The Scottish Parliament's Economy, Energy and Fair Work Committee's Call for Views on the Consumer Scotland Bill
11 September 2019



### 1. Introduction

- Electrical Safety First is a leading consumer safety charity dedicated to reducing fires, accidents and deaths caused by electricity – which causes almost three quarters of all fires in Scottish homes each year.<sup>1</sup>
- As a consumer-focused charity, we run high profile media campaigns to raise public awareness
  of issues ranging from 'rogue traders' to the dangers of counterfeits, including the online sales
  of fake electrical goods, and faulty white goods. We work in partnership with a variety of
  stakeholders including Trading Standards, the Office for Product Safety and Standards,
  manufacturers and retailers to effect change in consumer behaviour, disseminate industry best
  practise and improve product safety.
- For instance, we worked with Apple to launch a <u>report</u> detailing the results of testing carried out on 50 counterfeit and lookalike UK iPhone chargers. Almost all (49 out of 50) of the chargers tested had the potential to deliver a lethal electric shock and/or cause a fire. The Charity shared the findings in a consumer media campaign which highlighted the serious risks associated with buying fake electrical products, particularly chargers, and called on social media companies and online marketplaces to do more to prevent the sale of fake electrical goods.
- All our work rests on a foundation of technical expertise. For example, we sit on a range of
  national and international standards development committees; and have also been used as
  experts in product liability cases. Most recently, we were called to provide testimony in the UK
  Government's Business, Energy and Industrial Strategy (BEIS) Select Committee investigation
  into Whirlpool's recall of its malfunctioning tumble-dryers.
- Electrical Safety First has extensive experience in developing collaborations to ensure consumer
  protection remains a priority. In line with our remit of advocating for better electrical safety for
  consumers, our input to the Consumer Scotland Bill will focus on protecting people from the
  significant number of domestic fires and accidents caused by electricity.

### 2. Our General Views on the Bill

 We welcome the broad aims of the Consumer Scotland Bill and the Scottish Government's decision to establish the new body, Consumer Scotland. We believe Consumer Scotland has the potential to provide a more consistent and unified approach to supporting consumers, particularly around electrical safety.

- The consumer landscape in Scotland is fragmented, complex and confusing to navigate.
  There are also inconsistent levels of service due to the range of different bodies responsible
  for policy making, regulation, enforcement, advocacy and advice. Consequently, the need
  for effective collaboration to ensure optimum impact, is essential.
- We support the proposal for Consumer Scotland to be an investigatory body as well as a consumer advocate. However, to achieve this, it must be evidence-led and committed to

<sup>&</sup>lt;sup>1</sup> This figure has been derived by Electrical Safety First following an FOI to the Scottish Fire and Rescue Service in March 2019.

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building strong partnerships with consumer groups, regulators and third-sector organisations. It must, in effect, seek collaborative solutions to complicated issues.

- We are pleased that the Bill commits Consumer Scotland to working in partnership with a range of organisations to protect consumers. We hope the body will take advantage of both Electrical Safety First's technical expertise and safety campaigning credentials to enhance the effectiveness of its work.
- We are also pleased that Consumer Scotland will have a duty to consider the interests of vulnerable consumers, such as those who are disabled, older, on low incomes or living in rural areas. This is particularly important, as we know that older or vulnerable people are most at risk of electrical fire, death and injury.
- This can occur because they often live in old or poor quality housing with faulty electrics, own older appliances, or are unable to afford essential electrical repairs. The risk of dying in a fire for older people is over twice as high as the average for all ages.<sup>2</sup> We have undertaken a range of research looking at the electrical safety issues for older people, including our <u>Age Safe Scotland</u> report.
- We have, however, some concerns with Consumer Scotland's 'fit' with those bodies currently
  operating in this field. And the potential for the duplication of work already undertaken by
  other consumer organisations, such as Citizens Advice Scotland, or Trading Standards
  services.
- Consumer Scotland will have the capacity to drive change in devolved areas with statutory
  powers. However, we hope equal consideration will be given to investigating relevant
  reserved matters. These could include the safety of white goods, online sales of counterfeit
  electrical products and failings within the current product recall system.
- Where sufficient evidence has been found of a market failure or consumer risk, Scottish Ministers should be compelled to make representations to the UK Government and request the Competition and Markets Authority to carry out a second stage market investigation.

# 3. Potential Areas of Improvements

#### The information function

- We are encouraged to see that there are provisions in the Bill for Consumer Scotland to provide advice and information to consumers.
- However, we believe Consumer Scotland should have a mandatory function to co-ordinate and disseminate information and advice to consumers on significant consumer safety issues.
   This is key to ensuring a consistent – and effective - message is delivered, from a single, trusted source, in a timely manner.
- This would, for example, be particularly useful in co-ordinating the dissemination of information to consumers around major recalls of electrical products that present a significant risk such as Whirlpool's ongoing recall of its malfunctioning tumble-dryers. Whirlpool has

<sup>&</sup>lt;sup>2</sup> 'Age Safe Scotland' by Electrical Safety First: https://www.electricalsafetyfirst.org.uk/what-we-do/age-safe-scotland/

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estimated that approximately 500,000 potentially faulty, unmodified tumble-dryers are still in UK homes. The recall was required by the UK Government in what has been described as an 'unprecedented' move.

- The average success rate of an electrical product recall in the UK is just 10%-20%. This
  means that there are potentially thousands of recalled electrical items still in Scottish homes.
  As most of these products have been recalled because they could lead to electrical fire, or
  shock, they present a serious risk.
- Product recalls are often complex, and it can be difficult to trace customers owning the
  recalled item. Many will not have provided contact details when purchasing the product, and
  others may have moved or 'passed on' the item to a friend or family member. Electrical Safety
  First's research found that only a third of Scottish consumers currently register their
  appliances. Without contact details for customers, manufacturers have to broadcast details
  of the recall, ideally through a range of traditional and social media channels.
- In our report, <u>Consumer Voices on Product Recall</u>, we outlined a number of simple and effective changes to improve recall rates, which would not only help protect consumers but also support brand value.

### Accountability

- We fully support the requirement for Consumer Scotland to publish an annual forward work programme, setting out its priorities, main activities and investigations.
- In preparing the forward work programme, the Bill states that 'Consumer Scotland must have regard to the views of persons, bodies and organisations having an interest in consumer matters.'
- We believe the Bill could be strengthened to ensure the consumer voice shapes its work.
  This could include a mechanism whereby consumers, and consumer bodies, could petition
  Consumer Scotland on matters requiring potential investigation and enquiry. There could
  also be the case for consulting on proposed activities for the year ahead.

#### **Reports on Investigations**

- We are pleased Consumer Scotland will be required to publish a report after the conclusion of any investigation, including its findings and any recommendations.
- Currently, the Bill states that a copy of each report is sent to Scottish Ministers only. We
  believe that information arising from investigations on consumer protection issues should be
  shared more widely, between relevant organisations. This would ensure that appropriate
  expertise can be obtained and key actions prioritised. Electrical Safety First believes the Bill
  could be significantly strengthened in this way; and that it would also highlight Consumer
  Scotland's commitment to transparency and collaboration.

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### Requirement to provide information to Consumer Scotland

- We strongly support the proposed information-gathering powers of Consumer Scotland.
   These will allow the organisation to request information from any person or business supplying goods or services to consumers.
- Like most other charities and public bodies, we develop campaigns and activities which are
  evidence-led. Some key data for our purposes is publically available. However, it can be
  problematic to obtain specific information from companies who are not for example subject
  to freedom of information laws.
- We would like to see Consumer Scotland use their proposed information-gathering powers
  to acquire information on behalf of other relevant organisations, such as charities, with limited
  resource capabilities. Organisations should be able to submit such a request to Consumer
  Scotland who could then decide whether to take it forward.

### 4. Priority Issues for Consumer Scotland

- As Consumer Scotland will be an investigatory body, as much as an advocacy one, we would like to see it prioritise investigations into key product safety issues - particularly white goods and electrical counterfeits sold via online platforms/marketplaces.
- In Scotland alone, in just one year, there were over four fires a week caused by white goods such as dishwashers and tumble-dryers.<sup>3</sup> Following the UK Government's unprecedented recall of Whirlpool tumble-dryers, consumer and political concerns around the safety of white goods has understandably increased.
- While many of Scotland's issues are shared with the rest of the UK, there are also country-specific issues to consider. Rural poverty, in particular, can result in people looking for the cheapest rather than the safest option. This is not limited to saving on 'big ticket' items but also on life 'necessities' such as phone chargers.
- And Scotland has a higher number of people living in rural areas, which is likely to result in more people in Scotland shopping online – and unintentionally buying substandard and counterfeit electrical goods.
- Our research has indicated a specific issue with online sales of counterfeits and sub-standard electrical items. We found that one in five Scots (1 million people) have purchased a fake electrical product that was advertised as genuine.<sup>4</sup> The particular concern around counterfeit electrical items arises from the fact that they can often be sub-standard and unlike a fake designer dress or handbag can cause fires, maim and kill.

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<sup>&</sup>lt;sup>3</sup> Data provided by Scottish Fire and Rescue Service in August 2019

<sup>4</sup> Survey undertaken from 18 to 21 May 2018 by Censuswide with a sample of 2,000 general consumers. The figures are representative of all Scottish adults.