

Sale of Goods Online (Safety) Bill Briefing

Electrical Safety First is the only UK charity dedicated to reducing deaths, injuries and fires caused by domestic electrical accidents: www.electricalsafetyfirst.org.uk

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Electrical Safety First

Electrical Safety First (ESF) is the UK charity committed to reducing deaths, injuries, and fires caused by electricity in the home.

Overview

ESF has long campaigned for the better regulation of online marketplaces. The lack of a robust regulatory framework continues to place consumers at risk on a daily basis. The Sale of Goods Online (Safety) Bill seeks to remedy this, ensuring that consumers have the same protections regardless of whether they are shopping on online marketplaces, on the high street or their online equivalent. With your help, we can take proactive measures to protect consumers through necessary legislative change by adopting this as your Ballot Bill.

The Government's commitments?

The Government has made a series of commitments to both online safety and product safety, such as:

- Ensuring that only safe products can be placed on the market now and in the futureⁱ.
- Ensuring the product safety framework is fit-for-purposeⁱⁱ.
- Making the UK the “safest place in the world to be online”ⁱⁱⁱ.

However, at present, these commitments are not being realised to the detriment of your constituents. This is evidenced by:

- An investigation by the National Audit Office (NAO) that found that ‘there are gaps in regulators powers to regulate online marketplaces.’
- A House of Commons Public Accounts Committee (PAC) report that found similar results. The report stated that online marketplaces were a “significant source of potential product safety harm”^{iv}. News articles on the PAC report went on to highlight that the current product safety laws won't prevent another Grenfell tragedy^v.

How this Bill fixes the problem?

- The Sale of Goods Online (Safety) Bill seeks to remedy the issues that the NAO and PAC have identified.
- The Bill will provide the Government with powers to enact regulations that protect consumers who shop online.
- This will ensure that consumers have the same protections regardless of whether they are shopping on an online marketplace or on the high street.

What evidence is there that consumers are at risk?

Investigations

- ESF has undertaken several investigations into the safety of electrical products sold on online marketplaces and have repeatedly found unsafe products sold on these platforms.
- One investigation found that 93% of sampled electrical products sold on online marketplaces were unsafe^{vi}.
- ESF has also found white goods, recalled due to safety concerns, being sold on online marketplaces, including Facebook Marketplace and eBay^{vii}.
- ESF's analysis of an OPSS' investigation found that 23% of electrical products sold on online marketplaces were unsafe, with 63% being non-compliant^{viii}.
- Separate analysis of OPSS' Product Safety Reports published in 2021 found that 45% of unsafe products identified within these reports were electric. Of these, the majority (72%) were bought on online marketplaces, demonstrating that product safety issues are most acute on these platforms^{ix}.

Case studies

- The tragic death of Linda Merron caused by an unsafe electrical good bought on eBay demonstrates the very real consequences of vulnerable consumers buying unsafe products from online marketplaces^x.
- In 2020, a fire destroyed the Firth's family home in East London. This was alleged to have been caused by a battery pack bought on an online marketplace^{xi}.
- Then, in 2021, a fire destroyed the King's family home in Darlington. This was alleged to have been caused by a phone charger bought on an online marketplace^{xii}.

Has the cost-of-living crisis impacted consumer safety?

- A recent investigation by Electrical Safety First found that unsafe energy saving devices were being listed on online marketplace, eBay^{xiii}. These products, claiming to save consumers money, were actually placing consumers and their homes at risk of fire.
- In addition, as the cost-of-living crisis worsens, consumers are increasingly likely to purchase second-hand electrical goods from online marketplaces and consumers have no way of knowing if these products are safe. Consumers should not have to choose between safety and saving.

What is the international context?

Within the international context discussed below, the UK risks being left behind. Through failing to ensure that consumers are safe when shopping online, the UK Government will fail to achieve its stated aim of ensuring the UK is the "safest place in the world to be online", particularly when compared to the EU, the US, and Australia.

The European Union

- The EU Digital Services Act will place obligations on online marketplaces, including new obligations related to:
 - Complaints and redress mechanism and out of court dispute settlement;
 - Special obligations for marketplaces, e.g., vetting accreditations of third-party suppliers (“Know Your Business Customer”), compliance by design, random checks.
 - User-facing transparency of online advertising^{xiv}.

The United States

- The US Congress is introducing federal legislation, namely the Consumer INFORM Act, that will require high-volume sellers on online marketplaces to provide identification information. This will ensure that the seller can be identified if a product safety issue were to arise^{xv}.
- Separately, individual states have introduced legislation. For instance, in Arkansas, the ‘Know Your Business Customer’ legislation requires online marketplaces to verify the identity of high volume sellers; display reporting mechanisms; and ensure that products being advertised and sold by third parties are clearly labelled as such^{xvi}.

Australia

- Australia has a voluntary Product Safety Pledge which provides consumers with additional protections including commitments from online marketplaces to remove unsafe products within two business days^{xvii}.
- The Australian Competition and Consumer Commission is currently considering the need for a new regulatory framework to address consumer concerns on online marketplaces^{xviii}.

Who else supports the campaign?

The need for better regulation on online marketplaces is supported by several other organisations, including:

- British Toy and Hobby Association
- Chartered Trading Standards Institute
- National Fire Chiefs Council
- Which?
- Child Accident Prevention Trust
- London Fire Brigade
- Certsure
- BEAMA
- The Anti-Counterfeiting Group
- Association of Manufacturers of Domestic Appliances



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- iv <https://committees.parliament.uk/work/1292/protecting-consumers-from-unsafe-products/publications/>
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- vi <https://www.electricalsafetyfirst.org.uk/media/wwdtjpo/online-marketplaces-the-evidence-and-impact.pdf>
- vii Ibid.
- viii https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/941095/opss-delivery-report-2019-2020-annex-product-safety.pdf
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- xvii <https://www.accc.gov.au/media-release/concerning-issues-for-consumers-and-sellers-on-online-marketplaces>
- xviii Ibid.