

Finance & economics | Robocomplainer

The end of the rip-off economy

From finance and medicine to used cars, artificial intelligence is radically improving market efficiency

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IF YOU KNOW how to use artificial intelligence, it can save you a lot of time and money. Leasing a new car? Be sure to upload a photograph of the contract to ChatGPT first. Need help with a leaky tap? AI often understands the issue—and at a lower cost than a handyman. Parents with a fussy baby can now use chatbots to answer questions in seconds, rather than waiting for a doctor's appointment. Giving Claude a PDF of a wine list is a great way to find the best-value bottles.

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These examples add up to something bigger. As AI goes mainstream, it will remove one of the most enduring distortions in modern capitalism: the information advantages that sellers, service providers and intermediaries enjoy over consumers. When everyone has a genius in their pocket, they will be less vulnerable to mis-selling—benefiting them and improving overall economic efficiency. The “rip-off economy”, in which firms profit from opacity, confusion or inertia, is meeting its match.

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you even more. Companies are working on “generative engine optimisation”, which could result in chatbots putting out information favourable to their product or service. In time, many markets may require AI arbitrators, where both parties agree to abide by the ruling of an impartial third-party bot. What seems clear is that the days of the know-nothing consumer are well and truly over. ■