**15th Jean Monnet Seminar**

**"The EU and Trust in the Online Environment"**

**No trust in the collaborative economy? A shift of paradigm for consumers and professionals**

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Collaborative (if one wants to use the terminology officially adopted by European institutions) or sharing (if one wants to use the perhaps more appealing and common expression) economy is a rising phenomenon deeply affecting digital markets. Transactions do not follow anymore the business-to-consumer (B2C) paradigm but are instead facilitated through peer-to-peer (P2P) online platforms, thereby leading to a consumer-to-consumer (C2C) transaction. This pattern disrupts the well-established relations between a consumer and a professional –be him/her a seller, trader or a service provider- considering that common guarantees, upholding the concept of trust, are simply not applicable amongst peers. This, in turn, raises several problems. First and foremost, the legal framework applicable to these transactions is unclear for all the subjects involved therein, thus affecting the very development and the inner potentialities of sharing economy. Secondly, and given the aforementioned uncertainty, it remains to be seen whether European institutions will decide to step in seeking to regulate this sector as some Member States already did.

The recent European Commission’s Communication ‘A European Agenda for the collaborative economy’ seeks to shed light on the most critical aspects of sharing economy, whose trust is an important feature. In particular and on the one hand, the Communication emphasises the importance of online trust mechanisms –such as quality reviews, labeling, etc.- as a way to ensure consumers’ trust; on the other, it relies upon compliance with data protection as an indirect means to increase users’ trust in online operators.

Considering the lack of case law –apart from the perhaps unrelated *Uber* judgment still pending before the Court of Justice of the European Union- and legal literature but taking into account the proliferation of independent studies and soft law acts, this paper will be structured as follows. The first part will briefly describe the mechanisms according to which collaborative economy work, highlighting why the concept of trust is one of its cornerstones. The second will seek to identify in the current legal framework devoted to consumers’ protection a set of basic and horizontal rules applicable in a C2C transaction carried out in a P2P online environment. The third will consider the recent Italian proposed legislation on sharing economy analysing whether it could work as a possible benchmark for an EU regulatory act. Finally, we will argue that, even lacking a legislative framework aimed at ensuring the smooth functioning of collaborative economy, trust among operators, consumers and providers, in a sort of self-regulated market, has proved to be sufficient and efficient: now its harmonious growth is a new challenge, inevitably linked to trust amongst all the involved peers.