peer demand and supply**, by publishing listings and enabling contact and feedback between peers by publishing information from peers



### Active management

The second model is characterised by **active facilitation and management of the matching of demand and supply** (search functions and filters, messaging systems, guidance, pricing recommendations etc.) and trust-building (peer review system management, verification)



### Platform governed peer transactions

The third model is characterised by the **setting of one or more contractual terms of the P2P transaction** by the platform and **control over performance of the P2P transaction**

It is important to note that a single platform can fit into more than one business model if it offers several options of services to peers, for example, for setting prices or insurance.

In fact, the business models are to some extent “incremental”: platforms that fall into the second category (Active Management) also perform a matching service and platforms that fall into the third category (Platform governed peer transactions) will have most of the services or features of the other two. Table 4 summarizes the platform practices of all 10 case study platforms.

The case studies did not include platforms that operate exclusively under the first type of business model. This is because the first type of business model does not raise consumer issues to the same extent as platforms with at least some control over the P2P transaction.

**Table 4: Mapping of case study platform practices onto the business models identified in the study**

Platforms	Active management	Platform governed transactions
<b>Airbnb</b>	<ul style="list-style-type: none"> <li>Active matching of demand and supply through search functions/filters and instant messaging system</li> <li>Guidance for posting listings</li> <li>User information checks (through email or social media)</li> <li>Optional pre-screening through verification of identity documents</li> <li>Monitors user activity and controls access to platform</li> <li>Non-binding pricing guidance</li> <li>Guidance for P2P interactions</li> <li>Management of peer review and reputation system (ratings and badge)</li> <li>Monitors peer reviews with the right to delete them</li> <li>Add-on services (professional photographer)</li> </ul>	<ul style="list-style-type: none"> <li>Set standardised T&amp;Cs that define interaction between peers</li> <li>Imposes rules and fees for cancellations</li> <li>Sets prices (optional "Smart Pricing")</li> <li>Manages payments and monitors success of transaction before releasing payment to peer provider</li> <li>Governs security deposits</li> <li>Manages complaints and refunds of P2P transactions                             <ul style="list-style-type: none"> <li>Insurance for peer providers included as part of the transaction fee</li> </ul> </li> </ul>
<b>BlaBlaCar</b>	<ul style="list-style-type: none"> <li>Active matching of demand and supply through search functions/filters and instant messaging system</li> <li>Guidance for posting listings</li> <li>User information checks (through email or social media)</li> <li>Optional pre-screening through verification of identity documents (France and the UK only)</li> <li>Monitors user activity and control over access to platform</li> <li>Non-binding pricing guidance</li> <li>Guidance for P2P interactions</li> <li>Management of peer review and reputation system (ratings and badge)</li> <li>Monitors peer reviews with the right to delete them</li> </ul>	<ul style="list-style-type: none"> <li>Set standardised T&amp;Cs that define interaction between peers</li> <li>Imposes rules and fees for cancellations</li> <li>Sets prices (caps the price to prevent peers from making profit)</li> <li>Manages payments and monitors success of transaction before releasing payment to peer provider<sup>21</sup></li> <li>Manages complaints and refunds of P2P transactions.</li> <li>Insurance for both peers included as part of the transaction fee</li> </ul>
<b>easyCar Club</b>	<ul style="list-style-type: none"> <li>Active matching of demand and supply through search functions/filters and instant messaging system</li> <li>User information checks (through email or social media)</li> <li>Pre-screening (verification of identity documents and criminal record check) of both peer providers and consumers</li> <li>Guidance for P2P interactions</li> <li>Management of peer review system and reputation system (ratings)</li> <li>Monitors peer reviews with the right to delete them</li> </ul>	<ul style="list-style-type: none"> <li>Imposes rules and fees for cancellations</li> <li>Sets prices (optional 'market pricing')</li> <li>Manages payments and monitors success of transaction before releasing payment to peer provider</li> <li>Governs security deposits</li> <li>Manages charges for non-compliance with the platform's rules</li> <li>Manages complaints and refunds of P2P transactions</li> <li>Insurance for both peers included as part of the transaction fee</li> </ul>
<b>eBay<sup>22</sup></b>	<ul style="list-style-type: none"> <li>Active matching of demand and supply through search functions/filters and</li> </ul>	<ul style="list-style-type: none"> <li>Set standardised T&amp;Cs that define interaction between peers</li> </ul>

<sup>21</sup> Only in countries where using transaction model, not in countries where cash for rides model applies – see case study for further details.

<sup>22</sup> The extent to which the platform is involved in the peers' transaction depends on the listing format, the country and the nature of the item (high-value items). For example, classified ad listings are excluded from review/rating system and complaints and insurance services which do apply to auctions and "Buy It Now" listings. See case study for further details.

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Platforms	Active management	Platform governed transactions
	<ul style="list-style-type: none"> <li>• instant messaging system</li> <li>• Guidance for posting listings</li> <li>• User information checks (through email or social media)</li> <li>• Confirmation of user information through email and additional questions to prevent unauthorized access</li> <li>• Monitors user activity and control over access to platform and listings</li> <li>• Non-binding pricing guidance</li> <li>• Guidance for P2P interactions</li> <li>• Management of peer review and reputation systems (ratings and badge)</li> <li>• Monitors peer reviews with the right to delete them</li> <li>• Add-on services such as automatic bidding for peer consumers; international shipping programme, increased visibility and selling assistance for peer providers</li> </ul>	<ul style="list-style-type: none"> <li>• Imposes rules for cancellation, if the provider is a private individual</li> <li>• Manages payments of high-value items and monitors success of transaction before releasing payment to peer provider</li> <li>• Manages complaints and returns, refunds, replacements and exchanges if the provider is a private individual</li> <li>• Provisions that indicate the potential liability for P2P transactions in T&amp;Cs</li> </ul>
<b>Nimber</b>	<ul style="list-style-type: none"> <li>• Active matching of demand and supply through search functions/filters and instant messaging system</li> <li>• User information checks (through email or social media or phone)</li> <li>• Non-binding pricing guidance</li> <li>• Guidance for P2P interactions</li> <li>• Management of peer review and reputation system (ratings)</li> </ul>	<ul style="list-style-type: none"> <li>• Manages payments and monitors success of transaction before releasing payment to peer provider</li> <li>• Manages complaints and refunds of P2P transactions</li> <li>• Insurance as part of the transaction fee</li> </ul>
<b>Peerby<sup>23</sup></b>	<ul style="list-style-type: none"> <li>• Active matching of demand and supply through search functions/filters and instant messaging system</li> <li>• Guidance for posting listings</li> <li>• User information checks (through email or social media);</li> <li>• Monitors user activity</li> <li>• Guidance for P2P interactions</li> <li>• Add-on services on Peerby Go (pick-up and delivery)</li> </ul>	<ul style="list-style-type: none"> <li>• Sets standardised T&amp;Cs that define interaction between peers (Peerby Classic)</li> <li>• Imposes rules and fees for cancellation (Peerby Go)</li> <li>• Imposes prices on all items (Peerby Go)</li> <li>• Manages complaints and refunds (refunds only on Peerby Go)</li> <li>• Insurance<sup>24</sup> for both peers as part of the transaction fee (Peerby Go)</li> </ul>

23 Peerby Classic is a for profit platform that currently does not charge for its services; Peerby Go charges a transaction fee and exchanges are against payment – see case study for further details

<sup>24</sup> Although, Peerby Go refers to 'warranty'.

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Platforms	Active management	Platform governed transactions
<b>Uber Pool/Pop</b>	<ul style="list-style-type: none"> <li>• Active matching of demand and supply through search functions/filters and instant messaging system</li> <li>• User information checks (through email or social media)</li> <li>• Pre-screening, including criminal records check and verification of identity documents of peer providers</li> <li>• Monitors user activity and control over access to platform (suspension of user account in case of violations of the standards contained in T&amp;Cs)</li> <li>• Management of peer reputation system (ratings)</li> <li>• Monitors peer reputation system with the right to deactivate account with bad ratings</li> </ul>	<ul style="list-style-type: none"> <li>• Sets standardised T&amp;Cs that define interaction between peers</li> <li>• Imposes rules and fees for cancellations</li> <li>• Sets maximum price per ride</li> <li>• Manages payments and monitors success of transaction before releasing payment to peer provider</li> <li>• Manages complaints and refunds of P2P transactions</li> <li>• Insurance for peer providers included as part of the transaction fee</li> </ul>
<b>Wallapop</b>	<ul style="list-style-type: none"> <li>• Active matching of demand and supply through search functions/filters and/or instant messaging system</li> <li>• Guidance for posting listings</li> <li>• User information checks (through email or social media)</li> <li>• Monitors user activity and control access to platform</li> <li>• Guidance for P2P interactions</li> <li>• Management of peer review and reputation system (ratings)</li> <li>• Monitors peer reviews with the right to delete them</li> </ul>	
<b>Wimdu</b>	<ul style="list-style-type: none"> <li>• Active matching of demand and supply through search functions/filters and instant messaging system</li> <li>• Guidance for posting listings</li> <li>• User information checks (through email or social media), phone calls to peer providers and occasional on-site visits</li> <li>• Monitors user activity</li> <li>• Non-binding pricing guidance</li> <li>• Guidance for P2P interactions</li> <li>• Management of peer review system and reputation system (ratings)</li> <li>• Monitors peer reviews with the right to delete them</li> <li>• Add-on services (professional photographers, translation service)</li> <li>• Add-on insurance coverage for peer consumers</li> </ul>	<ul style="list-style-type: none"> <li>• Imposes rules and fees for cancellations</li> <li>• Manages payments and monitors success of transaction before releasing payment to peer provider</li> <li>• Governs security deposits</li> <li>• Manages complaints and refunds of P2P transactions</li> <li>• Insurance for peer providers included as part of the transaction fee</li> </ul>
<b>Yoopies</b>	<ul style="list-style-type: none"> <li>• Active matching of demand and supply through search functions/filters and instant messaging system</li> <li>• User information checks (through email or social media)</li> <li>• Optional pre-screening (verification of identity document and criminal record check)</li> <li>• Monitors user activity and control over access to platform</li> <li>• Non-binding pricing guidance</li> <li>• Guidance for P2P interactions (model contracts for P2P transactions)</li> <li>• Management of peer review and reputation system (ratings)</li> <li>• Monitors peer reviews with the right to delete them</li> </ul>	<ul style="list-style-type: none"> <li>• Imposes rules and fees for cancellations</li> </ul>

As mentioned above, all case study platforms provide services that **go beyond the mere matching** of peer consumers with peer providers (business model 1).

All case study platforms create value by **actively facilitating matching and transactions and fostering trust** among their users (business model 2) and they use a range of different tools and mechanisms to do this. More specifically:

- **Matching tools:**
  - All 10 platforms actively facilitate matching and transactions by providing search and filter functionalities (price, date, location, rating etc.) and instant messaging systems for peers.
  - Six platforms (Airbnb, Wimdu, BlaBlaCar, eBay, Peerby, Wallapop) provide guidance for posting listings.
  
- **User information checks and pre-screening through verification of identity documents:**
  - Only Uber and easyCar Club consistently pre-screen official peer provider identity documents and perform criminal record checks before giving access to the platform; easyCar Club also pre-screens peer consumers.
  - All other platforms give access to the platform on the basis of provision of basic personal data such as name and date of birth, and rely on "self-verification" through confirmation of email or phone number, and links to Facebook, google and similar accounts to confirm or check the information provided by users.
  - Airbnb does not require proof of identity of peers, but suggests that third parties may verify identity documents peers submit to obtain the optional "Verified ID badge". It is unclear who verifies peers identity documents and how. It is also unclear whether a "Verified ID" badge means the identity is verified, or whether it is a mere indication that the peer shared a copy of identity document with the platform.
  - BlaBlaCar (in France and the UK only) offers to verify peers' official identity documents as an option.
  - Yoopies performs criminal background checks for an additional fee on a voluntary basis. Peer consumers as well as the platform can ask providers to have their national ID and qualifications verified by the platform before any transaction takes place.
  
- **Monitoring of user activity:**
  - Airbnb, eBay and Wimdu state to actively try to prevent fraudulent activity through monitoring of user activity. AirBnb, eBay, Wimdu, Peerby, BlaBlaCar, Wallapop allow peers to signal possible fraudulent activities.
  - AirBnb, eBay, Uber, Yoopies, Wallapop and BlaBlaCar monitor user activity and exercise control over access to platform:
    - eBay may decide to investigate users and remove listings, send a warning notice, limit buying and selling privileges and suspend accounts.
    - Yoopies performs keyword searches and tracks peer provider behaviour; Yoopies reserves the right to delete accounts in case of frequent cancellations.
    - BlaBlaCar reserves the right to limit access and use of the platform, or to suspend a user account in case of a breach of the T&Cs.
    - Wallapop reserves the right to delete an account if the platform's rules are violated; Wallapop detects fraudulent or suspicious profiles or listings through keyword searches and user reporting; profiles that are reported more than three times are blocked until the customer service department has assessed the profile.



- Uber monitors user activity and analyses data of behaviour on the platform to prevent fraudulent practices. Uber also reserves the right to suspend user accounts in case of violations of the standards set in the T&Cs.
  - On AirBnb, eBay and BlaBlaCar it is not specified whether these actions are taken as result of peer complaints or checks by the platform.
- **Non-binding pricing guidance:**
    - AirbnB, Wimdu, Nimber, BlaBlaCar, eBay give non-binding guidance for setting prices. This guidance is provided based on a range of variables managed by the platform through an algorithm. Details of the algorithms are not disclosed by the platforms.
    - Yoopies provides an hourly rate based on Yoopies data.
  - **Guidance for P2P interactions:**
    - All platform sites have guidance for interactions between peers in guidelines or a FAQ section. This often includes safety warnings and information on what to do in case something goes wrong.
    - AirbnB and Wimdu set non-binding hospitality standards for hosts, and give tips related to home safety and trust in dedicated pages on the website.
    - BlaBlaCar, eBay, Wallapop and Yoopies' websites have a dedicated section that gives information and suggestions regarding safety issues. For instance, BlaBlaCar suggests to get in touch with the other peer using the platform's secure messaging system to get to know the other peer before the ride.
    - eBay's "Safety Centre" and Wallapop's Safety Guidelines contain tips on how to avoid scams, and advice on how peers should interact and communicate when selling and buying.
    - easyCar Club's FAQ section summarises the main responsibilities of both peers.
    - Nimber and Peerby have dedicated sections giving guidelines for transactions, summarising what peer providers and consumers should or should not do.
    - Yoopies provides model contracts for P2P transactions.
  - **Management of peer review and reputation system:**
    - All platforms except Peerby manage a peer reputation system and all of those except Uber manage a peer review system.
    - AirbnB, BlaBlaCar, eBay award 'badges' to peers. BlaBlaCar's "experience levels" assess the frequency and the quality of the platform's use by the peer. AirbnB has a badge that distinguishes "Super Hosts" for the quality of the services they provide on the platform. eBay gives badges for peer providers offering "Top-rated" or "Premium Service"
    - AirBnb and BlaBlaCar use "two-way feedback" systems for reviews (AirBnb) or ratings (BlaBlaCar) – meaning feedback is only disclosed after the other peer has left feedback in return within 14 days of the transaction.
    - On Wallapop peer consumers can only review peer providers if they have left feedback in return, but no specific timeframe is mentioned by the platform.
  - **Monitoring of peer review and reputation system:**
    - Platforms that manage peer review systems reserve the right to delete reviews if they do not respect certain rules or standards, such as use of violent/vulgar language or fake reviews. Nimber does not specify if it does so.

- BlaBlaCar and easyCar Club monitor all reviews before publication. On EasyCar club negative feedback is required before a complaint can be made.
  - Yoopies and Wallapop monitor peer reviews after publication through a keyword search.
  - Uber reserves the right to deactivate accounts with bad ratings.
  - eBay, Wimdu and AirBnb monitor reviews after publication but it is not clear if there is a monitoring system in place or the platform relies on peers to signal inappropriate reviews.
  - AirBnb relegates listings with bad reviews in the search results.
- **Add-on services:**
    - Four platforms offer add-on services which peers can purchase for an additional fee:
      - AirBnb and Wimdu: services of a professional photographer to take photos of the apartment
      - eBay: automatic bidding for peer consumers; international shipping programme; increased visibility and selling assistance for peer providers
      - Wimdu: additional insurance cover for peer consumers
      - Peerby Go: pick-up and delivery service.

Finally, all case study platforms except Wallapop display features of **platform-governed peer transactions** (business model 3), by setting at least part of the contractual terms of the P2P transaction and therefore, explicitly or implicitly, assuming a degree of responsibility for its performance. The most common practices are:

- **Setting terms and conditions for P2P transactions:**
  - Five platforms (AirBnb, BlaBlaCar, eBay, Peerby Classic, Uber) set standardised T&Cs that define the interactions between peers
  - All platforms except Wallapop and Nimber impose rules and fees for cancellations:
    - On Airbnb, peer providers can choose to apply a flexible, moderate or strict cancellation policy when a consumer cancels a booking. The transaction fee is not refundable in case of a cancellation by the peer consumer.
    - On Wimdu, peer providers can choose to apply a free, flexible, moderate or strict cancellation policy when a consumer cancels a booking. When the peer provider cancels the booking, the cancellation fee is set by Wimdu<sup>25</sup>. When the peer consumer cancels the booking, the cancellation fee varies depending on the listing price, but there is no information about how the fee is calculated.
    - On BlaBlaCar in case the ride is cancelled by the peer consumer, the platform does not refund the transaction fee paid at the time of booking.<sup>26</sup> In case the ride is cancelled by the peer provider, the peer consumer is reimbursed fully, including the transaction fee.
    - On easyCar Club peer consumers and peer providers can end up paying cancellation fees when cancelling a booking. Cancellations made more than 72 hours in advance are free of charge. For

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25 15% of the total price if the booking is cancelled by the peer provider 8 days or more before check-in; 50% of the total price if the booking is cancelled by the peer provider less than 8 days before check-in.

26 For cancellations done more than 24h before departure, the platform refunds the peer consumer the price of the ride minus the transaction fee paid at the time of booking. For cancellations made less than 24h before departure, the platform refunds 50% of the price of the ride minus the transaction fee. If the cancellation occurs after departure or if the peer consumer does not show up, the platform does not issue a refund. The transaction fee is kept by the platform, and the price of the ride that is not refunded to the peer consumer is transferred to the peer provider.

cancellations made less than 72 hours in advance different fees apply depending on the timing of the cancellation<sup>27</sup>.

- Uber gives both peers the right to cancel within 5 minutes after accepting (if the provider cancels), or requesting the ride (if the peer consumer cancels). The platform charges peers a cancellation fee if the ride is cancelled later, but the amount is not specified.
- The T&Cs of eBay specify rules for cancelling transactions if the provider is a private individual<sup>28</sup>.
- The T&Cs of Yoopies set rules for cancellations and cancellation fees. Peer consumers can cancel a service free of charge within less than 48 hours of the service request. If the 48 are exceeded, the peer consumers will be charged a 15 EUR fee. Peer providers can cancel or readjust the hours/timing of a service 48 hours prior to the service. In case of service cancellation, the service payment will be reimbursed to the peer consumers if the peer consumer is not able to find a replacement on Yoopies.
- On Peerby Go peers can cancel their booking free of charge up to 72 hours before delivery of the item. Afterwards they have to pay a fee: 50% of the daily borrowing cost for a cancellation 72 to 48 hours, 75% of daily borrowing costs for cancellation 48 to 24 hours before the agreed date, and full price in case of a cancellation less than 24 hours before that date.

- **Price setting:**

- Automated price setting is mandatory on Peerby Go
- Peer providers can choose the option of automated price setting on easyCar Club and Airbnb.
- On easyCar Club peer providers can either fix the daily rental price of their vehicle themselves, but this must be above the minimum price set by the platform (fixed pricing). Alternatively, they can choose 'market pricing', which means the platform automatically sets and adjusts the daily rental price to fluctuations in demand and supply.
- On Airbnb peer providers, can select a "smart pricing" option which means the platform automatically sets and adjusts prices to fluctuations in demand and supply, within a range given by the peer provider.
- BlaBlaCar and Uber set the maximum fare per ride.
- BlaBlaCar automatically suggests a price per seat to the peer provider, that can be increased or decreased by +/-50%; a maximum fare is set to prevent peer providers from making a profit.
- Uber sets the maximum fare per ride; peer providers can decide to charge a lower price.

- **Management of payments:**

- Airbnb, Wimdu, BlaBlaCar, easyCar Club, Uber and Nimber manage payments: they receive and hold payments of peer consumers, and monitor the success of the P2P transaction before paying peer providers; on eBay, this is an optional feature only for high value items
- easyCar Club, Airbnb and Wimdu hold the security deposits paid by peer consumers and mediate and decide claims of peer providers against such deposits.
- easyCar Club also manages charges for non-compliance with the platforms rules.

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<sup>27</sup> For details, see table 4 in easyCar Club case study.

<sup>28</sup> <http://pages.ebay.com/help/sell/cancel-transaction-process.html>

- **Management of complaints and refunds:**
  - Airbnb, BlaBlaCar, eBay, easyCar club, Uber, Peerby Go, Nimber and Wimdu manage complaints and refunds of P2P transactions (Peerby Classic complaints only).
  - eBay, Wimdu and Airbnb have clear rules for refunds in case of cancellations. In other cases, refunds are decided by the platform on the basis of its assessment of the veracity of the complaint.
  - BlaBlaCar, easyCar Club, Uber, Peerby Go, Nimber issue refunds at their own discretion and they do not explain to peers how this is decided.
  - AirBnB, eBay, and easyCar club mediate disputes between peers.
- **Insurance provided as part of the transaction fee:**
  - All platforms except Wallapop and Yoopies provide insurance against damages as part of the transaction fee:
  - Insurance provided by BlaBlaCar, easyCar Club and Peerby Go<sup>29</sup> covers both peers.
  - Insurance provided on Airbnb, Uber and Wimdu covers peer providers only.
  - Nimber provides an insurance that covers the value of the parcel, but the platform lacks detailed information regarding this cover.

### 2.3 Evolution of platform business models over time

The analysis of the case studies confirms that **platform business models evolve over time as a result of shifts in the marketing and monetisation strategy, increase of the number of peer users and the maturity of the platform.**

More mature platforms with a large user base tend to shift towards business models where they have greater control over the P2P transaction, while smaller start-ups tend to rely more on trust between the members of their initial community. For example:

- Wallapop remains free of charge and does not manage payments for transactions, but it is planning to shift to a model where it controls payments at least for high value items in the near future. The platform charges a fee for featuring a listing on top of the search page
- BlaBlaCar generally operates a free cash for rides model when launching its activities in a country, but shifts to a transaction fee and control over payments via the platform once it has achieved a critical mass.
- Peerby Classic is a free service but the recently introduced Peerby Go service includes delivery of rented goods and charges transaction fees.
- Yoopies generates revenue through subscription fees in most countries, but is shifting to transaction fees; the platform has introduced transaction fees in France and plans to expand this monetisation model to other countries.

The other platforms generate revenue by charging transaction fees. The transaction fee is mostly calculated as a percentage of the price of the product or service charged by the peer provider.

- This percentage ranges from about 10% on easyCar Club and eBay (though it varies between countries) to roughly 20% on Airbnb, Nimber, BlaBlaCar, Uber and 25% on Peerby Go.
- The transaction fee includes insurance on Airbnb, Nimber, BlaBlaCar (if transaction model), Uber, eBay, easyCar Club, Peerby Go and Wimdu
- The transaction fee includes fees for currency conversion on Airbnb.

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<sup>29</sup> Term 'warranty' is used.

In addition to transaction fees, many P2P platforms diversify their revenue generation strategies. For example, many platforms charge cancellation fees, retaining the whole or most of the transaction fee in case of cancellations (BlaBlaCar, easyCar Club, Peerby Go, Airbnb, Uber, Wimdu, Yoopies):

- AirBnb charges transaction fees from peer providers, booking fees from peer consumers, but it also withholds transaction fees in case of cancellations and charges a 3% currency conversion fee of the total price peer consumers pay.
- easyCar Club combines transaction and cancellation fees with extra charges for cleaning, fuel, lost keys, fines/tickets, late return of the car or car condition report.
- eBay charges listings insertion fees, transaction fees and charges for add-on services.
- Wimdu charges transaction fees from peer providers, booking fees from peer consumer, charges for add-on services (consumer insurance, translation services) and cancellation fees.
- Peerby Go charges transaction fees and for pick-up and delivery services.

Above all, all platforms collect a lot of valuable data about consumers and their behaviour, which can be monetised in various ways. Data can be monetised both for marketing purposes and for developing or fine-tuning (add-on) platform services, or through the sharing, selling or re-selling of data to third parties.

- Most platforms (Airbnb, BlaBlaCar, eBay, easyCar Club, Wallapop, Yoopies, Wimdu, Uber) indicate to reuse data for improvement of the platform services; and for marketing and advertising purposes.
- Most of the platforms do not exclude the sale or resale of data to third parties, so this is also a potential part of their monetisation strategies.
- BlaBlaCar guarantees not to resell data and information to any third party.
- Only BlaBlaCar, eBay, Uber and Yoopies ask for user's consent in case of disclosing information to third parties for marketing, advertising purposes or in the context of audience measurement.

As these examples show, **there is an evolution towards transaction-fee based monetisation and the third business model among successful platforms.** As the platforms grow and enlarge their user base, they start offering a wider range of services, have access to more data and get more involved in 'policing' peer behaviour and interactions. These results, directly or indirectly, in setting an increasing number of terms and conditions for the performance of the underlying P2P transaction, including price setting mechanisms.

**Most P2P platforms today do not yet appear to generate profits, but reinvest any earnings in market expansion.** Even big platforms such as Airbnb are expected to reach profitability only by 2020. In spite of low start-up costs, building a sustainable and profitable online P2P platform business may require significant and sustained investments from business angels, venture capital and other external finance. One of the main reasons for the continuous need of investments is to finance expansion into new markets, technological support and development of new services to consolidate market share. This enables platforms to benefit from network effects and to enlarge their user base. Once market share has been acquired, the high level of automation of services and low marginal costs of additional transactions hold the promise of significant profits.

### 3 Consumer experiences

This section presents the results of the Task 2 survey with specific findings for the case study platforms. It was conducted on a sample of 14,597 respondents in 10 countries. These results focus on seven case study platforms<sup>30</sup> across the five sectors within the study scope. Please note that the sample size varies by platform. The sample size is very small, and possibly not representative for Nimber (29) Peerby (52) and Wimdu (65).

#### 3.1 Satisfaction with overall experience on the platform and likelihood to use the platform again in the future

Table 5 shows the satisfaction with overall experience on P2P platforms and likelihood to use them in the future.

**Table 5 : Satisfaction with overall experience on the platform and likelihood to use the platform again in the future – percentage very satisfied or satisfied/likely or very likely**

Platform	Satisfaction with overall experience on the platform		Likelihood to use the platform again in the future	
	Consumers	Providers	Consumers	Providers
Airbnb	87.1%	74.5%	86.7%	72.3%
Wimdu	78.6%	65.2%	78.6%	69.6%
<b>Average Sharing/Renting Accommodation</b>	<b>82.8%</b>	<b>72.7%</b>	<b>84.9%</b>	<b>72.8%</b>
BlaBlaCar	87.2%	86.9%	87.2%	83.7%
<b>Average Sharing/Hiring Ride</b>	<b>86.8</b>	<b>82.9</b>	<b>86.3%</b>	<b>79.4%</b>
Peerby	73.1%	64.3%	80.8%	60.7%
<b>Average Sharing/Renting Goods</b>	<b>73.1%</b>	<b>60.7%</b>	<b>75.8%</b>	<b>72.7%</b>
Nimber	46.2%	50%	46.2%	56.7%
<b>Average Odd Jobs</b>	<b>63.9%</b>	<b>74.2%</b>	<b>72.4%</b>	<b>66.1%</b>
eBay	87.9%	79.6%	92.1%	83.6%
Wallapop	78.8%	72.7%	75.4%	75.3%
<b>Average Re(Sale) Goods</b>	<b>84.5%</b>	<b>78%</b>	<b>88.7%</b>	<b>85.7%</b>
<b>All P2P platforms</b>	<b>83.4%</b>	<b>77.2%</b>	<b>86.6%</b>	<b>82.4%</b>

Note: red = below the all-platform average; green = above the all platform average

Base: All peer consumers (N=8705) and peer providers (N=8498); base for each platform: Airbnb: sample of 736 respondents, of which 465 peer consumers and 271 peer providers, BlaBlaCar: sample of 902 respondents, of which 435 peer providers and 467 peer consumers, Peerby: sample of 52 respondents, of which 24 peer providers and 26 peer consumers; eBay: sample of 3,838 respondents, of which 1,570 peer providers and 2,268 peer consumers, Nimber: sample of 29 respondents, of which 16 peer providers and 13 peer consumers, Wallapop: sample of 206 respondents, of which 131 peer providers and 77 peer consumers, Wimdu: sample of 65 respondents, of which 23 peer providers and 42 peer consumers

Across all P2P platforms, 83.4% of peer consumers and 77.2% of peer providers were either satisfied or very satisfied with their overall experience but there is significant variation in these results across sectors and across individual platforms. The survey also shows that 86.6% of peer consumers and 82.4% of peer providers are likely or very likely to use a P2P platform again in the future.

- In the **Sharing/Renting Accommodation** sector, on average 82.8% and 72.7% of peer consumers and providers respectively are satisfied or very satisfied, and on average 84.9% of peer consumers and 72.8% of peer providers are likely or very likely to use the platforms again in the future.

30 There were not enough users in the survey to draw specific analysis for Uber Pool, Uber Pop, easyCar Club, Uber and Yoopies.



- Airbnb performs better than the average for the sector among peer consumers (87.1% and 86.7%), but slightly below the average across all Sharing/Renting Accommodation platforms among peer providers (74.5% and 72.3%).
- Wimdu appears to underperform among both types of users compared to the sector average; however, this is based on a relatively small sample size.
- In the **Sharing/Hiring Ride** sector, peer consumers and providers report respectively 86.8% and 82.9% of satisfaction on average which is well above the average for all platforms and the best result among the five sectors covered in the study. The likelihood of using the platforms again in the future, with respectively 86.3% of peer consumers and 79.4% of peer providers is slightly below the average for all platforms.
  - BlaBlaCar shows an even higher level of peer satisfaction with 87.2% of consumers and 86.9% of providers satisfied or very satisfied, and 87.2% of peer consumers and 83.7% of peer providers likely or very likely to use the platform again in the future.
- Platforms in the **Odd Jobs** and **Sharing/Hiring goods** sectors have lower than average satisfaction ratings, and users are less likely to use the platforms again in the future.
  - Less than half of peer consumers on Nimber (46.2%) and only half of peer providers are either satisfied or very satisfied with their overall experience on the platform. Similar observations are made regarding the likelihood of using the platform again in the future. However, as noted, findings for Nimber are based on a small sample size.
  - For Peerby, the satisfaction results are 73.1% for peer consumer and 64.3% for peer providers, which is also well below the all platform average, and close to or slightly above the average for all Sharing/Renting Goods platforms. 80.8% of peer consumers are likely or very likely to use the platform again in the future, which is more than the sector average, but only 60.7% among peer providers. As for Nimber, the sample size is relatively small, so these findings should be treated cautiously.
- In the **Re(Sale) Goods sector**, on average 84.5% of peer consumers and 78% of peer providers are either satisfied or very satisfied with their experience, which is above the all-platform average. Similarly, 88.7% of peer consumers and 85.7% among peer providers are likely to use the platform again in the future.
  - eBay users report a higher than average satisfaction level (about 88% of peer consumers and 80% of peer providers satisfied or very satisfied) and likelihood of using the platform again in the future (about 92% of peer consumers and 84% of peer providers).
  - On Wallapop, both types of users report lower than average satisfaction rates and likelihood of using the platform again in the future compared with the resale sector average and with the all-platform average.

### 3.2 Problems on the platforms

The Task 2 survey questionnaire asked users<sup>31</sup> of P2P platforms whether they had experienced problems when using P2P platforms, and if so, what kind of problems. These range from problems in using the platform, to problems with concluding the transaction, price or problems with the product or the service itself.

Over half of the peer consumers (55%) of P2P platforms had experienced one or more of these problems at least once. The most commonly mentioned problems are poor quality

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31 P2P consumers and P2P providers

of the product/service, or that the product or service was not as described. Over a quarter of P2P users report that this happened to them at least once.

Problems are more frequent on Sharing/Renting Goods and Odd Jobs platforms than others, with respectively 70,9% and 68,2% of peer consumers reporting at least one problem during the last 12 months. But peer consumers also report a high incidence of problems on other platforms, ranging from 54.4% for Ride Sharing/Hiring to 53.7% for (Re)Sale of Goods and 47.9% in the P2P accommodation sector.

**Table 6: Occurrence of problems – Overall sector breakdown (Peer consumers)**

Likelihood of experiencing problems	(Re)Sale Goods	Sharing/Renting Goods	Sharing/Renting Accommodation	Sharing/Hiring Rides	Odd Jobs
No problems	46,3%	29,1%	52,1%	45,6%	31,8%
At least one problem	53,7%	70,9%	47,9%	54,4%	68,2%

Base: Peer consumers (N=8705)

Table 7 shows the different kinds of problems experienced by peer consumers on case study platforms. For completeness, ratings per sector and for all peer consumers are provided, but it should be noted that the peer bases for these are different.

**Table 7: Problem experienced – Frequency breakdown (Peer consumers)**

Platform/sector	Price was not as agreed or additional costs were not mentioned	Product was not delivered/Reservation was cancelled	Product/service was not as described	Product/service was of poor quality	My personal data was given, resold or leaked to others	Safety issues experienced
Airbnb	9.9%	11.2%	19.1%	17.8%	6%	7.1%
Wimdu	19%	16.7%	26.2%	21.4%	14.3%	19%
<b>Average Sharing/Renting Accommodation</b>	<b>16.3%</b>	<b>13.6%</b>	<b>25.8%</b>	<b>21.2%</b>	<b>9.5%</b>	<b>11%</b>
BlaBlaCar	12.4%	18.2%	15.2%	19.1%	6.6%	11.6%
<b>Average Sharing/Hiring Ride</b>	<b>17.4%</b>	<b>25.9%</b>	<b>19.4%</b>	<b>25.1%</b>	<b>11.5%</b>	<b>17.1%</b>
Peerby	50%	11.4%	50%	50%	34.6%	38.5%
<b>Average Sharing/Renting Goods</b>	<b>39.7%</b>	<b>34.4%</b>	<b>45.9%</b>	<b>43.8%</b>	<b>30.1%</b>	<b>33.2%</b>
Nimber	30.8%	38.5%	38.5%	61.5%	46.2%	46.2%
<b>Average Odd/Jobs</b>	<b>44.2%</b>	<b>38.7%</b>	<b>44.7%</b>	<b>44.2%</b>	<b>35.3%</b>	<b>35.3%</b>
eBay	7.5%	17.7%	26.4%	28.5%	6%	6%
Wallapop	19.5%	10.4%	23.4%	23.4%	6.5%	6.5%
<b>Average Re(Sale) Goods</b>	<b>11.4%</b>	<b>14.3%</b>	<b>26.8%</b>	<b>28.1%</b>	<b>6.6%</b>	<b>7.7%</b>
<b>All P2P platforms</b>	<b>15.5%</b>	<b>17.6%</b>	<b>27.8%</b>	<b>28.7%</b>	<b>9.9%</b>	<b>11.6%</b>

Note: red = below the all-platform average; green = above the all platform average

Base: All peer consumers (N=8705); base for each platform: Airbnb: 465 peer consumers; BlaBlaCar: 467 peer consumers; Peerby: 26 peer consumers; eBay: 2,268 peer consumers; Nimber: 13 peer consumers; Wallapop: 77 peer consumers; Wimdu: 42 peer consumers.

Across all platforms, the most frequently mentioned problems are the poor quality of product/service, or that the product/service is not as described. Over a quarter of peer consumers report that this happened to them at least once (28.7% and 27.8% respectively). Also, the non-delivery of the product or cancellation of the service (17.6%), unexpected price changes (15.5%), or safety issues (11.6%) were experienced regularly by peers.



- Within the **Sharing/renting accommodation** sector, problems with price changes occur more frequently than the average of all P2P platforms, while other problems occur with the same or slightly lower frequency.
  - Airbnb performs better than the sector average and better than the average of all P2P platforms on all variables considered. Nonetheless, almost 20% of peer consumers report problems with the accommodation not being as described, about 18% with poor quality of the accommodation, and about 10% report issues with unexpected price changes and cancellations. On the other hand, only 6-7% report data or safety issues.
  - Peer consumers on Wimdu report problems more frequently than on Airbnb and the average of Sharing/renting accommodation platforms. The platform performs below the average of all P2P platforms as regards unexpected price change, and data and safety issues. The sample size is relatively small, so any findings for the platform should be treated cautiously.
- In the **Sharing/Hiring ride sector** peer consumers report fewer problems related to the quality of the service than across all P2P platforms. However, one quarter of peer consumers still experienced quality problems. Problems are more frequently reported than average as regards price, cancellation, safety and data.
  - BlaBlaCar performs better than sector average (Sharing/Hiring Rides platforms) on all issues, and better than the average of all P2P platforms, except for problems with cancellations.
- Problems were reported particularly often by peer consumers on **Sharing/renting of goods** and **Odd Jobs** platforms, where all issues occurred more frequently than on the average of all P2P platforms. Similar results are reported for the case study platforms of those sectors, i.e. Peerby and Nimber, although conclusions at the platform level are based on very small sample sizes.
- Problems seem to occur least often on **(Re)Sale goods platforms**, though even here more than one in four peers still reported issues with product quality or the product not being as described.
  - On Wallapop, peer consumers report more problems regarding the price (19.7%) than the average for the (Re)Sale goods platforms.
  - On eBay, peer consumers experienced more problems with products not being delivered than the sector average; there are no noticeable differences with average of all platforms.
  - Problems with price changes were much less common on eBay than on other platforms of the (Re)Sale Goods platforms or across on P2P platforms.

Peer consumers were also asked to indicate the extent to which they suffered personal detriment as a result of these problems during the previous year. This was measured on a scale of 0-10 (where 0 means "No or negligible detriment" and 10 means "A very significant detriment").

Personal detriment is defined as financial loss or any other type of harm (e.g. loss of time, stress, etc.). Based on the ratings given, the average level of detriment is calculated.

**Table 8: Average level of detriment experienced as a result of problems experienced on P2P platforms (Peer consumers)**

Platform/sector	Average level of detriment experienced as a result of problems experienced on P2P platforms
Airbnb	2.80
Wimdu	No data
<b>Average Sharing/Renting Accommodations</b>	<b>2.85</b>
BlaBlaCar	3.00
<b>Average Sharing/Hiring Ride</b>	<b>2.48</b>
Peerby	No data
<b>Average Sharing/Renting Goods</b>	<b>3.57</b>
Nimber	No data
<b>Average Odd jobs</b>	<b>3.76</b>
eBay	2.30
Wallapop	2.64
<b>Average Re(Sale) Goods</b>	<b>2.01</b>
<b>All P2P platforms</b>	<b>2.93</b>

Note: red = below the all-platform average; green = above the all platform average

Base: total peer consumers who experienced at least one problem (N=4626); base for each platform – peer consumers who experienced at least one problem: Airbnb: 183 peer consumers; BlaBlaCar: 205 peer consumers; eBay: 1172 peer consumers; Wallapop: 73 peer consumers.

Peer consumers who experienced problems on P2P platforms report an average level of personal detriment of 2.93. The level of detriment is higher amongst those who said they experienced problems in the sectors of Odd Jobs (3.76) and Sharing/Renting Goods (3.57) and lower in the Sharing/Renting accommodation (2.85), Ride sharing/hiring (2.48) and (Re)Sale of goods sectors (2.01).

At platform level, the level of detriment is the lowest on eBay, with 2.30 of average detriment reported and slightly higher, 2.63, on second hand goods platform Wallapop, but both are higher than the sector average. On Airbnb, the reported detriment is rated close to the sector average and the average for all P2P platforms at 2.80. On BlaBlaCar the reported detriment level is higher than the sector average. No data were available for Wimdu, Nimber and Peerby.

### 3.3 Knowledge of rights and responsibilities

Table 9 summarises survey results on peer consumer knowledge of rights and responsibilities on P2P platforms.

**Table 9: Knowledge of rights and responsibilities – Percentage who claim they do not know or are not sure if they know (Peer consumers)**

Platform	Knowledge of rights when something goes wrong	Knowledge of the responsibility of the platform in case of a problem with a provider of a service or a product	Knowledge of rights to get compensation or be reimbursed if something goes wrong
Airbnb	68%	66%	65.2%
Wimdu	50%	47.6%	50%
<b>Average Sharing/Renting Accommodations</b>	<b>64.9%</b>	<b>65%</b>	<b>63.4%</b>
BlaBlaCar	67.2%	67%	66.4%
<b>Average Sharing/Hiring Ride</b>	<b>70%</b>	<b>67.9%</b>	<b>67.1%</b>
Peerby	50%	50%	46.2%
<b>Average Sharing/Renting Goods</b>	<b>52.8%</b>	<b>53.7%</b>	<b>49.7%</b>
Nimber	53.8%	53.8%	53.8%
<b>Average Odd jobs</b>	<b>54.5%</b>	<b>54.7%</b>	<b>53.4%</b>
eBay	48.4%	52.1%	48.7%
Wallapop	81.8%	85.7%	85.7%
<b>Average Re(Sale) Goods</b>	<b>58.4%</b>	<b>62.6%</b>	<b>59.4%</b>
<b>All P2P platforms</b>	<b>59.8%</b>	<b>62.6%</b>	<b>59.8%</b>

Note: red = below the all-platform average; green = above the all platform average

Base: all peer consumers (N=8705); base for each platform: Airbnb: 465 peer consumers; BlaBlaCar: 467 peer consumers; Peerby: 26 peer consumers; eBay: 2,268 peer consumers; Nimber: 13 peer consumers; Wallapop: 77 peer consumers; Wimdu: 42 peer consumers.

Overall, perceived knowledge of rights and responsibilities is low, with about 60% of all peer consumers indicating that they do not know or are not sure what these rights and responsibilities are across all three dimensions measured in the Task 2 survey.

- At sector level, perceived knowledge about rights and responsibilities is the lowest on **Sharing/Hiring ride** platforms and on **Sharing/Renting Accommodation** platforms:
  - About two third of respondents on Airbnb and BlaBlaCar report not knowing what their rights are, what the platform's responsibility is in case of a problem with a peer provider and whether they are entitled to compensation.
  - Peer knowledge is relatively higher on Wimdu, but this finding should be treated cautiously due to the small size of the sample.
- **On average, on Sharing/Renting of goods, Odd jobs and Re(sale) goods** platforms knowledge of rights and responsibilities appears somewhat better than the all P2P platform average
  - About half of respondents on eBay are not sure or do not know their rights or the responsibility of the platform.
  - But about 80% of peers on Wallapop second hand goods resale platform do not know their rights, the platform's responsibility in case of a problem with a peer provider or what their compensation rights are when something goes wrong.

## 4 Main platform practices emerging from the cross-analysis

### 4.1 Clarity and transparency of information on P2P platforms

Findings from the case studies cross-analysis indicate that P2P platforms have different levels of transparency regarding:

- Legal status and identity of peer providers;
- Taxes;
- Nature of monetary transaction (not for-profit/for-profit);
- Pricing;
- Safety issues, rules and advice;
- Terms and conditions (T&C); and
- Data and data protection policy.

Overall, platforms operating in the Sharing/Hiring ride sector, as well as the Odd Jobs platforms appear to offer a higher level of transparency to peers. Details of the cross-analysis are presented in this section.

#### 4.1.1 Legal status and identity of peer providers

**Among the case studies, five platforms clearly make the distinction between private and commercial (peer) providers.** On the one hand, some platforms (BlaBlaCar and easyCar Club) exclude commercial activity by peer providers and/or businesses. On the other hand, other platforms (eBay, Wimdu and Yoopies) require peer providers to indicate their legal status. **Only eBay and Yoopies require peer providers to indicate on the listing or their profile whether they are a private individual or a business.**

The remaining five platforms under study (Airbnb, Nimber, Peerby, Wallapop, Uber) do not make a distinction or do not require peer providers to give any information about their legal status.

Table 10 below summarises the platforms' different approaches about the legal status of peer providers.

**Table 10: Information about legal status of peer providers**

Approach	Platform	Tools	Monitoring
<b>Only private peer providers can engage in P2P transactions on the platform</b>	BlaBlaCar	Standardised T&Cs that define interaction between peers (Member's agreement) Price caps and restrictions on the number of passengers reduce attractiveness for commercial providers	May request and verify relevant documents Excludes liability for the validity of the information provided by peers
	easyCar Club	Pre-screening before giving access to platform- Only allows private (and leased) cars	Systematic case-by-case assessment Excludes liability for the validity of information
<b>Platform requires peer providers to indicate if they are private or commercial but does not prevent commercial providers from engaging on the platform</b>	eBay	Different profiles for commercial and private providers <i>Shows peer provider status on the listing page</i>	Not mentioned, Excludes liability for the validity of information
	Wimdu	Peer provider categories	Not mentioned; occasional on-site visits Excludes liability for the validity of

Approach	Platform	Tools	Monitoring
		(private/commercial) based on 4 criteria	information
	Yoopies	Information and advice on the “auto-entrepreneur status” in France	Verifies official identity documents Excludes liability for the validity of information
		Shows peer provider status on the listing page	
<b>Platform does not distinguish between private and commercial providers/does not require providers to indicate this</b>	Airbnb	Professionally managed properties are expected to have 25 or fewer rooms and a full-time manager or owner available on site, as explained in special Hosting Standards	No information on monitoring or enforcement of guidance Excludes liability for validity of information
	Peerby	n/a	
	Wallapop	n/a	
	Yoopies	n/a	
	Nimber	n/a	
	Uber Pop/Pool <sup>32</sup>	n/a	

**BlaBlaCar** terms and conditions state that “the Site and the Service may not be used to connect Drivers and Passengers to car share, offer or accept ridesharing for profit or in any commercial or professional context.”<sup>33</sup> The T&Cs suggest that the platform checks the veracity of this information, even though it denies liability for false information submitted by peers about the non-commercial nature of their activity. Indeed, the T&Cs state that BlaBlaCar may ask peer providers to provide a copy of “any document proving that they are entitled to offer trips with the vehicle and do not generate profit in doing so”.<sup>34</sup> Furthermore, the platform reserves the right to close or suspend the account of any peer provider assumed to make a profit out of the services offered on the platform. To discourage peer providers from using the platform to make profits, BlaBlaCar sets a cap on the price a peer provider can request from peer consumers.<sup>35</sup>

**easyCar Club** only allows peer providers to add cars they own, i.e. registered under their name. The T&Cs specify that “the Owner must be the legal owner and registered keeper of the Vehicle.”<sup>36</sup> The platform asks for official documents (ID card, residence, fraud-related criminal record, driving licence, driving history and car registration number) and it verifies the authenticity against a number of official databases. As of November 2016, the platform widened its eligibility criteria to include vehicles leased by peer providers and company cars where applications are assessed on a case-by-case basis.<sup>37</sup>

**eBay** makes a clear distinction between private and commercial peer providers as “private” and “business” sellers. While the platform indicates that peer providers must register as a business if they intend to make profits from their eBay sales, it also admits that it “has many private sellers who are actually businesses, i.e. they are buying purely to sell on for a profit”. eBay does not specify whether the platform monitors the accuracy of self-reporting by providers and, if so, how it enforces the distinction between private and commercial providers. Notwithstanding these caveats, the commercial nature

32 Uber peer providers can be either private individuals, or professional drivers with license, depending on countries. However, the platform’s T&Cs do not differentiate between the two statuses and designate peer providers indistinctly as “independent transportation providers”.

33 <https://www.BlaBlaCar.co.uk/about-us/terms-and-conditions>

34 Ibid.

35 BlaBlaCar case study report, section 2.2.1.

36 <https://carclub.easycar.com/>

37 Email exchange with the platform, 01/11/2016.

of the (peer) provider is made clear to peer consumers on the platform. Peer consumers find the information on the listing page:

- On the right-hand side of the listing page, a box entitled “Seller information” shows if the peer provider is registered as a business. If the seller has registered as a private individual, there is nothing indicated under the “Seller information” box and contact details.
- At the bottom of the page, along with the peer provider’s contact details.

**Yoopies** distinguishes peer providers with an “auto-entrepreneur” status in France. This status registers peer providers of non-professional services and requires them to declare earnings above EUR 20,000.<sup>38</sup> Yoopies encourages peer providers to register as auto-entrepreneurs by helping them with administrative steps (such as registration at the chamber of commerce, how to use and register at the French online portal for auto-entrepreneur etc.). If requested, Yoopies informs peer providers on all steps and advantages of becoming an auto-entrepreneur in a face-to-face session at the Yoopies office in Paris. Like on eBay, peer consumers can see the peer providers’ status: if they are an auto-entrepreneur, there is a heart-shaped logo at the bottom-right side of their profile picture. Furthermore, Yoopies verifies the information provided during the registration and subscription phases against official identity documents.<sup>39</sup> However, like all case study platforms, Yoopies does not take responsibility for the completeness, accuracy or veracity of the information in the listings and profiles of peer providers and it claims not to be liable for their content.<sup>40</sup>

**Wimdu** classifies peer providers as “commercial” if they have a “sustainable interest in getting bookings”.<sup>41</sup> In its FAQ section, the platform indicates that it assigns commercial business status to peer providers who fulfil at least one of the following criteria:

- the peer provider has confirmed to regularly rent their property to earn a regular income,
- the peer provider has received at least 10 bookings with Wimdu during the last 12 months,
- the peer provider has at least 2 offers online on Wimdu,
- a valid VAT number is available.

T&Cs do not give more information about how the platform monitors this distinction. They also specify that “Wimdu accepts no liability for the accuracy of the user contact information entered on the platform.”<sup>42</sup>

**Airbnb** makes no distinction between private and commercial providers on the website/app and does not require professional or commercial providers to identify themselves as such. Its Hosting Standards require “professionally managed properties” to have 25 or fewer rooms and a full-time manager or owner available on site.<sup>43</sup> There is no information about how the platform monitors or enforces these Standards. The platform denies liability for the information given by peer providers in this regard. The platform emphasises “home sharing” and unique social experiences, which may be misleading for peer consumers in case accommodation is rented out by professionals.

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38 Interview with the platform 17/07/2016

39 Information available at: <https://yooopies.fr/astuces/profil-verifie>, accessed on 09/02/2017

40 Yoopies case study report, section 2.3.2.

41 Wimdu case study report, section 2.3.1.

42 <http://www.wimdu.co.uk/terms>

43 Information available at: <https://www.Airbnb.co.uk/help/article/1526/what-are-hosting-standards-for-professionally-managed-properties-on-Airbnb?topic=206>, accessed on 15/12/2016.

**Nimber** does not distinguish between professional and non-professional peer providers. People working for commercial providers can offer services on the platform, but under their own name – not on behalf of their company.<sup>44</sup>

Depending on the type of service and the country, **Uber** services are provided either by professional fully-licensed drivers<sup>45</sup>, or by private peer providers. The T&Cs vary in function of the legal regime of the country or city. In some cities the only system that fits the law is to use licensed drivers, as in London; while in Prague or Talinn drivers without a licence can offer rides. The platform's T&Cs designate peer providers indistinctly as "*independent transportation providers*" – stating that "*all transportation, logistics, delivery and vendor services are provided by independent third party transportation, including transportation providers.*" Recent court cases show that this denomination of Uber drivers as "independent" is under debate.<sup>46</sup>

**Peerby Classic** does not distinguish between private/professional peers. As it does not allow monetary transactions, the distinction between private and professional peers is not relevant.<sup>47</sup> On the other hand, Peerby Go does facilitate transactions against payment, but does not have a mechanism in place to distinguish between private and professional peers. Therefore, the platform does not exclude professional rentals.

**Wallapop** does not distinguish between private and professional peers.

To conclude, the level of transparency regarding the legal status of peer providers is uneven across case study platforms. Furthermore, all platforms deny liability for false information provided by peers. The distinction between private and commercial peer providers is most relevant for larger platforms, which are much more likely attract professionals and (small) businesses providing commercial services because it gives them access to a large user base. But some of the largest case study platforms (e.g. Airbnb) still do not provide information on the peer provider's legal status. The practice of larger platforms such as Airbnb enabling peer providers to conclude transactions without distinction of their legal status is a major obstacle to transparency about rights and responsibilities for consumers.

#### The following good practices are identified:

- BlaBlaCar and easyCar Club are clear about excluding professionals and businesses.
- BlaBlaCar (France and UK), easyCar Club and Yoopies verify the authenticity of the information provided by peer providers against official (identity) documents.
- eBay, Wimdu and Yoopies set clear criteria to distinguish private from commercial peer providers.
- eBay and Yoopies clearly indicate peer providers' status on the listing page or the peer profile.

#### The following elements of concern are identified:

- Airbnb does not differentiate between private and professional providers whereas the size of the platform attracts business providers.
- Airbnb's emphasis on "home sharing" and "unique social experiences" may mislead peer consumers in case accommodations are rented out by professional providers.
- Uber drivers can be private individuals or licensed professional depending on local

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44 Nimber case study report, section 2.4.1.

45 For example: Transport for London (TfL) issues private-hire licenses. In France, UberX partner drivers need to obtain a VTC license.

46 In the UK, a tribunal ruled in 2016 that drivers could be classified as a type of employee which would imply that they would have to be paid the minimum wage, get breaks during shifts, and be paid holiday leave. See: <http://www.politico.eu/article/trailblazing-uber-gets-burned/>

47 Peerby case study report, section 2.4.1.



- regulations, and this is not explained to users.
- Provisions on Nimber are ambiguous, as the platform does not prevent commercial activity, but does not allow commercial providers to use their business name.
- Wallapop, Peerby Go do not give any information, which may become an issue as the platforms develop.

#### 4.1.2 Taxes

Most platforms provide **limited or no information about applicable taxes to peer providers**, shifting the responsibility to the peer provider for complying with VAT and income tax obligations. Table 11 summarises this information for all case study platforms.

**Table 11: Information about taxes**

Platform	Information on applicable taxes	Notes
<b>Airbnb</b>	Limited	Information about VAT on transaction fee ('service fee') Recommends professional tax advice for income tax Clear information in cities/regions where the platform collects tourist tax on behalf of local authorities
<b>BlaBlaCar</b>	n/a	n/a
<b>easyCar Club</b>	Limited	Recommends professional tax advice for income tax
<b>eBay</b>	Limited	Clear information about VAT on eBay fees Clear information about VAT for businesses No information about income tax
<b>Nimber</b>	Limited	Recommends professional tax advice for income tax
<b>Peerby</b>	No information Peerby Go (NA for Peerby Classic)	No information about income tax on Peerby Go
<b>Uber Pop/Pool</b>	Specific (but not public)	Informs about specific tax framework and offers professional tax advice
<b>Wallapop</b>	No information	n/a
<b>Wimdu</b>	Limited	Information about VAT for businesses No information about income tax
<b>Yoopies</b>	Specific	Informs about specific tax framework and offers assistance with income tax declaration

Half of the case study platforms offer **general information about taxes**, focusing on VAT and income tax, and not specific to the country where the peer operates.

Airbnb and eBay give clear information about the VAT users pay as part of the transaction fee, or 'service fee'.

eBay and Wimdu give rather clear, but general information on **VAT rules for businesses**. There is no detailed information about the tax rate applicable, nor a mechanism to calculate the amount due to tax authorities, for instance. This is not necessarily an issue for professional providers who are expected to comply with VAT rules as part of their business activities. However, transparency could be enhanced for private peer providers who pay VAT as part as their transaction fee to the platform, especially when they conduct cross-border transactions (e.g. when they sell a product internationally on eBay).

As regards **income tax**, Airbnb, easyCar Club and Nimber recommend professional tax advice, and Uber has partnerships with local tax experts.

No information is provided by BlaBlaCar, eBay, Peerby, Wallapop and Wimdu. This is justified for BlaBlaCar and Peerby Classic, as peer providers do not earn profits from their activity on the platform. This however does not necessarily apply to Peerby Go nor Wallapop. Peerby claims that tax issues will be dealt with when they become



“problematic”.<sup>48</sup> Wallapop indicated it has plans to provide more information on applicable taxes on the website and the app.<sup>49</sup>

In contrast, Uber and Yoopies give **detailed information and help peers to comply with their income tax obligations**. Uber informs peer providers by email about the tax framework that applies to them. Yoopies peers can easily access targeted information on the website about why and how a peer consumer should declare the services of a baby-sitter, which type of contract to choose and the benefits of the auto-entrepreneur status.<sup>50</sup> Additionally, Yoopies **assists peers with their income tax declaration** by giving them monthly earning and expenditure reports at the end of each month, and offering help to fill it.<sup>51</sup> As of 2016, this service is only available for the French and Belgian versions of the platform, and is being implemented in Germany.<sup>52</sup> Similarly, Uber provides pre-filled tax documents and annual tax summaries for peer providers, but only in the U.S.<sup>53</sup> This example is of interest as similar features are currently being implemented in Europe, notably partnerships with tax authorities to facilitate tax collection.

**Uber is currently conducting a pilot in partnership with the Estonian government to facilitate income tax collection.** Estonian citizens can log into an online tax portal where their personal information is stored by the Estonian Tax & Customs Board (TCB), and the government explores how to link this easily and securely to Uber’s systems.<sup>54</sup>

**Airbnb has tourist tax collection agreements with authorities** and collects local tourism taxes from peer consumers in the following cities/regions:

- Amsterdam (since January 2015), where the tourism tax is 5% of the listing price including any cleaning fee<sup>55</sup>.
- Paris (since October 2015) and 18 other French cities, where peer consumers pay Airbnb a tourist tax, unless they are exempted<sup>56</sup>. In Paris, the tourist tax is EUR 0.83/night/person<sup>57</sup>.
- Catalonia (since July 2015), where Airbnb collects EUR 0.45/night/person in the region and EUR 0.65/night/person in the city of Barcelona<sup>58</sup>.
- Florence (since January 2016), where Airbnb collects EUR 2.5/night/person<sup>59</sup>.
- Lisbon (since May 2016), where Airbnb collects EUR 1/night/person up to a maximum of EUR 7<sup>60</sup>.

The tourist tax amount is listed by the platform on the payment to the peer provider and on the peer consumer’s receipt.<sup>61</sup>

To conclude, information on taxes is quite poor on the majority of case study platforms.

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48 Interview with Peerby, 05/08/2016.

49 Interview with the platform 18/08/2016

50 Yoopies case study report, section 2.4.1.

51 Idem.

52 Interview with the platform 17/07/2016

53 Uber case study, section 2.4.1.

54 Information from Uber through written feedback, 30/08/2016

55 Information available at: <http://www.amsterdam.nl/belastingen/ondernemers/toeristenbelasting/>, accessed on 15/12/2016.

56 Information available at: [http://taxesejour.impots.gouv.fr/DTS\\_WEB/UK/](http://taxesejour.impots.gouv.fr/DTS_WEB/UK/), accessed on 15/12/2016.

57 Information available at: <https://techcrunch.com/2015/08/25/Airbnb-daccord/>, accessed on 15/12/2016.

58 Information available at: <http://fortune.com/2015/07/16/Airbnb-taxes-spain-catalonia/>, accessed on 15/12/2016.

59 Information available at: <http://www.theflorentine.net/news/2016/01/Airbnb-and-florence-sign-tourism-tax-agreement/>, accessed on 15/12/2016.

60 Information available at: <https://nalle.pt/2016/04/12/Airbnb-to-collect-tourist-tax-in-lisbon/>, accessed on 15/12/2016.

61 “Occupancy tax is a tax on the rental of rooms that your state or locality may require. In many places this is known as an occupancy tax, but may also be known as a lodging tax, a room tax, a sales tax, a tourist tax, or a hotel tax.”

Source: <https://www.Airbnb.co.uk/help/article/654/what-is-occupancy-tax--do-i-need-to-collect-or-pay-it>

- Uber and Yoopies are the only two platforms giving specific information about income taxes, tailored for each peer and by country. Yoopies offers personal assistance to both peers for complying with tax regulations in Belgium and France (so does Uber, but only in the U.S.).
- Information on VAT rules is clear, although general, on platforms that distinguish between business and private providers. This is not necessarily a problem for professional peer providers who are expected to comply with tax rules a part of their business activities.
- Airbnb does not give information about income tax compliance although the size of the platform attracts professional providers.
- Information on tourist tax rules is clear on Airbnb in cities where the platform has partnership with local authorities for tax collection, and shows the amount on the peer consumer receipt.

No trend per sector can be identified, but the size of the platform, the ability of peer providers to make a profit and the degree of engagement of platforms in transactions matter. Smaller platforms (Wallapop and Peerby Go) or platforms where peer providers do not make profit (BlaBlaCar and Peerby Classic) do not give any kind of information. Platforms governing peer transactions (Uber) have started cooperating with some tax authorities to ensure peers' compliance with rules.

#### The following good practices are identified:

- On **Yoopies** peers can access tailored information and ask for help.
- **Uber** offers professional tax advice to peer providers.
- Partnerships with tax authorities such as between Uber and Estonia regarding income tax; and Airbnb regarding collection of local tourist taxes.

#### The following elements of concern are identified:

- Absence of any information on income tax or VAT obligations for businesses on **Airbnb** despite potential of earning important revenues through the platform.
- Absence of income tax information on eBay and Wimdu, despite the potential of earning important revenues through the platform.
- Absence of any tax information on Wallapop and Peerby Go in case the platforms develop.

### 4.1.3 Pricing

Most platforms (six out of 10) separate different elements included in the price shown to consumers, but **there are important variations in the level of detail of the breakdown**. None of the platforms that charge fees to peer providers indicate this information in the total price shown to consumers.

Table 12 summarises pricing information shown to peer consumers on the case study platforms at the moment of booking.

**Table 12: Information about prices at booking**

Platform	Details of what is included in the price	Breakdown of the price paid to platform and to the peer provider	Add-on services	Notes
Airbnb	X	n/a	X	<ul style="list-style-type: none"> <li>• Price shown to peer consumer separates price of the accommodation, transaction fee charged by the platform to peer consumers, add-on services (e.g. cleaning fee), taxes in cities where the platform collects local taxes on the authorities' behalf;</li> <li>• Price shown to peer consumer does not indicate the transaction fee charged to the</li> </ul>

Platform	Details of what is included in the price	Breakdown of the price paid to platform and to the peer provider	Add-on services	Notes
				peer provider.
BlaBlaCar (transaction fee model)	X	n/a	n/a	<ul style="list-style-type: none"> <li>Price shown to peer consumer separates price of the ride, and transaction fee charged to peer consumers.</li> </ul>
easyCar Club		n/a		<ul style="list-style-type: none"> <li>Peer consumers can only see the total price without breakdown of peer provider share, nor the transaction fee charged by the platform.</li> </ul>
eBay	X		n/a	<ul style="list-style-type: none"> <li>Price shown to peer consumer separates the price of the good and shipping fees;</li> <li>Price shown to peer consumer does not indicate the transaction fee charged to the peer provider (when applicable).</li> </ul>
Nimber	X	n/a	n/a	<ul style="list-style-type: none"> <li>Price shown to the peer consumer separates the price of the parcel delivery and transaction fee.</li> </ul>
Peerby Go		n/a		<ul style="list-style-type: none"> <li>Peer consumers can only see the total price, the transaction fee charged by the platform is not shown separately.</li> </ul>
UberPool		n/a	n/a	<ul style="list-style-type: none"> <li>Only total price shown to the peer consumer, the transaction fee charged by the platform is not shown separately.</li> </ul>
UberPop	X	n/a	n/a	<ul style="list-style-type: none"> <li>Price shown to the peer consumer does not show the transaction fee charged by the platform to peer consumer.</li> <li>Price shown to the peer consumer after the ride separates base fare, time and distance.</li> </ul>
Wallapop	n/a	n/a	n/a	<ul style="list-style-type: none"> <li>Does not charge fee to peer users.</li> </ul>
Wimdu	X		X	<ul style="list-style-type: none"> <li>Price shown to peer consumer separates price of the accommodation, transaction fee charged by platform to peer consumers, add-on services (e.g. translation fees);</li> <li>Price shown to peer consumer does not indicate the transaction fee charged to the peer provider.</li> </ul>
Yoopies (transaction fee model, in France only)		n/a		<ul style="list-style-type: none"> <li>Peer consumer can only see the total price, the transaction fee charged by the platform is not shown (where applicable)</li> </ul>

Most platforms **separate the total cost shown to peer consumers between different price components**, including:

- The price of the product or service charged by the peer provider;
- The transaction fee charged by the platform to peer consumers (if any);
- Other fees included in the price (e.g. for shipment, insurance);
- Fees for add-on services (e.g. cleaning fees);

Sharing/renting accommodation platforms such as Airbnb and Wimdu show separately the price of accommodation, the transaction fee charged by the platform, and potential add-on fees charged by the peer provider (e.g. cleaning fees) to the peer consumer. Sharing/Hiring Ride platform BlaBlaCar separates the price of the ride and the transaction ("booking") fees charged to the peer consumer. eBay differentiates the price of the item and the shipping fees charged by the peer provider. Odd Job platform Nimber shows separately the price of the parcel transfer and transaction fees for peer consumers. Uber does not indicate the amount of its transaction fees to peer consumers but UberPop indicates separately the base fare, time and distance.

**Peer consumers can only see the total price they pay**, without indication of the transaction ('service') fee for the platform or the peer provider share, on easyCar Club, Peerby Go, Uber Pool and Yoopies.

Wallapop does not charge fees to users.

**Generally, the prices displayed in search results do not include platform transaction fees**, which means that total price is not shown to peer consumers until check-out. The only exception found is the French language version of BlaBlaCar where the price displayed in search results does include the transaction fee.<sup>62</sup>

UberPop and Yoopies offer an **estimate of the total price to be paid before the transaction is undertaken**. Uber gives fare estimates in each city. On Yoopies peer consumers can simulate their budget on the platform on the basis of average hourly rates.

**None of the platforms charging transaction fees to peer providers (Airbnb, eBay, Wimdu) show this amount separately in the total price paid by peer consumers**. This means that peer consumers cannot see which part of the price goes to the platform and to the peer provider.

**Information about cancellation fees** that apply in case peer consumers decide to cancel a booking is accessible on most platforms (Airbnb, BlaBlaCar, eBay, easyCar Club, Nimber, Peerby Go, Wimdu, Yoopies), either in the Help section or in T&Cs. Cancellation policies are explained by Airbnb, BlaBlaCar, easyCar Club, eBay, Peerby Go, Uber, Wimdu but the exact amount of the cancellation fee is not displayed by Airbnb, Wimdu or BlaBlaCar.

**Platforms that recommend prices** (e.g. Airbnb, Wimdu, Yoopies, Nimber), **set maximum prices** (Uber, BlaBlacar) **or set 'dynamic' prices** (e.g. easyCar Club "market pricing" option or Airbnb "smart pricing" option) **do not make their algorithms for calculating prices public**. But all of them clearly state which type of data are taken into consideration. The fact that information is not available is more problematic for platforms that set maximum prices, because peers have no or little leeway to change these. Uber sets a maximum price per ride, whereas BlaBlaCar sets a range of +/- 50%. For platforms with "dynamic" pricing that set prices in function of daily or hourly fluctuations in supply and demand and/or other factors (e.g. Airbnb, Peerby Go, Nimber, Uber) prices may change considerably over time, both for peer providers and peer consumers.

To conclude, the level of transparency about pricing is insufficient on the case study platforms. Most platforms separate different elements of the price, but this is not done in a systematic way between the transaction fees charged by the platform to peer consumers and providers, and potential add-on services. None of the platforms using algorithms to set or recommend prices publish precise information on how this is done.

#### **The following good practices are identified:**

- BlaBlaCar displays the total price including all fees directly in the search result page, but this is only the case on its French platform to date.
- On Yoopies peer consumers can simulate their budget before concluding a transaction and get information on average hourly rates.
- Uber gives an estimate of the ride price before concluding the transaction.

#### **The following elements of concern are identified:**

- Platforms that recommend or set prices, or offer "dynamic" pricing mechanisms (Airbnb 'smart pricing', Peerby Go, Nimber, Uber, easyCar Club "market option") do not give clear information to peers on how this is calculated.
- Most platforms, except BlaBlaCar do not include the full price including transaction fees in their search results

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62 BlaBlaCar case study report, section 2.4.1.

#### 4.1.4 Terms and Conditions

Findings from the case studies indicate that **all 10 platforms analysed provide standardised terms and conditions that define interactions with the platform.** Furthermore, some platforms' T&Cs also **define the interactions between peers.**

Table 13 summarises this information across the case study platforms.

**Table 13: Provision of standardised terms and conditions**

Platform	Standardised T&C that define interaction with the platform	Standardised T&C that define interaction between peers
Airbnb	X	X
BlaBlaCar	X	X
easyCar Club	X	
eBay	X	X
Nimber	X	
Peerby	X	X
Uber Pop/Pool	X	X
Wallapop	X	
Wimdu	X	
Yoopies	X	

All platforms structure their T&Cs into different paragraphs and headings. However, the length of the document and technical nature of the vocabulary employed impair transparency about key responsibilities, rights and obligations. All platforms except Peerby Classic have approximately 10 page-long T&Cs, and this number reaches 30 pages on Airbnb and Wimdu. Airbnb's T&Cs are spread between 10 different documents, which is an additional obstacle to transparency.

Unlike the nine other platforms, Peerby T&Cs are brief (approximately one page). Peerby Classic's T&Cs are fairly complete, containing provisions about platform use and peer interactions. Peerby Go's T&Cs, on the other hand, lack important elements about liability, complaints handling mechanism, price setting, or insurance.

All T&Cs, except Peerby Go which does not specify any information about liability, **exclude the platforms' liability or responsibility for the interactions and transactions between the peers, irrespective of how much control the different platforms have over the P2P transaction.**

At the same time, and despite this exclusion of liability, T&Cs of several platforms contain provisions that directly govern the transaction and /or interactions between the peers and they indicate that platforms can sanction peers in case of non-respect of those provisions:

- Airbnb's T&Cs state that users must comply with the **Community Standards**, the set of policies regulating interactions between peers. *"Airbnb reserves the right, at any time and without prior notice, to remove or disable access to any Listing for any reason, including Listings that Airbnb, in its sole discretion, considers to be objectionable for any reason, in violation of these Terms or Airbnb's then-current Policies and Community Guidelines or Standards."*
- BlaBlaCar's T&Cs contain provisions of the **Member's Agreement**, also available in a separate document. They can be found in a section about "Behaviour of users of the Platform and Members" that define the undertakings of the drivers and passengers. It is specified that, in case of breach of the T&Cs, the platform can *"(i) terminate the T&Cs immediately and without notice, and/or (ii) prevent the posting of or remove reviews or content posted on the platform, and/or (iii) limit the access and use of the platform, and/or suspend your account."*

- Similarly, Uber’s **Community Guidelines** set rules about respect, safety, feedbacks for both drivers and riders. They state that, in case of problematic behaviour, the user “*may lose access to Uber*” through “*immediate loss of access to your account*”.
- eBay has a **Member to member contact policy** and a **Discussion board’s usage policy** setting guidelines for communication between the peers. They specify to the user: “*Make sure you follow these guidelines. If you don't, you may be subject to a range of actions, including your messages being blocked, limits of your buying and selling privileges and suspension of your account.*”
- eBay’s T&Cs deny liability for issues resulting from platform use and P2P interactions, but has provisions in case the platform would be “found to be liable”, although the platform does not specify the circumstances in which this may happen.
- Peerby’s Classic T&Cs contain provisions about P2P interactions. They specify the purpose of the platform, and prohibit inappropriate requests. They state that the platform reserves the right “to refuse use of Peerby or any other service to anyone, for any reason.”

**The following good practices are identified:**

- T&Cs on Peerby Classic are an example of concise but complete set of rules.

**The following elements of concern are identified:**

- Most platforms have T&Cs which are long and use technical vocabulary which makes it unlikely that people read and understand them.
- All platforms exclude all liability for P2P transactions, even if they are actively involved in stimulating transactions.
- Platforms which in practice set the key terms of the P2P transaction, i.e. control payments, monitor performance and sanction non-performance, and handle complaints and refunds nonetheless exclude all liability for the P2P transaction – These are Airbnb, BlaBlaCar, eBay (in part), easyCar Club, Nimber, Peerby Go, Uber, and Wimdu (see Table 4)
- Peerby Go does not have any information regarding the platform’s liability.

4.1.5 Data and data protection policy

The level of transparency regarding data use and data protection policy is uneven across platforms. All platforms, except Peerby Go, indicate that they share data with third parties, but only four of them specify that this is conditional on the user’s consent.

Table 14 summarises this information across case study platforms.

**Table 14: Platform data protection and data use policies**

Platform	Platform shares data with third parties	Platform provides data use policy
Airbnb	X	
BlaBlaCar	X	X
easyCar Club	X	
eBay	X	X
Nimber	X	
Peerby Classic	X	
Peerby Go		
Uber Pop/Pool	X	X
Wallapop	X	
Wimdu	X	
Yoopies	X	X



All platforms have policies dedicated to data protection (referred to as “privacy policy”), except Peerby Go. These privacy policies also contain elements on data collection and data use by the platform.

The same observations made regarding clarity and length of T&Cs also apply to the platforms’ privacy policies: the length of the document and the technical nature of the vocabulary employed impair transparency about key issues.

**Most platforms do not have a clear data use policy regarding transfers to third parties.** All of them indicate they share data with third parties, but only BlaBlaCar, eBay, Uber and Yoopies mention that they only do so with user consent. Only BlaBlaCar mentions explicitly not to sell data to third parties.

#### **The following good practices are identified:**

- BlaBlaCar, Uber, eBay and Yoopies do not share or sell data with third parties without user consent.
- BlaBlaCar explicitly excludes selling data to third parties

#### **The following elements of concern are identified:**

- Airbnb, easyCar Club, Nimber, Wallapop, Wimdu do not exclude sharing or selling profile or behaviour data to third parties without user consent.
- Peerby Go does not give any information about its data protection and/or privacy policy.

## 4.2 Trust building and verification of information

All platforms analysed in Task 4 manage peer reviews or rating systems, except Peerby. Some also have more complex reputation schemes to distinguish more reliable providers. At the same time platform practices regarding peer information and identity checks are highly divergent across the case studies. Only Uber and easyCar Club consistently pre-screen official peer provider identity documents and data.

### 4.2.1 Pre-screening and identity verification

Airbnb, eBay, Nimber, Peerby Classic, BlaBlaCar, Yoopies, Wallapop explicitly deny responsibility for the accuracy of identity information of peers in their T&Cs.

Two sharing/hiring ride platforms (Uber and easyCar Club) carry out a pre-screening of peer provider identity during the registration process, by verifying the authenticity of identity and car registration documents and by checking criminal records. Wimdu checks out peer providers through phone calls and occasional visits.

However, most platforms do not systematically verify identity, but they only perform user information checks. The main user information checks performed by platforms on peers are:

- Sending a verification email (usually during the registration process): the platform sends an email to the email address provided by the user and asks to complete registration by following link included in the email. All platforms under Task 4 use this mechanism.
- Registering with the platform through social media or services offered by Google, or Facebook. All platforms offer this possibility, except eBay.

Table 15 provides a summary of 10 platform practices in terms of identity verification.

**Table 15: Pre-screening of peers and identity verification**

Platform	Sector	Pre-screening		User information checks (through email or social media)	Notes
		Verification of identity documents	Criminal record check		
<b>Airbnb</b>	Sharing/Renting Accommodation	Optional		X	<ul style="list-style-type: none"> <li>• Verification of email and of mobile number (optional) and possibility to connect to social media profile</li> <li>• Peers can submit a copy of the identity document such as passport, it can also be requested by peer providers</li> <li>• Optional "Verified ID" badge for peers that submit a certain amount of information</li> </ul>
<b>BlaBlaCar</b>	Sharing/Hiring Ride	Optional		X	<ul style="list-style-type: none"> <li>• Verification of email and mobile number (optional) and possibility to connect to social media profile</li> <li>• Optional verification of identity document/driving license in France and the UK only</li> </ul>
<b>easyCar Club</b>	Sharing/Renting Goods	X	X	X	<ul style="list-style-type: none"> <li>• Verification of email and possibility to connect to social media profile</li> <li>• Verification of identity document and criminal record checks</li> <li>• Verification of car registration and driving license and proof of residence by cross-checking with insurance databases, MOT, government open data, and electoral roll.</li> <li>• Video calls to verify the peer identity</li> </ul>
<b>eBay</b>	(Re)Sale Goods			X	<ul style="list-style-type: none"> <li>• Verification of email</li> </ul>
<b>Nimber</b>	Odd Jobs			X	<ul style="list-style-type: none"> <li>• Verification of email and mobile number and possibility to connect social media profile</li> </ul>
<b>Peerby</b>	Sharing/Renting Goods			X	<ul style="list-style-type: none"> <li>• Verification of email and possibility to connect to social media profile</li> </ul>
<b>Uber Pop/Pool</b>	Sharing/Hiring Ride	X	X	X	<ul style="list-style-type: none"> <li>• Procedure varies between countries.</li> <li>• Verification of peer provider identity document and criminal record checks</li> <li>• Verification of email and possibility to connect to social media profile</li> <li>• Phone number and payment method needed during the registration process</li> </ul>
<b>Wallapop</b>	(Re)Sale Goods			X	<ul style="list-style-type: none"> <li>• Verification of email and possibility to connect social media profile</li> </ul>
<b>Wimdu</b>	Sharing/Renting Accommodation			X	<ul style="list-style-type: none"> <li>• Verification of email and possibility to connect to social media profile</li> <li>• Peer provider receives a personal phone call when adding a listing</li> <li>• Wimdu employees occasionally visit properties in person</li> </ul>
<b>Yoopies</b>	Odd Jobs	Optional	Optional	X	<ul style="list-style-type: none"> <li>• Verification of email and possibility to connect to social media profile</li> <li>• Optional verification of identity document, criminal record and qualifications by platform to obtain the "verified" badge</li> </ul>



eBay, Nimber, Peerby, Wallapop only run user information checks. These platforms check peers' email existence; Nimber, Peerby, Wallapop also allow peers to connect their social media account to their platform profile.

BlaBlaCar, Nimber, Airbnb and Uber **verify user information through their mobile numbers**. This verification is mandatory on Nimber and Uber. Users provide the platforms with their mobile phone numbers, and then receive an SMS with a code that can be validated on the website.

Airbnb performs optional **photo matching of identity documents** on a voluntary basis. Peers can submit images of their passport, driver's license, national ID, or visa, which will then be compared with the profile picture, the pictures of the connected social network account and a live photo taken during the process. Submission of identity documents can be required by the peer provider as a precondition for acceptance of peer consumers.

BlaBlaCar and easyCar Club **verify the authenticity of identity documents**.

- BlaBlaCar verifies on a voluntary basis the authenticity of passport or driving licence in the United Kingdom and France only. Peers can take a photo of the documents using the app's camera function or by uploading a good resolution photo. This information then is verified by cross-checking with external databases.
- easyCar Club verifies the authenticity of identity document, driving license, proof of residence, car ownership and registration against insurance databases, MOT, government open data, and electoral roll. Moreover, the platform conducts **internet-based video calls** with peers and compares the peer's likeness with a photo of the official identity document provided at the time of registration.

Uber conducts **background checks of peer providers** before registering them as driver-partners. This background check generally includes driving licence and verification of the identity document, but this practice varies between countries depending on local regulations.

On Wimdu, peer providers receive a **personal phone call** every time they add a listing. Wimdu employees occasionally **visit properties in person**. These visits are part of the Wimdu Triple Quality Check of properties: peer reviews, initial on-site visits and then follow-up checks.

On Yoopies, peer providers can send a **copy of their ID and/or qualifications** to have them verified. This step is voluntary, but if peer providers' national ID/qualifications have not been verified by Yoopies, this will show in their profile. Peer providers can request that the platform **check their criminal records**. The platform charges EUR 4 to conduct a background check on a peer provider (they might conduct free-of-charge background checks for peer providers that have very tailored profiles and/or have received many positive reviews from peer consumers).

In the sharing/hiring Ride sector, systematic pre-screening is more likely (easyCar Club, Uber). In (re)sale and sharing/renting goods sectors, verification of information is limited to basic user information checks. Sharing/renting accommodation and odd job sectors present a more mixed picture with some platforms offering non-mandatory verification of ID documents (Airbnb, Yoopies).

The lack of adequate identity verification raises concerns given that often people meet face-to-face to complete a transaction, geolocation data are exchanged among platform users and the other peer may not be identifiable in case something goes wrong with the transaction.



**The following good practices are identified:**

- Systematic pre-screening and identity verification on easyCar Club and Uber of peer providers.
- easyCar Club also systematically verifies the identity of peer consumers.

**The following elements of concern are identified:**

- On eBay, Nimber, Peerby Go and Wallapop official identity documents are not requested nor verified and the platforms explicitly decline any liability related to peers who submit inaccurate or incorrect documents or information about their identity (except Peerby Go which remains silent on this aspect).
- Most platforms, including those offering identity verification on a voluntary basis (Airbnb, BlaBlaCar), allow peers to engage in transactions without verifying their identity.
- 

#### 4.2.2 Peer review, rating and other reputation systems

**All platforms, except Peerby provide a rating system.** Eight out of ten platforms (except Peerby and Uber) enable peers to write reviews for other peers. Several platforms have reputation systems awarding special status to peer providers or peer consumers. **Table 16** summarises the peer reviews and reputation systems available on the platforms analysed.

**Table 16: Peer review and reputation systems**

Platform	Sector	Reputation system		Peer review system	Monitoring of reviews		Notes
		Peer profile badge	Peer feedback - rating system		Before publication	After publication	
<b>Airbnb</b>	Sharing/Renting Accommodation	X	X	X		X	It is not clear if there is a monitoring system in place or the platform relies on peers to signal inappropriate reviews.
<b>BlaBlaCar</b>	Sharing/Hiring Ride	X	X	X	X		BlaBlaCar monitors feedback before they are released on the platform, as specified in the FAQ.
<b>easyCar Club</b>	Sharing/Renting Goods		X	X	X		The platform monitors all reviews before publication. On EasyCar club negative feedback is required before a complaint can be made.
<b>eBay</b>	(Re)Sale Goods	X	X	X		X	It is not clear if there is a monitoring system in place or the platform relies on peers to signal inappropriate reviews.
<b>Nimber</b>	Odd Jobs		X	X			Does not specify if reviews are monitored.
<b>Peerby</b>	Sharing/Renting Goods						n/a
<b>Uber Poop/Pool</b>	Sharing/Hiring Ride		X			X	Peer providers can be deactivated if their rating falls below the minimum rating, which varies for each city <sup>63</sup>
<b>Wallapop</b>	(Re)Sale Goods		X	X		X	Wallapop has a moderation team which monitors peer user activities including peer reviews.
<b>Wimdu</b>	Sharing/Renting Accommodation		X	X		X	It is no clear if there is a formal monitoring system in place of the platform replies on peers to signal inappropriate reviews.
<b>Yoopies</b>	Odd Jobs		X	X		X	Reviews are monitored after publication through keyword search.

<sup>63</sup> Uber specified that deactivation applies in the EU but there is no publicly available information on rules governing deactivation of users.

All the platforms that allow peers to leave reviews to other peers (except for Nimber that does not specify), **reserve the right to delete reviews** if they do not respect certain standards (i.e. use of violent/vulgar language).

Two out of eight platforms (BlaBlaCar, easyCar Club) **monitor all reviews** before publication. Yoopies and Wallapop monitor and control user reviews through a keyword search after reviews are published, while the other platforms (AirBnb, eBay, Wimdu) appear to rely on peers to signal unfair, incorrect or fraudulent reviews.

Rating systems can be very simple or more sophisticated. Most platforms (eight out of nine) use a simple star-rating system from one to five stars. Wimdu uses rating grades from 1 to 10. Uber, eBay, Airbnb and Nimber allow to rate several aspects of a transaction (i.e. cleanliness, communication, location, driving, etc.). eBay has the most detailed rating system that consists of a broad Feedback Score and four Detailed Seller Rating areas: Item as described, Communication, Dispatch time, Postage and packaging charges.

None of the platforms provide any information about the **reliability of user reviews or ratings**. Task 2 survey results show that the use of peer review and rating systems is not systematic for a majority of peer consumers and peer providers. Furthermore, three quarters of peer consumers have at least some reservations about the reliability of user reviews and do not think they necessarily provide complete safety and protection.

On AirBnb reviews are used to promote or relegate certain good/bad listings in the search results. Other platforms do not inform users if and/or how positive or negative reviews influence the search results.

On Uber, peer providers can be deactivated if their rating falls below the minimum rating, which varies for each city. . Thus, Uber uses the rating system not only to signal quality to peer consumers, but also to intervene in case of poorly performing peer providers. Uber alerts peer providers if their rating is approaching the lower limit, and gives them information about quality improvement courses. Peer providers are deactivated after multiple notifications.

Three platforms award **reputation badges** rewarding peers for their positive performance or activity on the platform. These are:

- BlaBlaCar’s “experience levels” assess the frequency and the quality of the platform’s use by the peer.
- Airbnb has a badge that distinguishes “Super Hosts” for the quality of the services they provide on the platform.
- eBay gives badges for peer providers offering “Top-rated” or “Premium Service”

To sum up, both case study platforms in the Sharing/Renting accommodation sector have developed peer review and reputation systems, that include profile badge, feedback, rating and peer review systems. In the Sharing/Hiring Ride and (Re)Sale Goods sectors the picture is mixed, with some platforms (BlaBlaCar, easyCar Club, eBay) having more sophisticated review and reputation systems than others (Uber, Wallapop). Both odd jobs platforms (Yoopies, Nimber) offer rating and review systems, while Peerby is the only platform that does not have any kind of review or reputation system.

#### **The following good practices are identified:**

- easyCar Club and BlaBlaCar monitor all reviews before publication.
- Wallapop and Yoopies monitor reviews after publications through keyword search.
- Reputation badges help peer consumers distinguish more reliable peer providers

#### The following good practices are identified:

- on Airbnb, BlaBlaCar and eBay
- BlaBlaCar also has reputation badges for peer consumers to encourage peer providers to accept bookings.
- On Uber, peer providers can be deactivated if their rating falls below the minimum rating, which varies for each city
- A “two-way review system” is used by Airbnb, BlaBlaCar and Wallapop. Feedback remains undisclosed until both peers have reviewed each other, or until 14 days have passed<sup>64</sup>. On Wallapop no specific timeframe is set.
- On BlaBlaCar the peer consumer’s review about the driver’s ability is anonymous, to encourage honesty and reduce fear of retaliation<sup>65</sup>.
- Wimdu calls every peer provider who adds a listing and Wimdu employees occasionally visit properties in person

#### The following elements of concern are identified:

- None of the platforms provide any information about the representativeness and reliability of user reviews or reputation systems.
- Most platforms do not inform users if and/or how positive or negative reviews influence the search results.
- On Peerby Classic or Peerby Go peers cannot review or rate peers<sup>66</sup>.
- Nimber does not specify if peer reviews are monitored.
- Wimdu, AirBnb, and eBay appear to rely on notifications from peers for monitoring reviews after publication.

### 4.3 Access to complaints, redress and insurance

All case study platforms offer peers various channels for complaints, and some are active in offering mediation and redress in case of complaints.

Several platforms include some form of insurance against damages in their service fee, notably for peer providers, or offer insurance as an optional add-on service.

#### 4.3.1 Access to complaints and redress

Table 17 shows a summary of complaints channels and redress policies available on the 10 case study platforms.

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<sup>64</sup> BlaBlaCar case study reports, section 2.4.1.

<sup>65</sup> BlaBlaCar case study report, section 2.4.1.

<sup>66</sup> The platform intends roll out a peer review system on the Peerby Go service in the foreseeable future

**Table 17 : Access to complaints channels and informal redress by the platform**

Platform	Complaints				Redress			Monetary penalties	Mediates disputes between peers
	FAQ	Email	Chat	Phone	Return policy	Refund policy	Cancellation policy		
<b>Airbnb</b>	X	X	X	X		X	X		X
<b>BlaBlaCar</b>	X	X	X			X	X		
<b>easyCar Club</b>	X	X	X	X		X	X	X	X
<b>eBay</b>	X	X	X	X	X	X	X		X
<b>Nimber</b>	X	X	X						
<b>Peerby/Peerby Go</b>	X	X		X			X		
<b>Uber Pop/Pool</b>	X	X				X	X	X	
<b>Wallapop</b>	X	X							
<b>Wimdu</b>	X	X	X	X		X	X		
<b>Yoopies</b>	X	X					X		

The findings from the case studies show that all ten platforms offer some form of channel for **complaints, mainly via online means**, ranging from a general email address (Nimber) to electronic complaint forms and instant online messaging systems. Five out of ten platforms can be reached by phone.

All platforms provide peers with a **FAQ** section where advice is given about what to do to solve problems. However, guidance in the FAQ on what to do in case something goes wrong with the delivery of the product or performance of the service is available only on five platforms (easyCar Club, Airbnb, eBay, BlaBlaCar and Wimdu).

On all platforms, peers can reach a **Customer service** via a dedicated email address. eBay, Airbnb, Nimber, Wimdu, BlaBlaCar and easyCar Club also provide an instant messaging system. On eBay, Airbnb, easyCar Club and Wimdu – peers can complain by email, phone number, or an instant messaging system.

Several case study platforms also manage **“redress policies”** and actively intervene to remedy problems with the transaction. They generally set out rules regarding cancellation and rules about returns and refunds by the platform or the other peer.

- On eBay, peers can access the “Resolution Centre” in case something goes wrong. In the **“Resolution Centre”**<sup>67</sup> peers can open “cases” or complaints when they face the three types of issues listed below:
  - The peer consumer has not received an item or the item does not match the description;
  - The peer provider has not received payment yet; or
  - Both peers agree to cancel a transaction.

In such cases, eBay acts as an intermediary between peers to help them find a solution. If problems cannot be solved between the peers, eBay monitors the dispute by reviewing the communications between the peers and any information provided by the users (e.g. photos of the item).

<sup>67</sup> See: <http://resolutioncentre.eBay.co.uk/>, accessed on 09/02/2017.

- AirBnB's Resolution Centre mediates disputes between peers regarding security deposits, guest refund policies, host insurance policies or cancellation policies. Peers can submit a complaint or "resolution request" up to 60 days after the booking's checkout date, to the platform's Resolution Centre. In case the peers fail to reach an agreement within 72 hours, the platform can take a final decision.
- Wimdu's redress and cancellation system is clearly explained and the platform shows the exact amount of the refund peer consumers are entitled to in case they cancel the transaction at the moment the booking is made. The algorithm calculating the cancellation fee for peer consumers is not publicly available.
- On easyCar Club, peers must first leave a negative feedback before they can make a complaint. This ensures that negative experiences are shared for the benefit of all peers.

Most platforms issue refunds **at their own discretion** and do not explain to peers how this is decided. Only three platforms set clear rules for refunds:

- Airbnb and Wimdu have refund policies that may entitle peer consumers to refunds in case they do not have access to the property, if the property booked is not as described or – in the case of Airbnb - not clean or safe.
- eBay has clear rules on refunds, replacements and exchanges for sales by private peer providers if the item has been paid with PayPal, debit or credit card.
- eBay offers peer consumers a money back guarantee in case items sold by private peer providers are not received or not as described in the listing if the item was paid with PayPal, debit or credit card.

Uber does not set specific conditions for refunds and the T&Cs specify that all refunds are done at the platform's discretion. Claims of damages or cleaning cost requests from drivers are verified by Uber, and if validated, taken from the peer consumers account.

Cancellation policies and fees are set in function of the time period before the agreed delivery of the good or service:

- Airbnb and Wimdu impose rules on peer providers for cancellations of bookings by peer consumers. These rules determine the right to a full or partial refund of the rental price, and the "cancellation fees" due to the platform, equivalent to the transaction fee. Peer providers can choose between a longer, medium length or shorter period before the date of the booking for giving full or partial refunds.
- Airbnb and Wimdu set rules for cancellations by peer providers. Peer consumers are fully reimbursed, or have the possibility to book alternative accommodation.
- On easyCar Club both peers can withdraw without penalties up to 72 hours before the start of the rental period. In case of peer provider withdrawal, peer consumers are fully reimbursed. If a peer consumer or provider cancels the booking less than 72 hours before the rental period, the platform charges them a cancellation fee that varies depending on the timing of the cancellation.
- Uber gives peers the right of cancellation within 5 minutes after the driver has accepted the ride (if the provider cancels), or 5 minutes after the request has been sent by the peer consumer (if the peer consumer cancels). After this timeframe, the platform charges a cancellation fee – the amount is not specified.
- On BlaBlaCar, when a peer consumer cancels a ride, the platform charges a cancellation fee. For cancellations done more than 24h before departure the cancellation fee is equivalent to the transaction fee paid at the time of booking. For cancellations made less than 24h before departure, the platform refunds 50% of the price of the ride minus the transaction fee. The platform does not issue a refund if the cancellation occurs after departure or if the peer consumer does not show up. When a peer provider cancels a ride, the peer consumer is reimbursed fully, including the transaction fee.

**The following good practices are identified:**



**The following good practices are identified:**

- On eBay and Airbnb complaints are handled through a “Resolution Centre” and the platform mediates disputes between peers
- Wimdu’s redress and cancellation system is clearly explained and the platform shows the exact amount of the refund peer consumers are entitled.
- easyCar Club mediates disputes and peers must leave a negative feedback before they can complain.
- easyCar Club has clear rules on compensating peer providers for delays or damages to cars
- eBay guarantees a refund in transactions with private peer providers in case a peer consumer has not received an item or the item does not match the description

**The following elements of concern are identified:**

- None of the platforms sets out clearly **the responsibility they assume for handling complaints** in case something goes wrong.
- Yoopies, Wallapop, Nimber and Peerby do not give any information about how complaints or refunds are managed.
- In case of the most common problems with the transaction (poor quality of the good or service, or not as described) **refunds are issued at the discretion of the platforms.**

4.3.2 Access to Insurance

Most of the platforms analysed (except Yoopies, Wallapop and Peerby) include insurance for damages covering peer providers in the transaction fee. Table 18 shows a summary of insurance covers available on 10 case study platforms.

**Table 18: Availability of insurance across 10 platforms**

Platform	Insurance		Notes
	Included in transaction	Add-on service	
Airbnb	X		<ul style="list-style-type: none"> <li>• Insurance only covers peer providers</li> <li>• Host Guarantee: coverage against damages by guests</li> <li>• Host Protection Insurance: coverage against claims by guests or third parties for injuries or damage.</li> <li>• Available only in FR, DE, IE, IT, NL, PT, ES and the UK.</li> </ul>
BlaBlaCar (transaction model)	X		<ul style="list-style-type: none"> <li>• Insurance covers both peer providers and peer consumers</li> <li>• Breakdown cover &amp; onward travel</li> <li>• Personal accident cover</li> <li>• Legal protection</li> </ul>
eBay			n/a
easyCar Club	X		<ul style="list-style-type: none"> <li>• Admiral motor insurance covers the peer provider’s car for the time of the rental against: loss, damage, fire, theft, third party liability and breakdown</li> </ul>
Nimber	X		<ul style="list-style-type: none"> <li>• The platform states to cover the parcel from damages, but no detailed information is provided.</li> </ul>
Peerby Classic	n/a	n/a	n/a
Peerby Go	X		<ul style="list-style-type: none"> <li>• Insurance or "Warranty" included in the transaction fee covers the repair or replacement of the good rented item in case of damages.</li> </ul>
Uber Pop/Pool	X(UberPop)		<ul style="list-style-type: none"> <li>• Liability insurance for UberPop peer providers covering property damage and bodily injury to peer consumers and third parties</li> </ul>
Wallapop	n/a	n/a	n/a
Wimdu	X	X	<ul style="list-style-type: none"> <li>• Insurance coverage for peer providers against damage caused by</li> </ul>

Platform	Insurance		Notes
	Included in transaction	Add-on service	
			peer consumers • Add-on optional travel insurance for peer consumers in Germany and Spain against payment <sup>68</sup>
Yoopies	n/a	n/a	n/a

**The scope of insurance coverage varies by sector and between platforms.**

- Sharing/Renting Accommodation platforms include insurance covering peer providers’ houses against damage caused by peer consumers. Airbnb also includes third-party liability insurance against claims by guests or third parties for injuries or damage. Wimdu offers an optional general travel insurance that can be bought as an add-on service.
- Sharing/Hiring Ride platforms have motor insurances that focus on covering damages to the vehicle and third party liabilities caused by the driver, that can be both the peer consumer (easyCar Club) or the peer provider (BlaBlaCar, Uber) depending on the platform. easyCar Club also offer breakdown coverage.
- BlaBlaCar offers breakdown coverage and onward travel insurance to both peer consumer and peer provider to cover the costs of completing the journey in case of a car breakdown. BlaBlaCar clearly explains variations in coverage varies by country. In all countries, it includes breakdown cover and onward travel insurance, and in others also personal accident, legal protection, returns shipment of lost objects, and potential other drivers of the vehicle.
- In the re(sale) sector eBay and Wallapop do not offer any insurance.
- In the odd jobs sector, Nimber transaction fee includes insurance of the value of the parcel, but very few further details are available to either peer providers or peer consumers. The platform only indicates that it manages all claims directly and a maximum amount of coverage without any other details. Yoopies does not offer any insurance to either peer provider or peer consumer.
- On Peerby Go insurance is included in the transaction fee and covers the value of the item.

**The following good practices are identified:**

- BlaBlaCar offers extensive insurance protecting both peer provider and peer consumers.

**The following elements of concern are identified:**

- There is a lack of detail on the insurance cover included in the price on Airbnb, Uber, easyCar Club, and Wimdu. There is no information regarding the scope of the cover and how validity of claims is assessed.
- The general lack of information and detail on the included insurance cover on Nimber.

68 No further information is provided on the website and no interview could be conducted with the platform.

#### 4.4 Cross border issues

Apart from easyCar Club, all the platforms considered under Task 4 operate in more than one Member State, and many are accessible from all EU countries - but they do not all have dedicated national language **websites or apps in each country** as shown in Table 19.

**Table 19: Geographical coverage of 10 case study platforms**

Country	Airbnb	BlaBlaCar	easyCar Club	eBay	Nimber	Peerby	Peerby Go	Uber Pool	Uber pop	Wallapop	Wimdu	Yoopies
Austria	X			X							X	X
Belgium	X	X		X		X			suspended <sup>69</sup>		X	X
Bulgaria	X								suspended <sup>70</sup>			
Croatia	X	X										
Cyprus	X											
Czech Republic	X	X							✓		X	
Denmark	X								✓		X	
Estonia	X								✓			
Finland	X								✓		X	
France	X	X		X		X		X	suspended <sup>71</sup>	X	X	X
Germany	X	X		X		X			suspended <sup>72</sup>		X	X
Greece	X										X	
Hungary	X	X									X	
Ireland	X			X							X	
Italy	X	X		X					suspended <sup>73</sup>	X	X	X
Latvia	X											
Lithuania	X											
Luxembourg	X	X										
Malta	X											
Netherlands	X	X		X		X	X		suspended <sup>74</sup>		X	X
Norway	X				X				X		X	
Poland	X	X		X					X		X	
Portugal	X	X							suspended <sup>75</sup>		X	X
Romania	X	X							✓ <sup>76</sup>			
Slovakia	X	X							✓ <sup>77</sup>			
Slovenia	X											
Spain	X	X		X		X			suspended <sup>78</sup>	X	X	X
Sweden	X			X					suspended <sup>79</sup>		X	
United Kingdom	X	X	X	X	X	X		X		X	X	X

Data on the volume of cross-border transactions was not available or not made available by platforms. Only Uber gave data indicating the very limited importance of cross border

69 <http://www.reuters.com/article/us-uber-tech-belgium-idUSKCN0S71VQ20151013>

70 <http://www.novinite.com/articles/171161/Uber+Stops+Offering+Services+in+Bulgaria,+Says+It's+Temporary>

71 <https://www.euractiv.com/section/transport/news/french-court-confirms-banning-of-uber/>

72 <http://money.cnn.com/2015/03/18/news/uber-ban-germany/>

73 <http://www.reuters.com/article/us-italy-uber-idUSKBN0OB1FQ20150526>

74 <http://www.dutchnews.nl/news/archives/2015/11/uber-drops-uberpop-taxi-service-in-the-netherlands/>

75 <http://www.wsj.com/articles/uber-ordered-to-cease-portugal-operations-1430326963>

76 Branded as UberX.

77 Branded as UberX.

78 <http://www.bbc.co.uk/news/business-30395093>

79 <http://www.reuters.com/article/us-sweden-uber-tech-idUSKCN0Y20WN>

rides through the platform. In 2016, less than 100 rides per month took place on cross border routes, mainly between Malmo-Copenhagen and Vienna-Bratislava.<sup>80</sup>

Platforms operating in sharing/renting accommodation such as Airbnb and Wimdu are likely to have high levels of cross border transactions, but no data are available or were made available by the platforms to quantify the frequency or volume of such transactions.

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<sup>80</sup> Written feedback received on 30/08/2016. No differentiation between Uber brands was given.

## 5 Overall assessment from the cross-analysis

This chapter summarises the main good practices as well as the elements of concern on the 10 platforms analysed under Task 4, focusing on clarity and transparency of information provided to peers, trust building tools and verification of information as well as access to complaints redress and insurance.

### 5.1 Good practices

#### 5.1.1 Clarity and transparency of information on P2P platforms

**Information about the legal status of peer providers** is clear on eBay, Wimdu and Yoopies, even though none of the case study platforms assume responsibility for the accuracy of the information provided by the peer provider. These platforms set clear criteria to distinguish private from commercial peer providers. The criteria used to distinguish professional or commercial peer providers are:

- if they make a profit from sales on the platform (eBay);
- if the provider confirms to regularly rent their property to earn a regular income, or has received at least 10 bookings with Wimdu during the last 12 months, or has at least 2 offers online on Wimdu, or has a valid VAT number (Wimdu);
- if they have "auto-entrepreneur" status in France (Yoopies).

eBay and Yoopies also clearly indicate the peer provider's status on the listing page: on eBay a box 'Seller information' shows if the seller is registered as a business, on Yoopies a logo indicates 'autoentrepreneur' status in the peer profile.

BlaBlaCar is clear about the **non-profit nature of the P2P transactions** it facilitates. Its Terms and Conditions state that peer providers cannot make a profit from their BlaBlaCar rides, and prices and numbers of seats per car are capped to prevent for profit activity. EasyCar also excludes commercial activity and pre-screens peer providers' documents to check that only private cars are offered for rent.

BlaBlaCar (in France and UK), easyCar Club, Uber and Yoopies **verify the authenticity of the information provided by peer providers against official (identity) documents**.

Uber and Yoopies give **detailed and tailored information about income taxes**. Uber sends tailored information to peer providers by email and has partnerships with local tax advice experts. Yoopies sends monthly earning and expenditure summaries and assists peers with filling in tax returns.<sup>81</sup> It also runs face-to-face informative sessions about the auto-entrepreneur status in France and encourages peer providers to apply for this status. Uber cooperates with tax authorities in Estonia to help ensure income tax compliance by peer providers.

Information on tourist tax rules is clear on Airbnb in cities where the platform has a partnership with local authorities for tax collection.

Good practice in terms of price transparency, is found on BlaBlaCar which **shows the total price, including transaction fees, directly in the search results**, but only in France; Uber gives a price estimate and Yoopies a budget simulation before concluding a transaction.

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<sup>81</sup> Uber offers similar services in the U.S.

Peerby Classic's **Terms and Conditions are clear and concise** which facilitates reading and understanding.

BlaBlaCar, Uber, eBay and Yoopies have detailed data protection and sharing provisions, and they specify that **data is not shared with third parties without user consent**. However, only BlaBlaCar **excludes explicitly sale of data to third parties**.

### 5.1.2 Verification of information and trust building

Uber and easyCar Club are the only platforms to systematically **verify the identity of peer providers**. easyCar Club also systematically verifies the identity of peer consumers, through a video call and checking of official documents.

To verify information given by peer providers, Wimdu calls every peer provider who adds a listing and Wimdu employees occasionally visit properties in person.

BlaBlaCar, Airbnb and Wallapop have adopted a **"two-way review system"**. This system is meant to incentivise honest feedback and to avoid the fear of "revenge ratings".

Only BlaBlaCar and easyCar Club **monitor all reviews** before publication to spot inappropriate, unfair, incorrect or fraudulent reviews.

On easyCar Club, peers must first leave a negative review before they get access to the complaint process. This ensures that negative experiences are shared to the benefit of all peers.

Wallapop and Yoopies monitor reviews after publications through keyword search.

Reputation badges help peer consumers distinguish more reliable peer providers on Airbnb, BlaBlacar and eBay.

On Uber, peer providers can be deactivated if their rating falls the minimum rating, which varies for each city.

### 5.1.3 Access to complaints, redress and insurance

On eBay and Airbnb peers can access a "Resolution Centre" and the platform **mediates disputes between peers**.

Wimdu's redress and cancellation system is clearly explained, and gives the exact amount of the refund that peer consumers are entitled to in case they cancel the transaction at the moment the booking is made.

easyCar Club mediates disputes and has clear rules on compensating peer providers for delays or damages to cars, which furthers peers' incentive to respect the P2P agreement. To file a complaint, peers must first post a negative review, which improves transparency.

eBay **guarantees peer consumers a refund** of transactions with private peer providers in case the item is not received or is not as described in the listing, and the purchase has been made with PayPal, credit card or debit card.

In countries where the transaction fee model is in place, BlaBlaCar offers a very inclusive **insurance that protects both peer providers and peer consumers**. The coverage is well explained and includes at least breakdown cover and onward travel insurance.

## 5.2 Elements of concern

### 5.2.1 Clarity and transparency of information on P2P platforms

None of the case study platforms assume **responsibility for the accuracy of information provided by peers**, including information on their identity or legal status.

Furthermore, in addition to concerns regarding the accuracy of the information provided, **there is a lack of transparency about the legal status of peer providers** on the following platforms:

- Airbnb does not differentiate between legal status whereas the potential value and frequency of transactions attracts professional providers.
- Uber drivers can be private individuals or licensed professional depending on local regulations, and this is not explained to users.
- Provisions on Nimber are ambiguous, as the platform does not prevent commercial activity, but does not allow commercial providers to use their business name.
- Wallapop, Peerby Go do not give any information, which may become an issue as the platforms develop.

The practice of larger platforms such as Airbnb enabling peer providers to conclude transactions without distinction of their legal status is a major obstacle to transparency about rights and responsibilities for consumers. Missing or unclear information about the legal status of the peer provider can also mislead peer consumers about the nature of the experience. For example, on Airbnb renting an entire apartment from a business or absent owner is a different experience as sharing a room in home with a local resident.

Several platforms have no or only very generic **information about income tax obligations**, even though they allow peers to make profits. This is notably a concern on larger platforms which offer the potential of earning high revenues, such as Airbnb, eBay and Wimdu.

**Prices displayed in search results do not include platform transaction fees**, and the total price of the transaction is not shown to peer consumers until the booking is made – with the sole exception of BlaBlaCar in France.

None of the platforms publish the **algorithms they use to calculate the prices they set or recommend**. This leaves peers in a situation where a key term of the transaction, the price, is set by the platform, without enabling them to understand or influence the mechanism behind it.

**Terms and Conditions** of most platforms are long and use technical vocabulary that makes it unlikely that peers read and understand them. The Terms and Conditions of all platforms **exclude liability for the transaction between the peers**. irrespective of the extent to which they govern the terms of that transaction by setting explicit T&Cs for P2P transaction, imposing rules on cancellations, setting prices, managing payments, intervening in case of problems, or providing insurance as part of their transaction fee.

Several platforms (Airbnb, Wimdu, Wallapop, easyCar Club, Peerby and Nimber) are unclear about their **sharing, selling or reselling of user data to third parties**. This means that most platforms do not exclude sharing or selling peer consumers' profile and behavioural data without user consent. Peerby Go does not have any information on its data protection and privacy policy on the website.

### 5.2.2 Trust building and verification of information

Apart from easyCar Club and Uber, all other platforms do not have **systematic pre-screening and verification of peer provider identity**. On Nimber, Peerby and Wallapop an official identity document is not requested nor verified. Most platforms, including those offering identity verification on a voluntary basis (Airbnb, BlaBlaCar), allow peers to engage in transactions without verifying their identity. They give access to the platform on the basis of provision of basic personal data such as name and date of birth, and rely on "self-verification" through confirmation of email or phone number, and links to Facebook, google and similar accounts to confirm or check the information provided by users.

The lack of verification of identity and identity documents raises concerns particularly where users need to meet face-to-face and where the platform exchanges geolocation data among its users, or in case of a problem with the transaction.

Currently there is **no review or reputation mechanism on Peerby (Classic or Go)**. The lack of a peer review mechanism does not allow peer consumers to signal poor quality of service received by a peer provider.

None of the platforms provide any **information about the representativeness and reliability of user reviews or reputation systems**, and several are unclear about how these systems are monitored, or rely on peers to signal fraudulent reviews. Nimber does not specify if the reviews are monitored. Wimdu, AirBnb and eBay monitor reviews after publications but it remains unclear if the platforms intervene without notifications from peers.

Most platforms do not inform users if and/or **how positive or negative reviews influence the search results** or to what extent and how ratings/reviews influence the ranking of offers.

### 5.2.3 Access to complaints, redress and insurance

In case something goes wrong, none of the platforms sets out clearly **the responsibility they assume for handling complaints**. Yoopies, Wallapop, Nimber and Peerby do not offer any information related to the right to reimbursements/refunds and on how complaints are managed.

A general element of concern is that in case of the most common problems with the transaction (poor quality of the good or service, or not as described) **refunds are issued at the discretion of the platforms**. Only eBay guarantees refund in case the peer consumer has not received an item or the item does not match the description.

The **information on the insurance cover included in the price** on Airbnb, Uber, BlaBlaCar, Peerby Go, easyCar Club, eBay and Wimdu is not detailed enough regarding the scope of the cover and how validity of claims is assessed. In particular, the lack of detail on the included insurance cover on Nimber is a serious concern.



## 6 Conclusions

Despite differences in the size and sector of activity, several common features can be identified among the 10 case study platforms.

The main issues concerning the relationship between platforms and their users relate to the **lack of transparency in online P2P platforms about rights and responsibilities**, and in the case of more mature platforms, the **mismatch between platform T&C's regarding liability for the P2P transaction and their control over the terms of that transaction**.

The analysis of the ten case study platforms shows that:

### **1. Platform business models and monetisation strategies evolve as they grow and enlarge their user base.**

The case studies did not include platforms that operate exclusively under the first type of business model is based on hosting peer supply and demand. This is because the first type of business model does not raise consumer issues to the same extent as platforms with at least some control over the P2P transaction.

All the case study platforms provide services that go beyond the mere matching of peer consumers with peer providers. Most platforms combine elements of the second (active management) and third (platform governed transactions) business models.

As platforms grow and enlarge their user base, they start offering a wider range of services, have access to more data and get more involved in regulating peer behaviour and interactions.

For example, Peerby Classic started off as a free service in September 2012. To create a solid active, network the platform expanded its service range beyond the mere hosting of listings by actively matching of demand and supply through search functions/filters and instant messaging system, guidance for posting listings, monitoring of user activity and user information checks. Once the service and network was established, the revenue-generating service, Peerby Go, was launched. Peerby Go presents features of the third business model of platform-governed transactions: it imposes rules and fees for cancellation, imposes prices on all items, manages complaints and refunds and provides insurance for both peers as part of the transaction fee.

All case study platforms show features of the second business model to actively facilitate transactions and foster trust. The most frequent platform services in the 2<sup>nd</sup> business model, are:

- matching tools such as search and filter functions and messaging systems;
- guidance for P2P interactions, notably for peer providers regarding pricing and posting listings;
- peer review or rating systems; and
- monitoring user activity.

The most frequent features of the third business model governing peer-to-peer transactions are:

- management of payments and monitoring the success of the transaction before releasing payments;
- setting rules and fees for cancellation;
- insurance as part of the transaction fee; and
- management of complaints and refunds.

Half of the case study platforms are also involved in setting prices (AirBnb, BlaBlaCar, easyCar Club, Peerby Go and Uber) as an optional feature or by setting maximum or minimum prices.

All platform practices and services are summarised in detail in the table below.

**Table 20 : Overview of platform practices and services**

		AirBnb	BlaBlaCar	EasyCar Club	eBay	Nimber	Peerby Go <sup>82</sup>	Uber Pool/Pop	Wallapop	Wimdu	Yoopies
<b>2<sup>nd</sup> business model Active management</b>	Matching tools	X	X	X	X	X	X	X	X	X	X
	Guidance for posting listings	X	X		X		X		X	X	
	User information checks (through email or social media)	X	X	X	X	X	X	X	X	X	X
	Pre-screening through verification of identity documents (*optional)	X*	X*	X				X			X*
	Monitoring of user activity <sup>83</sup>	X	X		X		X	X	X	X	X
	Non-binding pricing guidance	X	X		X	X				X	X
	Guidance for P2P interactions	X	X	X	X	X	X		X	X	X
	Management of peer review and/or reputation system	X	X	X	X	X		X	X	X	X
	Monitoring of peer review and reputation system	X	X	X	X			X	X	X	X
	Add-on services	X			X		X			X	
<b>3<sup>rd</sup> business models Platform governed transactions</b>	Set standardised T&Cs that define interaction between peers	X	X		X			X			
	Impose rules and fees for cancellations	X	X	X	X		X	X		X	X
	Price setting	X	X	X			X	X			
	Management of payments and monitors success of transaction	X	X	X	X	X		X		X	
	Governance of security deposits	X		X						X	
	Management of complaints and refunds	X	X	X	X	X	X	X		X	
	Insurance provided as part of the transaction fee	X	X	X		X	X	X		X	

82 For the purpose of this table, only Peerby Go was considered. Peerby Classic (free of charge) provides a more restricted list of services.

83 AirBnb, eBay, Uber, Yoopies, Wallapop and BlaBlaCar monitor user activity and control over access to platform.

Along with business models, platform monetisation strategies also evolve over time to exploit the business potential of an increased number of peer users. Thus, as platforms mature, **they tend to shift from free services and/or subscription fees to transaction fees.** The case studies show that **for-profit mature platforms charge transaction fees of up to 20-25% of the listing price** ranging from about 10% on easyCar Club and eBay to roughly 20% on Airbnb, Nimmer, BlaBlaCar, Uber and 25% on Peerby Go. In addition, platforms may also charge fees for additional services.

Overall, case study platforms development strategies are characterised by the following features:

- Set-up cost are relatively low and they mainly include software development, Public Relations (PR) and community trust-building.
- Initially, platform services are offered for free or at cost, while the platform invests in building up its user-base as a critical mass of users is required to benefit from network effects.
- As the user base grows beyond the initial community of high-trust individuals, more trust building services are developed and the platform gets more involved in 'policing' peer behaviour and interactions to remedy problems with transactions and combat fraudulent behaviour.
- Transaction fees are charged for use of platform services, and additional revenue streams are developed (fees for add-on services, cancellations etc.)

Most case study platforms do not yet appear to generate profits, but reinvest any earnings in market expansion. Once the platforms grow and enlarge their user base, consolidate their market share and benefit from network effects, the high level of automation of services and low marginal cost of additional transactions to the platform hold the promise of significant profits.

## **2. There is a discrepancy between platform practices and their terms and conditions regarding liability or responsibility for the P2P transaction.**

Most case study platforms <sup>84</sup>implicitly assume a degree of responsibility for the quality and performance of the P2P transaction by setting at least part of the contractual terms of the P2P transaction. This may create the impression among users that the platform shares a certain degree of responsibility in case of non-performance or non-compliance of the performance. For instance, such impressions can be created by:

- holding payments until performance/ compliance of the service is confirmed or withholding payment in case of non-performance or non-compliance by peers.
- imposing rules and fees for cancellations by peer consumers or peer provider.
- intervening to solve problems between peers through management of complaints, mediation of disputes and award of refunds.
- intervening to enhance safety and security by verification of peer identities, or creating the impression that identities are verified.
- (optional) automatic price-setting based on algorithms using internal/external demand/supply data.

At the same time, the **terms and conditions of these platforms systematically exclude any liability of the platform in relation to the contracts concluded**

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<sup>84</sup> except Wallapop and Yoopies

**between the peers**, and explicitly state that the platform is not a party to such contracts. For instance, all case study platforms exclude liability for:

- the accuracy of information provided by the peer to establish whether they are a commercial or a private provider;
- non-performance, non-compliance of the performance by the peer providers;
- the accuracy of information provided in peer-to-peer reviews.

**The discrepancy between the platforms' level of intervention in setting the terms of the P2P transaction and the liability clauses in its T&Cs risks to confuse or mislead users** with regard to the responsibility of the platform in case of problems with the P2P transaction.

### **3. Information provided to peer consumers lacks clarity and is not transparent enough.**

#### **Pre-transaction services:**

All case study platforms qualify as 'traders' and engage in B2C commercial activities. As such they are subject to the pre-contractual information requirements arising from the professional diligence duty set out by Article 5(2) of the UCPD. These requirements include, for example: a) clarifying to users with whom they are concluding contracts on the platform, b) the role and responsibility of the platform, c) the criteria for ranking offers and d) the verification of users' identity.

With regard to these requirements, the case study research presented in this report has shown the following:

- a. Some platforms do not allow or make it difficult for commercial peer providers to operate alongside private peers (BlaBlaCar and easyCar Club); others allow both types of peers and require peer providers to indicate their legal status (eBay, Wimdu, Yoopies. Other platforms do not distinguish between private and professional providers (Airbnb Peerby, Wallapop, Nimber, Uber Pop/Pool<sup>85</sup>), although it appears feasible to be transparent, make the distinction and establish the peer's identity.
- b. Insofar as the role and responsibility of the platform is explained, this is mainly to *exclude* responsibility; there is no clear information about applicable rights, or who is responsible if something goes wrong, but there are extensive FAQ sections explaining to peers what to do in case of problems, which create the impression the platform does assume responsibility and will provide assistance in case of problems.
- c. The algorithms used to determine the search results are not disclosed by the platforms. There is no information if peers with higher ranking or more positive reviews, listings with an instant booking option or peers who choose to follow automated pricing by the platform feature first or higher in the search results.
- d. Verification of identity documents is not systematically performed on most case study platforms but the impression is often created that this is the case if users add more information about themselves (e.g. "verified" badge on Airbnb). The most common practice is to check user information via sending a verification email, or registering with the platform through social media services. Half of the

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85 Uber peer providers can be either private individuals, or professional drivers with license, depending on countries. However, the platform's T&Cs do not differentiate between the two statuses and designate peer providers indistinctly as "independent transportation providers".

case study platforms explicitly deny responsibility for the accuracy of identity information of peers in their T&Cs (Airbnb, eBay, Nimber, Peerby Classic, BlaBlaCar, Yoopies, Wallapop). Among the case study platforms, only the two platforms in the sharing/hiring ride sector platforms systematically verify official identity documents, and two platforms (BlaBlaCar, and Yoopies) do so on a voluntary basis. The lack of an adequate mechanism to verify identity documents is an issue in case of problems with the transaction and may raise concerns for peer consumers, considering that geolocation data is exchanged among platform users and in some sectors peers meet face-to-face.

- e. While the issues at stake are lower for platforms serving smaller local communities, and/or where the amounts of transactions are low (e.g. Peerby, Wallapop), this lack of clarity and transparency about the status of the peer provider is a source of major concern on larger platforms where peers have opportunities to make significant profit, such as Airbnb.
- f. In the collaborative sector, platforms where transactions are not for-profit (e.g. BlaBlaCar) and smaller platforms (e.g. easyCar Club, Wimdu, Yoopies) tend to have more transparent practices.

#### **Price transparency:**

- a. The search results on many platforms do not give the total price; notably platform fees which range from 10% to 25% are often added only at the booking stage. The only exception to this is the French language version of BlaBlaCar where the price displayed in search results does include the transaction fee.
- b. Platform algorithms are increasingly used to determine prices, especially by large platforms (e.g. Airbnb, Uber), but there is no detailed information on how these prices are calculated. This is problematic in the case of platforms setting prices (BlaBlaCar, Peerby Go, easyCar Club and Uber) as peers have no or little leeway to modify them. This is also true for platforms that use dynamic pricing mechanisms (AirBnb 'smart pricing', Nimber, Uber 'surge pricing', easyCar club 'market option') where prices may change without consumers understanding why this is the case.

#### **Data use and reuse:**

- a. There is a lack of information about data use and reuse, and sale or resale. Platforms gather a large amount of data from their users: not only basic user information, but also data on behaviour, trends or frequency of transactions. There is a growing trend among platforms to use that data for 'dynamic' pricing or to encourage peers to engage in a transaction on the platform. While some of these data can facilitate solving of consumer issues, data use and reuse also raises concerns regarding the privacy of personal data, especially when they are shared and/or sold to third parties for commercial purposes.
- b. No information was obtained through the case studies on the monetisation of user data. Most platforms do not have a clear data use policy regarding transfers to third parties. All of them indicate they share data with third parties, but only BlaBlaCar, eBay, Uber and Yoopies mention that they only do so with user consent. Only BlaBlaCar mentions explicitly that they do not sell data to third parties.

#### **4. It is not clear how effective peer review and reputation systems are:**

- a. Case study platforms rely on fostering trust among peers by managing user reputation systems (all except Peerby) and peer review mechanisms (all except Peerby and Uber). All the platforms that manage review systems<sup>86</sup> reserve the right to delete reviews if they do not respect certain standards. However, only two platforms systematically check reviews before publication (easyCar Club and BlaBlaCar), and two other platforms monitor reviews after publication through key word searches (Wallapop and Yoopies). On the other platforms, it is not clear whether there is any systematic monitoring of reviews or whether platforms rely on peers to signal suspicious content.
- b. None of the platforms give information to users about the representativeness and reliability of user reviews or ratings, although they dispose of the data to establish the percentage of transactions that are reviewed and the frequency of fake or fraudulent reviews.
- c. Airbnb specifies that it will promote or relegate listings based on peer reviews and Uber may deactivate providers with low ratings; other platforms do not provide further information on how positive or negative feedback is used to influence the search results or access to the platform.

#### **5. Complaint handling mechanisms and redress policies are limited:**

- a. All ten case study platforms offer some form of channel for complaints, mainly via online means. All platforms provide peers with a FAQ section where advice is given about what to do to solve problems. However, guidance in the FAQ on what to do in case something goes wrong with the delivery of the product or performance of the service is available only on five platforms (easyCar Club, Airbnb, eBay, BlaBlaCar and Wimdu). Only four platforms allow peers to get in touch by phone (AirBnb, eBay, easyCar Club and Wimdu).
- b. All case study platforms except Wallapop and Yoopies have “redress policies” where they generally set out rules regarding cancellation, returns and refunds by the platform or the other peer. However, refunds by the platform are issued at the platform’s discretion.

#### **6. There are several good practices and elements of concern:**

- a. **Good practices can notably be identified in the Sharing/hiring ride sector as well as on Odd jobs platforms.** Examples of good practices in these sectors include:
  - Clear indication on the listing or the peer profile whether the (peer) provider is a private individual or a business (e.g. Yoopies);
  - Display of prices including transaction fees or clearly display prices in the area (e.g. BlaBlaCar France and Yoopies);
  - Pre-screen of peer information, either systematically (e.g. easyCar Club and Uber) or on a voluntary basis (e.g. Yoopies);
  - Developed set of trust-building tools, i.e. badge systems and two-ways ratings (e.g. BlaBlaCar), deactivation of peer providers in case of bad ratings (e.g. Uber).
  - Clear rules for cancellation (e.g. easyCar Club, BlaBlaCar, Uber) and insurance (e.g. BlaBlaCar).

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<sup>86</sup> except for Nimer which does not specify if it does so or not

- b. **Larger and older (Re)Sale goods platforms (i.e. eBay) have also developed some good practices**, in response to changes in their activities and business models over time:

eBay tends to provide more detailed information (e.g. identification of business providers), a wide range of trust-building tools (e.g. review and reputation system), as well as access to complaints, redress and insurance (e.g. clear rules for refunds, insurance as a part of transaction fee). This is reflected in peer consumer knowledge of rights and obligations, which is higher on eBay than the average of all P2P platforms, and the frequency of problems, which is lower on eBay than for the average of all P2P platforms.

- c. **Large collaborative platforms (e.g. Airbnb, Uber) on the other hand raise concerns from a consumer perspective**, despite the trend towards professionalization of the service supply.

Information about the provider's legal status is not provided (Airbnb) or their status may vary depending on local regulations, but this is not explained to peer consumers (Uber). Information on income tax on Airbnb remains very general, although there is a high likelihood that peer providers make a profit. On Airbnb, user identity is not systematically verified, even though peers are likely to meet face-to-face. Like all case study platforms, these larger collaborative platforms also deny liability for the P2P transactions, which does not fit their involvement in setting the P2P transaction terms, such as provisions regulating P2P transactions in terms and conditions, control over payments, refunds and insurance, and involvement in setting prices. They do not set out clear data sharing/selling policies, although their use of data is extensive. Finally, insurance cover, provided as a part of the transaction fee, is not clear and remains at the platform's discretion, with very little information provided in this regard, which brings further uncertainty to peers regarding their rights on the platform.



## 7 Annexes

The 10 case study reports are submitted as separate documents:

Annex 4.1\_Airbnb

Annex 4.2\_BlaBlaCar

Annex 4.3\_EasyCar Club

Annex 4.4\_eBay

Annex 4.5\_Nimber

Annex 4.6\_Peerby

Annex 4.7\_Uber

Annex 4.8\_Wallapop

Annex 4.9\_Wimdu

Annex 4.10\_Yoopies

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