techUK Submission to the All Party Parliamentary Group on Home Electrical Safety Call for Evidence

About techUK

techUK is the industry voice of the UK tech sector, representing more than 950 companies who collectively employ over 800,000 people, about half of all tech jobs in the UK. These companies range from innovative start-ups to leading FTSE 100 companies. The majority of techUK members are small and medium sized businesses.

Introduction and summary

techUK supports a robust and easy to understand product recall system that makes it simple for consumers to register their products and send back recalled items. On wider product safety techUK believes that more can be done to improve product safety and support a more effective recall system. To do so there are specific challenges we need to address:

- Rising numbers of counterfeit and non-compliant goods entering the UK market.
- Cuts to the Trading Standards funding which is impacting on market surveillance activity and training of officers.
- Communicating recalls and ensuring that consumers act on Recall Notifications for both products they have bought from retailers or second hand via private sales and online marketplaces.
- Fully understanding whether the Data Protection Bill (the UK implementation of the General Data Protection Regulation) may encourage consumers to opt out of data retention, limiting the effectiveness of Product Registration Databases.
- Risks around the future legislative regime for product safety and uncertainty whether the UK will retain the established and well-understood CE marking system.

techUK supports the government’s recent announcement that it is to establish a new Office for Product Safety and Standards (OPSS). However, we need more clarity on its remit, scope and funding to determine its potential effectiveness.

Given the recent assessments of the problems affecting consumer product recall, such as the Lynn Faulds-Wood review and Working Group report, do you agree that insufficient progress has been made, and what steps would provide effective and achievable remedies?

Our response is in two sections: assessing whether sufficient progress has been made on the recommendations and the steps to provide appropriate remedies.

Has sufficient progress been made?

It is techUK’s view that while progress has been made more needs to be achieved.

The recent publication of BEIS response to the Working Group and the rapid development the BSI PAS 7100 code of practice are both welcome developments. We support the approach outlined in the BEIS response to the working group recommendations and we are encouraged by the establishment of the OPSS to provide the national co-ordination on product safety and recalls. However, we need to better understand its scope, remit and funding to determine its efficacy.
techUK was a member of the BSIPAS 7100 Steering Group. The Code of Practice is expected to be published imminently. It was developed to a very tight timescale, which while reflecting a sense of urgency also drew criticism that the process was hurried and did not allow for sufficient consultation.

However, further progress can be made.

We are concerned about **the severe reductions in Trading Standards capacity and funding.** They have had to scale down their operations to focus on only the most high-risk imports. Furthermore, the benefits of cooperation between Market Surveillance Authorities across Europe are no longer guaranteed after March 2019. These conditions risk seeing more substandard and non-compliant products being placed on the market. Capacity building for this important compliance and safety function should be prioritised by BEIS.

More also needs to be done to **address the communications failures we see in the market.** Not enough consumers register their products and not enough are acting on recall notices. This is an intolerable situation that must be urgently addressed.

**What steps would provide effective and achievable remedies?**

techUK supports innovative solutions that encourages consumers to register their products. techUK believes better communication on registration of products at the point of sale is the most effective way to increase the number of product registrations. By asking or requiring customers to register an appliance or device when they are already inputting details online or at a till seems the logical time to get that information.

There is space also for some innovative thinking to encourage consumers to register their products. The recently announced BEIS commissioned research to explore whether purchase data can be obtained from banking and insurance companies is an original and innovative idea. This could stimulate the behaviour change needed if, for example, premiums are lower for registered products. Equally, QR codes and other new imaginative methods that minimise the effort required to register an appliance or device may also support increased registrations.

A risk to this approach however is new rights under the General Data Protection Regulation that allow consumers to request that businesses delete the information held on them. This could make it difficult to locate and proactively contact consumers with products under a recall notice. We need to ensure that consumers are confident that their data will not be used for other purposes and held in accordance with data protection laws.

But we need to also consider how to encourage consumers to act on recall notices. An easy to navigate single portal for both product registration and recalls and believes consumer trust could also be beneficial, provided that it can effectively match serial numbers to registrations. But this alone is unlikely to be enough to drive consumers to act on recall notices. We would strongly advocate a specific research programme to explore how we can drive behaviour change here.
Besides product recall, what do you consider to be the most significant risks to consumers posed by domestic electrical products, and how could these most effectively be mitigated?

**Counterfeit, unsafe and non-compliant goods**

Research carried out by Electrical Safety First and others has suggested growing volumes of unsafe and non-compliant goods are entering the market. These range from accessories (like chargers, docks or batteries), components used for repair or whole goods that are often low-quality, low price and potentially dangerous.

These goods often do not conform with product safety legislation. At best these goods fail quicker (and leave the buyer out of pocket), at worst they present serious safety risks to the user.

The rising number of these goods is often linked to distance selling. Whilst distance selling has been overwhelmingly positive for the UK digital economy, there is a specific challenge to ensure goods sold through online marketplaces comply with UK regulation.

We believe this, along with an assessment of the efficacy of market surveillance authorities and Border Force to carry out operations following reduced cooperation with other European MSAs, should be priorities for the new Office for Product Safety and Standards.

**Unauthorised repair operations**

Environmental considerations are stimulating a debate around the circular economy – which seeks to keep products and materials in use for longer through upgrades, repairs and stimulating markets for second life products. However, as well as voiding warranties and potentially damaging the device, there are safety risks presented by the growth in local kiosk based or DIY repairs of complex electrical items.

The most effective remedial action is the promotion of authorised repairs carried out by the manufacturer or an authorised and accredited repair centre. Devices have become increasingly complex and repairs should be carried out by experienced and skilled engineers using authorised spare parts. Consumers must be warned of the risks associated with DIY repairs.

**Reduced market surveillance capacity**

The primary body for market surveillance has been Trading Standards, which have 250 statutory duties, an expanding number of goods to keep track of, and a more complex retail environment to monitor as UK consumers increasingly buy from international online sellers, which ship from outside of the UK. Yet there have been significant cuts in recent years risking the efficacy of any regulatory framework on product safety. We need to rebuild capacity within Trading Standards as a priority to ensure consumers are not exposed to unsafe, non-compliant or counterfeit goods, especially when Brexit is likely to mean more goods will need to be checked if the UK is outside the Customs Union and we’ll no longer benefit from cooperation with other EU market surveillance authorities.

After Britain leaves the EU, what challenges and opportunities do you envisage for providing a product safety system that will protect consumers. What needs to be protected in terms of electrical safety and what must the UK Government need to improve in terms of legislation after the UK leaves the EU?

This question is answered in three sections; the importance of CE marking, the role of the Customs Union, importance of co-ordination and legislation needing to keep pace.
CE marking keeps consumers safer

As the UK prepares to leave the EU, techUK believes it is vital to stay within the CE marking regime. CE marking is well understood by market surveillance authorities, manufacturers, consumers and retailers alike and ensures goods comply with the relevant safety legislation. CE marking plays a key role in facilitating legitimate trade, helps to ensure goods are affordable and improves confidence in the safety of items.

Following our 2017 paper on the need to retain role of CE marking after Brexit, techUK believes there are no benefits in moving away from CE marking. While there are a few legal issues to overcome these are not insurmountable, as evidenced by the number of Non-EU and EEA countries (like Jordan) who use and recognize the mark.

Customs Union and intra-EU goods transfers

Most electronics manufacturers operate on a global, or pan-European basis, and often have centralised European warehousing for spare parts, configuration and repairs. Leaving the Customs Union could create barriers to carrying out authorised repairs or create a situation where high quality spare parts will cost more and take longer to get to the UK. This could compromise product safety and may create additional costs that will be passed on to consumers, which in turn may drive people to unauthorised repair agents.

International co-ordination is vital

After the UK leaves the EU, BEIS needs to set out how it will co-operate with the EU and other partners on market surveillance to prevent unsafe goods entering the marketplace. In the past cooperation has allowed scarce resources to be pooled, for example, the EU managed public RAPEX portal for example allows Market Surveillance Authorities to share what has been intercepted or prevented from entering the marketplace and under what legislation.

Legislation needs to keep pace with Europe

techUK believes Brexit must not lead to a lowering of product standards. The EU Withdrawal Bill will transfer EU product law into UK law, which is a sensible step. But providing equal consumer protections to UK consumers as those enjoyed by EU consumers may mean keeping pace with EU product legislation as it evolves.

How effective would a consumer-orientated marking or logo for identifying fridge freezers fitted with a flame retardant back, safety tested to an agreed standard, be in the current UK market? What would need to be considered for any such scheme?

TechUK does not represent all white goods manufacturers, however a sub-set of members do manufacture them and have expressed reservations as to the genuine benefit for consumers of a new marking scheme for fridge freezers identifying flame retardant backs. In introducing a new marking scheme, extensive publicity would have to be undertaken to educate the consumer and industry of the mark, its purpose and value. CE Marking for fridge freezers requires flame retardant backings and standards bodies are the best way to develop safety standards. There have been recent changes to these standards which has resulted in more stringent requirements for the backs of fridge freezers, and industry should allow for more time to let these bed in and measure the impact of new requirements impact before evaluating what further action may be required.