

Parliamentary Briefing: Westminster Hall Debate – “The importation of faulty electrical goods” – 22 March 2016, 9.30am

1. Key Messages

- **More than £90 million is spent on counterfeit products each year, and in 2013/14 customs officials detained 21,000 consignments of fake goods at UK borders.** In one operation, almost 170,000 dangerous and counterfeit goods were stopped from entering the UK by border staff at Dover Docks, one of the area's biggest-ever hauls.ⁱ
- **There has been a huge increase in the number of counterfeit and sub-standard electrical goods coming into the UK.** These fakes follow the trends in must-have items – the number of fake mobile phones seized has risen by more than 50%, with other top electrical fakes including hair straighteners and games.ⁱⁱ
- Over the last three years there has also been a big increase in the use of social media to advertise and trade in counterfeit goods, with thousands of items being made available on a daily basis. **A quarter of people said that they have seen fake products openly advertised on popular social media sites.**ⁱⁱⁱ
- **Open trading online can cause consumers to believe that products available at knock-down prices are safe to buy.** But fake goods often contain faulty parts that can cause products to overheat and even catch fire. And if you buy a counterfeit product there is no system in place should something go wrong. It can be impossible to return a faulty fake product to the seller.
- **Electrical Safety First research has shown that:**^{iv} 24% of people have knowingly bought a counterfeit product; 21% would consider buying one in order to save money and 16% do not think counterfeit products could put them at risk.
- **With legitimately bought appliances, the average success rate of an electrical product recall in the UK is just 10-20%.** This means there are potentially millions of recalled electrical items still in UK homes.
- **As most of these products have been recalled because they offer a risk of electric shock or electrical fire, they present a serious risk.** We welcomed the Government's review of product safety, which reported in February 2016 – but we believe more needs to be done, particularly with current recalls and safety notices, to protect UK consumers.
- **Electrical Safety First supports the work of Trading Standards throughout the country in ensuring that the public are kept safe from electrical products that are counterfeit or otherwise substandard for the UK market.** Public protection services have a long-established role within the functions of local government and central government must therefore continue to view these services as an essential part of protecting people in the community.
- **We believe that Trading Standards will need to adapt to future challenges: ongoing funding issues, tackling product safety in the digital age, supporting businesses and tackling rogue traders who seek to exploit vulnerable people.**

2. What are the issues with counterfeit electrical goods and substandard products?

- **Brand imitations** – these are counterfeit electrical goods that have stolen the intellectual property of a big electrical branded product, e.g. hair straighteners, juicers, and well-known branded mobile phone chargers. These counterfeit products ‘mimic’ the same product and packaging. These items are made on a much cheaper basis but then are sold as the real branded item, often at a much cheaper price.
- **Substandard products** – these are electrical products that are often imported into the UK that are made very cheaply, often not conforming to British safety standards e.g. hoverboards, unbranded mobile phone chargers. There is a risk that these will increase the chances of domestic fires: numerous reports emerged of hoverboard-related fires over the 2015 Christmas period.^v
- **Online sales / fulfilment houses** – the internet has provided new opportunities for the sale of counterfeit electrical goods. The Government appears to have done no assessment of the numbers of counterfeit electrical goods being sold in the UK, but argues that legislation is robust.^{vi} Since the legislation dates from the early 1990s, a review of the legislation is needed to ensure it is robust enough to prevent the importation and sale of counterfeit and substandard electrical products.
- **The online sellers** – whilst the leading online sales websites provide the customer with the opportunity to ask for a refund if they suspect the product is substandard or counterfeit, it is difficult for consumers to be able to know whether a product is genuine or not when it is being sold online. Sellers can also appear and disappear quite quickly on these sites, and this is why Electrical Safety First has developed guidance for consumers on safe shopping online.^{vii}
- **Trading Standards** – Whilst the Government has funded Trading Standards work in this policy area^{viii}, the internet is a major challenge to preventing unregulated sales of counterfeits and substandard products, especially those imported into the UK. Trading Standards are experiencing increasing cuts to their budgets. The question remains how they will be able to undertake enforcement of products and the prevention work to stop fires and incidents taking place with faulty and illegal products. Counterfeit electrical goods should be seen as a priority given the risk to life.

3. Product Recall

- **More than 4 million household appliances have been recalled by manufacturers in the past four years with faults that include a risk of fire or electric shock, and yet the majority may still be in UK homes.**
- Since the start of 2011, over 200 different electrical products have been recalled, **yet typically only 10% to 20%^{ix} of recalled products are ever returned or repaired.** Underestimating the risks posed by recalled products is a major factor in the low recall success rate.
- Many people surveyed by Electrical Safety First said they associated recalls with ‘annoying faults’^x rather than safety, and **2.6 million UK adults say they have knowingly ignored a recall notice.^{xi} 77% of people would be more likely to respond if they understood the potential dangers.^{xii}**

- **Electrical Safety First is also working with manufacturers to help them engage the public more effectively in recalls.** Our study found that our fears about marketing are a major barrier to registering purchased products – 61%^{xiii} said they would be more likely to register if they were assured their information would not be used for marketing purposes. **Whilst we are urging manufacturers to act on these concerns we are also asking all consumers to register their products and ‘opt out’ of receiving further marketing information if this concerns them.**

4. Trading Standards and Enforcement

- **Central government needs to recognise that local public protection services are an essential part of protecting legitimate business, residents, consumers and communities.** Deregulation of such services and budget cuts risks an increase in the number of faulty, substandard and counterfeit products on sale via the internet to UK consumers.
- **Trading Standards must be supported to adapt to supply chains that are increasingly globalised.** Public protection has been localised over the years, however despite the need for important local intelligence, there is a need for more primary authority leads to tackle internet sales.
- **The Government must work with social media websites that are allowing the sale of counterfeit electrical goods, to understand their responsibilities under UK law on the sale of electrical products.** This would act as self-enforcement, thus removing at least some of the increasing digital challenges that Trading Standards authorities are experiencing.

4. Key asks for Government

- We want to see a review / assessment of the number of counterfeit electrical goods being imported into the UK and a strategy from the UK Government to support Trading Standards to tackle the problem.
- A proper assessment of the number of fulfilment houses and their involvement with the distribution of counterfeit / substandard goods.
- Ensuring that all electrical goods sold to UK consumers, including those sold online, are compliant with British electrical standards such as the Plugs & Sockets Regulations 1994.
- Asking the large online ‘sales auction’ sites to work with sellers and have a ‘charter mark’ for safe electrical goods.
- Ensuring that the Trading Standards Review includes consideration of online shopping and the importation of faulty electricals into the UK and how Trading Standards can enforce against illegal sales of counterfeit and substandard electrical goods.
- Government must ensure the product safety recall system is robust and we support the setting up of the Steering Group by the Department for Business, Innovation and Skills to ensure a way forward to protect consumers.

5. About Electrical Safety First

- Electrical Safety First is a campaigning consumer charity dedicated to preventing deaths, injuries and damage caused by electricity.
- Electricity can and does kill. It causes more than 20,000 house fires in a year – almost half of all accidental house fires. Every year, around 350,000 are seriously injured and 70 and killed in the UK because of an electrical accident in the home.
- Electrical Safety First believes that no one, regardless of age, income or where they live, should be put at risk of electrical faults in the home. To this end we campaign to improve electrical safety in a number of key areas.

ⁱ <http://www.telegraph.co.uk/news/shopping-and-consumer-news/11271871/90-million-of-counterfeit-Christmas-presents-could-put-lives-at-risk.html>

ⁱⁱ <http://www.electricalsafetyfirst.org.uk/news-and-campaigns/campaigns/avoid-a-counterfeit-christmas/>

ⁱⁱⁱ *ibid*

^{iv} *ibid*

^v <http://www.theguardian.com/technology/2015/dec/16/uk-retailers-recall-hoverboards-consumer-protection-act>

^{vi} <http://www.theyworkforyou.com/wrans/?id=2015-07-13.6740.h&s=speaker%3A25308#g6740.q0>

^{vii} <http://www.electricalsafetyfirst.org.uk/mediafile/100129855/Buying-Electrical-Goods-Online-A5-Leaflet-2014.pdf>

^{viii} <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-07-13/6741/>

^{ix} http://www.electricalsafetyfirst.org.uk/news-and-campaigns/press-releases/2014/11/millions-of-recalled-electrical-products-remain-in-uk-homes/#_edn1

^x http://www.electricalsafetyfirst.org.uk/news-and-campaigns/press-releases/2014/11/millions-of-recalled-electrical-products-remain-in-uk-homes/#_edn2

^{xi} http://www.electricalsafetyfirst.org.uk/news-and-campaigns/press-releases/2014/11/millions-of-recalled-electrical-products-remain-in-uk-homes/#_edn3

^{xii} http://www.electricalsafetyfirst.org.uk/news-and-campaigns/press-releases/2014/11/millions-of-recalled-electrical-products-remain-in-uk-homes/#_edn4

^{xiii} http://www.electricalsafetyfirst.org.uk/news-and-campaigns/press-releases/2014/11/millions-of-recalled-electrical-products-remain-in-uk-homes/#_edn6