

## E-shoppers warned after electrical goods fail safety tests

The Guardian, 27/11/19

## Online sellers 'hotbed' for dangerous items experts warn

An investigation found 'potentially deadly' products like exploding hairdryers sold on the 'Wild West' of Amazon, Wish, and eBay

BBC News, 29/11/21

The Telegraph, 27/11/19

**'Potentially deadly'** electricals available on Amazon and eBay, safety charity investigation finds

Charity issues warning over 'dangerous' energy saving devices for sale online

The Scotsman, 27/04/22

# Online Marketplaces – The Need for Better Regulation

**Briefing for Scottish Parliamentarians** 

## **About Electrical Safety First**

Electrical Safety First (ESF) is the UK charity committed to reducing deaths, injuries, and fires caused by electricity in the home. We do this by campaigning on behalf of consumers to improve safety regulations and by raising awareness of electrical safety risks in the home.

## The Issue

Online marketplaces, such as Amazon Marketplace, eBay and Wish, are not subject to the same regulations as shops on the high street. Specifically, online marketplaces are not recognised as actors in the supply chain – and so, product safety legislation, such as the Consumer Protection Act 1987, does not apply to these platforms<sup>1</sup>. As a result, online marketplaces have no responsibility for ensuring the safety of the products sold by sellers on their platforms.

This has resulted in online marketplaces being a hotbed for unsafe and non-compliant products. Indeed, investigations by Electrical Safety First have consistently found unsafe electrical products being listed on platforms such as *eBay*, *Amazon Marketplace*, and *Facebook Marketplace*. For instance:

- One investigation undertaken by ESF found that 93% of sampled electrical products sold on online marketplaces were non-compliant or unsafe<sup>2</sup>.
- ESF has repeatedly found recalled white goods being sold on online marketplaces, including Facebook Marketplace and eBay<sup>3</sup>. This included tumble dryers and washing machines that have been recalled due to the risk of overheating<sup>4</sup>, and are, therefore, a fire risk.
- ESF identified nearly 60 unsafe and non-compliant e-scooter and e-bike chargers<sup>5</sup>. Given that e-scooters and e-bikes use lithium-ion batteries, which are highly explosive, the use of these chargers presents a significant fire risk to consumers<sup>6</sup>.

One investigation found that 93% of sampled electrical products sold on online marketplaces were noncompliant or unsafe. Nearly 60 unsafe and non-compliant e-scooter and e-bike chargers were found on online marketplaces.

- A recent investigation by ESF also found that unsafe energy-saving devices were being listed on the online marketplace, eBay<sup>7</sup>. These products, claimed to save consumers money, but did not meet safety standards – and, as a result, were placing consumers and their homes at risk.
- Another investigation by ESF found that unsafe chargers and plug adaptors were being sold on social commerce sites, such as Instagram Marketplace and Facebook Marketplace<sup>8</sup>.

The breadth of evidence of unsafe and non-compliant products being sold on online marketplaces demonstrates that this is a systemic issue. These platforms need better regulation - and this is recognised by the UK Government itself.

The Chief Executive of the Office for Product Safety and Standards (OPSS), Graham Russell has himself said: "there is too much evidence of non-compliant products being sold by third-party sellers [on online marketplaces]"<sup>9</sup>. But nothing has been done to address this issue.

## **The Growing Problem**

This is a growing issue for two inter-related reasons:

- Firstly, online marketplaces are becoming increasingly prevalent. This is particularly due to the rise of social commerce, i.e., where social media platforms have begun to operate online marketplaces. This includes Facebook Marketplace, Instagram Marketplace, and, more recently, TikTok Shop. Furthermore, new features such as Checkout in Instagram and Live Shopping that aims to encourage consumers to use social commerce sites.
  - Separately, consumers are increasingly reliant on online shopping, given the convenience and cost savings that online platforms can offer. This is further supported by the growth of m-commerce, where consumers are able to shop on their mobile phones. Indeed, data from the Office for National Statistics shows that, between February 2020 and January 2022, there has been a 28% increase in the proportion of online sales<sup>10</sup>. Online shopping now makes up 25% of all retail sales<sup>11</sup>.



## In Scotland Specifically

#### **Investigation on eBay**

A snapshot investigation by ESF found several noncompliant products being sold on the online marketplace,  $eBay^{12}$ . This included locations such as **Glasgow** and **Renfrew**<sup>13</sup>. These products, such as hair straighteners, extension leads, and travel adaptors failed to meet safety standards or had plugs that were not compliant for use in the UK<sup>14</sup>. As a result, they represent a significant risk of electric shock or fire to anyone using them and their home – and should not be available for sale in the UK. ESF has reported these products to eBay.

#### **Investigation on Facebook Marketplace**



In 2021, Electrical Safety First undertook an investigation into recalled products sold on online marketplaces – and identified a recalled Hotpoint washing machine for sale on *Facebook Marketplace* and available in **Shotts**, **Scotland**. This product had been recalled due to the risk of overheating – and should, therefore, not have been on sale. The reality, however, is that Scottish consumers are being placed at risk from unsafe (including recalled) products being sold to them on online marketplaces on a daily basis.

Unsafe electrical products are being sold to consumers across Scotland.

## What We Want to See Happen

Online marketplaces make substantial profits from the sale of electrical products on their platforms. However, they have no responsibility for ensuring the safety of these items. To protect consumers, this needs to change.

Online marketplaces should be recognised as actors in the supply chain and should have responsibilities to ensure the safety of products sold on their platforms<sup>15</sup>. This should include preventing unsafe products being sold, removing unsafe and recalled products, improving verification and complaints processes, and informing buyers when they are purchasing from third parties<sup>16</sup>. Collectively, these measures would improve the safety of online marketplaces – ensuring that buyers can purchase with confidence but also that sellers and online marketplaces are clear on their obligations too.

## What We Want to See in Scotland

In 2020, the Scottish Parliament passed the Consumer Scotland Act 2020<sup>17</sup>. This Act established Consumer Scotland, a consumer body set up with the general function of providing consumer advocacy and advice with a view to reducing harm to consumers in Scotland<sup>18</sup>. One of Consumer Scotland's key roles is researching and investigating key issues<sup>19</sup>.

As such, Consumer Scotland should undertake research into the sale of unsafe goods on online marketplaces – given the emerging risks that these platforms represent to consumers. Indeed, Consumer Scotland is well-placed to understand the risks faced by Scottish consumers when shopping online – particularly, in rural communities.

### How You Can Help

You can help by scheduling questions and debates in Parliament, asking official questions of the Government or party colleagues, and ensuring that Parliament is doing all it can to support the need for improved regulation of online marketplaces.

#### **Contact Details:**

If you would like further details about this briefing, please contact:

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