

Study on the "Standard Terms Trap" in Shared Power Bank Credit Contracts

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Abstract

With the in-depth integration of the sharing economy and the personal credit reporting system, the credit-based deposit-free model for shared power banks has gradually become popular, emerging as a new and convenient option for users. However, during the promotion of credit contracts, two types of standard terms-"automatic renewal" and "overdue fines"-have sparked numerous disputes. Some enterprises, leveraging their dominant market position, hide unfair contents in the terms, which not only harm the legitimate rights and interests of users but also disrupt the order of the credit consumption market. Based on credit reporting theory and analysis of existing literature, this paper explores the problems in the credit contracts of shared power banks from the perspective of standard terms, focusing on analyzing the surface phenomena and underlying roots of the "automatic renewal" and "overdue fines" clauses, and proposes reasonable governance paths on this basis. This paper will help standardize the credit contracts in the shared power bank industry and provide reference value for protecting users' credit rights and interests and guiding the benign and mutually promoting development of the credit reporting system and the sharing economy.

Keywords

Shared Power Bank; Credit Contract; Trap in Standard Terms; Automatic Renewal; Overdue Penalty.

1. Introduction

As an emerging form of the sharing economy, shared power banks have quickly integrated into people's daily lives due to their convenience and flexibility. With the gradual improvement of the personal credit reporting system, the credit-based deposit-free model has become the mainstream in this industry. Users can use power bank services through credit authorization without paying a deposit. However, the credit contracts relied on in this process often hide standard terms unilaterally formulated by enterprises, among which the "automatic renewal" and "overdue penalty" clauses are the main points where users' rights and interests are damaged. On the surface, these clauses are intended to protect the rights and interests of enterprises and regulate user behavior, but in fact, they have problems such as vague expressions and hidden clause contents, posing potential risks to the use by ordinary users.

After studying relevant literature, the author found that the academic community has conducted certain discussions on the relationship between the sharing economy and the credit system. For example, L. He et al. (2019) ^[1] analyzed the promoting role of the credit system in the development of the sharing economy; Q. Zhao (2024) ^[2] paid attention to the "wallet assassin" phenomenon in the shared power bank industry, pointing out that some enterprises use standard terms to increase users' burdens in a disguised form; J.F. Wang (2018) ^[3] discussed the theoretical value of credit contracts in serving the real economy from the

perspective of financial paradigms; L.J. Gao et al. (2020) [4] analyzed the problem of credit deficiency and its prevention countermeasures from the enterprise perspective; X.H. Peng et al. (2025) [5] focused on the review work of standard terms. These studies have provided an important basis for understanding the relationship between the credit system and standard terms. However, existing studies are mostly concentrated in fields such as shared electric vehicles and shared bicycles, with relatively less attention paid to shared power banks; moreover, the conclusions of existing studies are mostly focused on the issue of deposits, and there is a lack of specialized research on terms such as "automatic renewal" and "overdue fines" in credit contracts.

Based on this, this paper attempts to further focus on the traps in the standard terms of shared power bank credit contracts on the basis of existing research, especially the practical harm of the two types of clauses, "automatic renewal" and "overdue fines", to contemporary society. By analyzing their manifestations, internal and external causes, and combining with credit investigation theory, it puts forward targeted governance suggestions to provide feasible solutions for regulating industry practices and protecting users' rights and interests.

2. Manifestations and Hazards of the Standard Terms Traps in Shared Power Banks

2.1. Core Manifestations of Standard Terms Traps

2.1.1. Trap Design in Automatic Renewal Clauses

Automatic renewal is a common operational method for enterprises to enhance user stickiness. However, in practical application, the clause designs of some shared power bank enterprises hide multiple traps, which seriously infringe on users' rights and interests. These traps are mostly realized through information concealment and process restrictions. Most enterprises hide the agreements related to automatic renewal in the thousands-word "User Rental Agreement". Not only are the clauses placed at the back, but the font size is also smaller than size 4 without any bold or red highlighting. In urgent rental scenarios such as shopping malls and high-speed rail stations, users often directly check "agree" to get the equipment quickly, making it difficult to find such hidden clauses. However, when users find that they have been automatically renewed, it often takes a lot of time and energy to cancel the service, as the regular cancellation process requires multiple steps. To prevent users from canceling, some small and medium-sized brands even hide the cancellation entrance in the customer service consultation page or secondary menu, resulting in users being unable to complete the operation despite repeated searches, which is a disguised form of forcing users to continue paying.

2.1.2. Trap Design of Overdue Penalty Clauses

The core of the trap in late penalty clauses lies in imposing excessive liability on users and breaching the boundaries of fair and reasonable rights and interests. The penalty standards set by enterprises are far higher than the actual equipment wear and tear as well as normal rental costs; some enterprises even stipulate that in case of overdue return, users must not only pay the late penalty but also cover the full additional cost of the equipment. What is more frustrating is that the clauses fail to clearly define core calculation elements such as the starting point of the overdue period and the maximum penalty limit, which is prone to triggering consumer disputes. Most unreasonably, enterprises directly link short-term overdue behavior to credit reporting without setting a reasonable grace period or proactive reminder mechanism. As a result, users may face the risk of adverse credit records due to minor breaches caused by negligence or unforeseen circumstances, which seriously violates the principle of contractual fairness.

2.2. Multiple Harms Caused by Traps in Standard Terms

2.2.1. Infringing Upon Users' Legitimate Rights and Interests

For users, trap clauses in standard contracts directly lead to property losses. The automatic renewal trap causes users to be continuously charged without their knowledge, while the overdue penalty trap forces users to pay high fees for minor breaches of contract. What's more serious is that unreasonable clauses linking to credit reporting expose users to credit risks - some users, having forgotten to return power banks and without receiving any reminders, have their information reported to credit bureaus, which not only affects their subsequent loan and credit card applications but also has long-term negative impacts on their personal credit records.

2.2.2. Undermining the Trust Foundation of the Sharing Economy

For the shared power bank industry, trap clauses in standard contracts can trigger vicious competition. Some small and medium-sized brands make profits by setting traps such as automatic renewal and high overdue fines, while brands that focus on compliant operations will fall into the dilemma of "bad money driving out good money". At the same time, the frequent occurrence of consumer disputes will reduce users' trust in the shared power bank industry. Some users, fearing falling into traps, would rather carry their own power banks than rent shared devices. This not only affects the sustainable development of the industry but also hinders the overall advancement of the sharing economy.

2.2.3. Undermining the Credibility of the Credit Reporting System

For the personal credit reporting system, when some enterprises use credit reporting as a "punishment tool" and abuse their authority to report to credit bureaus, it will cause users to misunderstand the credit reporting system, thinking that "credit reporting is a means for enterprises to make profits", thereby reducing their recognition of the credit reporting system. Reporting minor defaults to credit bureaus violates the basic principle of "prudent punishment" of the credit reporting system, and will lead to the recording of credit information, affecting the normal application of the credit reporting system in financial services, social governance and other fields.

3. Analysis of the Causes of the Standard Terms Traps in Shared Power Banks

3.1. Internal Causes: Corporate Profit Motives and Information Asymmetry

3.1.1. Short-term Profit under the Guidance of Enterprise Profit Orientations

The profit model of the shared power bank industry is relatively simplistic, with equipment rental fees as the core source of revenue. However, as market competition intensifies, relying solely on rental income makes it difficult to sustain high profits. Against this backdrop, automatic renewal and late fees have become crucial profit supplements for enterprises, characterized by low costs and high returns. For enterprises, automatic renewal requires no additional investment in marketing resources-once users activate it, a stable stream of passive income is generated. Furthermore, the pricing of late fees is far higher than the actual depreciation cost of the equipment, enabling enterprises to bear almost no risk of equipment wear and tear while gaining excess returns through users' minor breaches of contract.

3.1.2. Information Asymmetry between Enterprises and Users

There is a significant capability gap between enterprises and users in the formulation and understanding of standard terms. Companies promoting shared power banks generally have professional legal teams, and their terms are designed to be both professional and obscure. They use a large number of legal professional terms in the agreements and reduce readability

by adjusting font sizes, hiding the location of clauses, etc. However, ordinary users lack corresponding legal knowledge and awareness of contract review. Their core need when renting a power bank is to quickly obtain the device, making it difficult for them to take the time to read the electronic agreement word by word. This ultimately leads to potential risks for users due to insufficient understanding, putting them in a passive position.

3.2. External Causes: User Behavior Inertia and Concerns about Rights Protection

3.2.1. Users' Inertia of Ignoring Terms in Emergency Scenarios

The core usage scenarios of shared power banks often occur when users are in urgent situations where their phone batteries are critically low—this could be when their phone shuts down midway through shopping in a mall, when they need to contact someone while waiting at a high-speed rail station, or when they are worried about losing contact with the outside world during an outdoor trip. In such cases, the user's primary goal is to quickly get a charging device to avoid the inconvenience caused by a dead phone, leaving them with no inclination to carefully read the electronic agreements that pop up on the app page. This behavior of prioritizing usage over terms is essentially a matter of prioritizing decisions in emergency situations. Users always think that renting once for a short period won't cause any problems, but they fail to realize the potential risks hidden in the terms, such as automatic renewals and high penalties. This also gives enterprises an opportunity to set traps.

3.2.2. The Phenomenon of User Silence Caused by High Rights Protection Costs

Faced with losses caused by traps in standard form clauses, most users ultimately choose to remain silent due to the high cost of safeguarding their rights, which indirectly condones enterprises' irregular behaviors. In terms of the losses themselves, the automatic renewal deductions for shared power banks and short-term overdue fines are mostly small amounts of money. The single loss for an individual user is usually just a few dozen yuan, and people subjectively feel that it is not worth spending a lot of time and energy to safeguard their rights for such a small sum. However, in terms of the rights protection process, users have to collect a bunch of evidence such as rental records, screen captures of clauses, and deduction vouchers by themselves. The relevant procedures are cumbersome and time-consuming, and the time and energy spent are far more than the money lost. This characteristic of small but frequent losses, in sharp contrast to the current situation of high-cost rights protection, makes many users choose to swallow their anger. Enterprises, having accurately grasped this psychology, dare to continue to seek benefits through unreasonable clauses, forming a vicious cycle of low violation costs and high returns.

4. Governance Strategies for the Traps in the Standard Terms of Shared Power Banks

4.1. Mandatory Video Explanations to Ensure Users are Fully Informed

In the user's operation process of renting a shared power bank, add a special video explanation session for standard terms, and set up a mandatory mechanism that requires users to watch the entire video before they can continue renting, so as to ensure that users take the initiative to understand the core terms in the process. The video should be 1 to 2 minutes long, use plain and straightforward language, and focus on explaining key information such as the way to activate automatic renewal, the cancellation path and renewal standards, the calculation method of penalties after overdue, the provisions on the grace period, as well as the specific conditions and actual impact of being linked to credit reporting.

Meanwhile, it can be paired with simple animated demonstrations: dynamic arrows are used to mark the specific operation steps for canceling the subscription, and intuitive comparison

charts are employed to show the monetary difference between regular rental fees and late penalties, enabling users of different age groups and digital literacy levels to easily understand the information. The video supports pause and playback functions, allowing users to stop at any time to sort out their doubts. After watching the video, users are required to complete three simple multiple-choice questions, which are designed around the core content explained in the video. Only those who answer all questions correctly can proceed to the next rental step. This mechanism fundamentally prevents users from renting blindly without fully understanding the terms, ensuring that the rental behavior is an independent choice made by users based on comprehensive understanding.

4.2. Popularizing Knowledge through Multiple Channels to Strengthen Users' Risk Cognition

In view of the information acquisition habits of different groups of people, a diversified system for popularizing knowledge of standard terms should be established to guide users to take the initiative to learn relevant knowledge and prevent consumption traps in advance. For office workers, graphic manuals can be pushed through internal corporate training and workplace public accounts, with content focusing on anti-pit skills that can be mastered in fragmented time, such as methods to quickly identify clause traps and tips to simplify the cancellation process of automatic renewal. For community residents, public lectures can be held in conjunction with community service centers, inviting legal workers to explain the rights protection process for shared power bank clause disputes based on real consumer dispute cases, and demonstrating on-site how to view and retain screen captures of key clauses as evidence for rights protection. For student groups, activities themed on consumer rights protection can be carried out in colleges and universities, and through interactive games, scenario simulations and other forms, students can master clause identification methods in the process of participation.

In addition, through new media channels such as short video platforms, release real actual measurement content and interesting popular science videos. For example, compare the difficulty of canceling renewal fees for shared power banks of different brands, analyze the actual impact of clauses linked to credit reporting, and use youthful expressions to attract users to take the initiative to pay attention and learn. Relevant departments can also integrate resources to create a unified guide on avoiding pitfalls in shared consumption terms, post QR codes in places with a high concentration of shared power banks such as shopping malls and high-speed railway stations. Users can obtain popular science content in various forms such as graphics and videos by scanning the codes, realizing the organic integration of usage scenarios and learning scenarios.

4.3. Standardize the Use of Credit Reporting to Protect Users' Credit Rights and Interests

Regarding the issues where enterprises abuse credit reporting-related clauses and users passively accept unreasonable fines for fear of damaging their credit, we should further clarify the rules for the use of credit reporting in the shared power bank industry based on existing credit reporting management regulations. Relevant departments should stipulate strict conditions for credit reporting submission, requiring enterprises not to directly include minor overdue payments in credit records, to set reasonable grace periods, and to remind users multiple times via text messages, APP notifications, etc., before submission to ensure that users are aware of the consequences of overdue payments and the remedies available. A convenient and efficient mechanism for handling credit reporting disputes should be established. If users believe there are errors in their credit information or it has been reported in violation of regulations, they can raise objections to credit reporting agencies or regulatory authorities through multiple online and offline channels. Relevant departments must complete the

verification within the specified time, promptly correct or delete information confirmed to have been reported in violation of regulations, and shall not charge users any fees for handling objections.

At the same time, implement policies related to credit repair. For users who have non-malicious overdue payments and have fully settled their debts, eligible overdue records may not be displayed in accordance with regulations, providing users with an opportunity to rebuild their credit. Strengthen supervision over the use of corporate credit reporting. Enterprises that report to credit bureaus without the user's consent, fail to fulfill the obligation of notification, or coerce users into paying fees by falsely reporting to credit bureaus shall be severely punished in accordance with the law. This will effectively dispel users' concerns about credit reporting issues and prevent them from passively accepting unreasonable fines for fear of credit damage.

5. Conclusion

This study focuses on the issue of trap clauses in standard contracts for shared power bank credit agreements, with automatic renewal and overdue penalty clauses, which are two types of controversial clauses, as the main objects of analysis. It systematically examines their manifestations and actual harms, explores the causes of the problems in depth, and proposes corresponding governance approaches. The study finds that automatic renewal clauses often constitute consumer traps by hiding key information and setting up complex cancellation procedures. Overdue penalty clauses generally have problems such as excessive charges, ambiguous wording, and association with personal credit reports. Such clauses not only cause users to face property losses and credit risks but also erode the foundation of industry trust and affect the credibility of the credit reporting system.

Behind this phenomenon lies the core business motivation of enterprises to pursue short-term profits and seek low-cost, high-yield returns through standard form clauses. Equipped with professional teams, enterprises design complex clauses, resulting in a significant information asymmetry between themselves and consumers. Additionally, users typically rent power banks in urgent situations where their phone batteries are nearly dead, making it difficult for them to carefully read lengthy agreements. After disputes arise, most users choose to abandon their right to claim due to the small amount of money involved and the high cost of safeguarding their rights, which further encourages enterprises' irregular practices.

The author believes that addressing the pitfalls in the standard terms of shared power banks requires the collaborative efforts of users, enterprises, and institutions. In summary, it is necessary to enhance users' risk awareness through strengthened notifications and education, standardize the use of credit reporting to protect users' rights and interests, and promote enterprises to shift towards long-term compliant operations. Only on this basis can we effectively safeguard consumers' rights and interests, promote positive interaction between the industry and the credit reporting system, and lay a sustainable foundation of trust for the sharing economy.

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