THE CHALLENGE OF PROTECTING CONSUMERS FROM UNSAFE PRODUCTS
A GLOBAL PICTURE

CONSUMERS INTERNATIONAL
COMING TOGETHER
FOR CHANGE

EXECUTIVE SUMMARY

This report highlights significant variations in the way that different countries protect consumers from unsafe products, leading to a fragmented system globally that struggles to respond effectively to the product safety challenges of the 21st century. The findings, based on a Consumers International survey of 132 organisations in 100 countries worldwide (see 1.1 'Our research'), reveal low levels of satisfaction with the current situation, with

only 13% of respondents thinking that their national product safety legislation operates successfully.

Product safety frameworks are far more developed in some countries than others, and all have their own difficulties. However, in addition to these, all are facing new challenges caused by recent technological advances which have transformed the way that consumer products are designed, manufactured and sold, sending product safety rocketing back up the consumer protection agenda. The growth of international supply chains and e-commerce have opened up a global marketplace for consumer products, creating unprecedented challenges for market surveillance and enforcement systems, which were originally set up to operate at a national or regional level.

Technological developments have led to new products entering the market, and fundamental changes being made to existing products, such as internet-connected toys and domestic appliances. Although these technological advances bring positive benefits for consumers, they have created new risks, exposing weaknesses in existing consumer protection frameworks that must be addressed. Our research identifies common challenges and priorities for improvement in three key areas.

Firstly, there is a need to improve the safety of products before they reach the market to minimise potential consumer detriment. The majority of respondents have national legislation that covers product safety, but there is widespread agreement that this needs to be strengthened and developed further. Their feedback reveals huge variations in definitions, criteria and scope, highlighting the need for clearer rules and guidance on how to develop safe products. Greater use of international guidance (e.g. OECD, United Nations Guidelines for Consumer Protection (UNGCP) and International Standards Organisation (ISO) standards that define good practice could encourage greater consistency and help governments and businesses to meet the challenges of global markets.
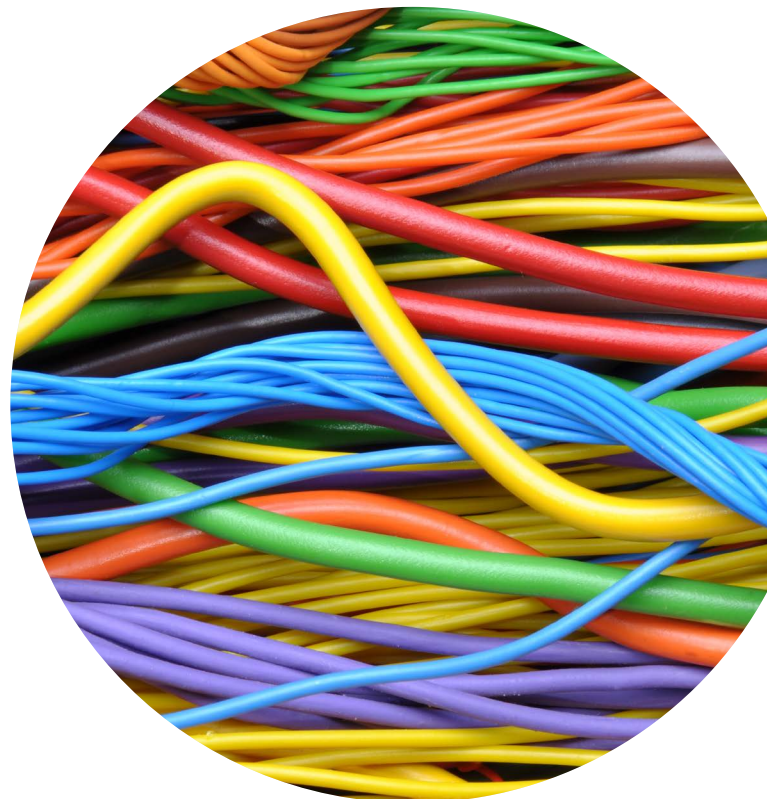
Concerns are raised about 'loopholes' in existing product safety legislation, where imported and second-hand goods, and informal markets, particularly in lower income countries, are not covered by mandatory requirements. The legislative framework needs to be updated, where relevant, to fill these gaps and to ensure that consumers are protected from new risks posed by digital technology.

Secondly, there is a need for more efficient systems to identify unsafe products on the market, which pose potential risks to consumers. Market surveillance has become increasingly difficult with the growth of global supply chains and markets. Although the majority of respondents have a market surveillance authority in their country, 41% consider it to be functioning poorly. Where market surveillance cannot realistically cover the entire market, effective data collection and reporting is key to identifying unsafe products quickly.

However, 28% of respondents do not have an official body in their country to which concerns about unsafe products can be reported. Where such bodies do exist, many systems have limitations, such as restricting the types of products they deal with or who can report concerns about unsafe products. Information about dangerous products should be collected by one central source, which is accessible to the public, and anyone should be able to report concerns.

Thirdly, there need to be improvements to the way that authorities respond to products identified as unsafe. Information about potentially dangerous products should be shared with consumers and businesses in a timely manner to minimise the risk of consumer detriment and ensure that any failures are identified quickly and dealt with appropriately.

A range of methods are used to disseminate information about unsafe products, but only a fifth of respondents have an online rapid alert system in their country, which many believe to be the best way to coordinate and share information. Respondents also highlighted the need for consumers to have easier access to complaints and dispute resolution so that they can achieve satisfactory redress in the event of problems. One of the biggest problems identified by respondents is enforcement. In many countries corrective actions are not mandatory and even where sanctions are possible in theory, these are rarely applied in practice. For example, issuing recalls for unsafe products is a mandatory requirement in less than half of respondents' countries, so it is unsurprising that

two thirds say that recalls rarely happen.

There need to be real consequences for violations of product safety legislation, so that those breaking the rules know that they are likely to get caught.

Strong governance is crucial to manage and support improvements at all stages, take a strategic overview of the issues and coordinate work. Effective leadership could help to address the issue of insufficient resources, particularly for market surveillance and enforcement authorities, which was highlighted by many respondents as a key barrier to the successful functioning of product safety frameworks. The creation of an independent government-mandated institution for product safety is also important, to challenge the existing framework and intervene where necessary.

Improved cooperation and collaboration between governments and consumer protection agencies, both nationally and internationally, is highlighted as a key priority to facilitate change, achieve consistency and ensure that consumers are protected in the global marketplace.

Read the full report, produced with support from UL, at: www.consumersinternational.org