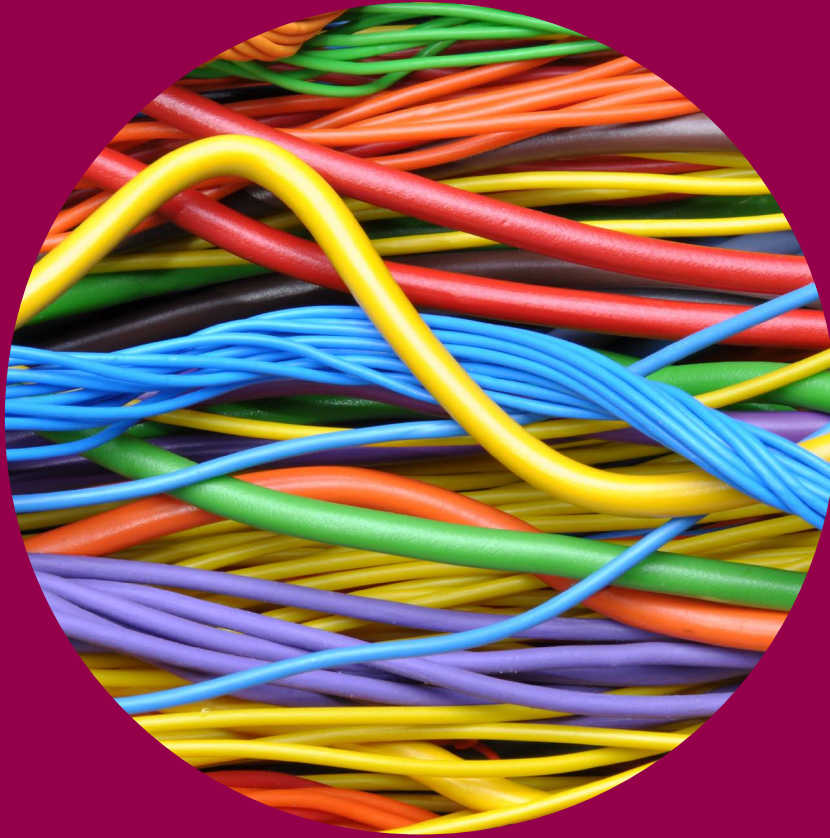




**CONSUMERS
INTERNATIONAL**

COMING TOGETHER
FOR CHANGE



**THE CHALLENGE OF PROTECTING
CONSUMERS FROM UNSAFE PRODUCTS**
A GLOBAL PICTURE

MAY 2018

We believe in a world where everyone has access to safe and sustainable goods and services. We bring together over 200 member organisations in more than 100 countries to empower and champion the rights of consumers everywhere.

We are their voice in international policy-making forums and the global marketplace to ensure they are treated safely, fairly and honestly. We are resolutely independent, unconstrained by businesses or political parties.

We work in partnership and exercise our influence with integrity, tenacity and passion to deliver tangible results.



Consumers International is very grateful to UL for the support they have given to this project.

Consumers International is the membership organisation for consumer groups around the world.

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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,

only 13% of respondents think 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.

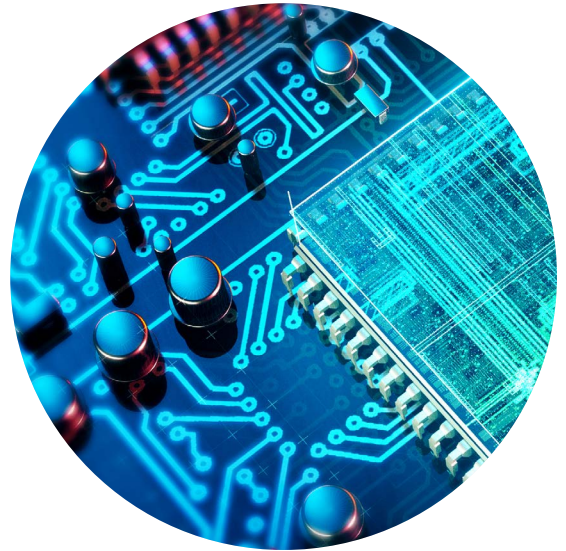
Thirdly, there need to be improvements to the way that authorities respond to products identified as unsafe. Information about potentially dangerous products should be shared with consumers and businesses in a timely manner to minimise the risk of consumer detriment and ensure that any failures are identified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



1. INTRODUCTION

OUR RESEARCH

The main aim of this study was to better understand how consumers in different countries are protected from unsafe products¹, and to make recommendations to strengthen consumer protection in this area with a view to informing the future work of the consumer movement.

The information in this report is based on the findings of an online survey, carried out by Consumers International in November and December 2017, which was funded by UL. The survey was completed by 132 representatives from consumer organisations and government bodies, and six UL offices, based in 100 countries. These responses have enabled us to build a global picture of the current issues facing consumers, using case studies from individual countries to highlight particular issues. It is important to note that:

- A) This was a self-selecting sample and is not representative.
- B) The content of this report is based entirely on the knowledge and opinions of respondents and details of existing consumer protection frameworks have not been independently verified.

CONSUMERS INTERNATIONAL WOULD LIKE TO THANK ALL OF THE INDIVIDUALS AND ORGANISATIONS WHO CONTRIBUTED TO THIS REPORT BY PARTICIPATING IN OUR SURVEY

NEW CHALLENGES TO PRODUCT SAFETY

OVERVIEW

Historically, product safety was the main priority for consumer protection agencies. A broad range of legislative tools and standards were developed to address these issues, giving consumers in countries where these were adopted greater confidence that products were safe. In recent years emerging technologies have changed the way that products are designed, manufactured, distributed and sold, creating new risks. Consumers have a right to expect products that are safe and fit for purpose, but substandard and defective products – as a result of poor design, counterfeiting or the use of substandard materials – exacerbated by a lack of clear instructions for use, can lead to consumer detriment such as financial loss, serious injury or even death. It is difficult to quantify consumer detriment, as there is no consistent global approach to accident and injury data collection. However, many examples exist at national and regional level and in some cases, such as fires, the consequences can be devastating.

GLOBAL MARKETS

The increasing globalisation of supply chains and markets has had a significant impact on product safety, leading to divergence of regulations and standards. The growth of e-commerce² has made it possible for consumers to purchase goods from anywhere in the world, and for retailers to choose manufacturers from the cheapest nations, often at the expense of quality and safety. These trends have imposed challenges to enforcement and consumer redress, obscuring product liability and making it more difficult to identify the responsible party.

Online purchases made cross-border are often lightweight, electrical items³, where substandard or defective products can pose serious risks to consumers. E-commerce has also facilitated an increase in the distribution of potentially dangerous counterfeit products, such as medicines, toys, electrical appliances, fake sunglasses and car parts, according to a 2017 European report⁴. It claims that a large number of counterfeit items evade detection at the border as they are sent directly to consumers in small parcels via postal or courier services.

1 Defined in our survey as: common consumer products found in and around the home. This does not cover food, pharmaceuticals, chemicals, transport, commercial or industrial products.

2 eMarketer 'Worldwide Retail Ecommerce Sales: The eMarketer Forecast for 2016', Aug 2016

3 IPC 'Cross-border e-commerce shopper survey 2016', January 2017

4 EUROPOL and EUIPO, 'Situation Report on Counterfeiting and Piracy in the EU', 2017

TECHNOLOGICAL DEVELOPMENTS

The second major challenge to product safety has been changes in the design and manufacture of products, enabled by new technology. These advances offer many benefits to consumers, but the changing nature of products can also create new risks, meaning that existing legislation and standards are no longer fit for purpose.

The growing trend of internet connected devices creates new risks for consumers, as well as broadening the scope of consumer detriment. As Consumers International identified in a 2016 report, “The Internet of Things could be one of the most disruptive technologies we have ever experienced.”⁵ It is no longer just computers, and mobile devices that are connected to the internet, but numerous everyday objects devices and appliances such as watches, toys, cars, public transport, medical devices, electricity meters, household appliances (TVs, refrigerators, washing machines) and home security systems. Internet connected devices bring new issues to the fore, such as privacy, security, data collection, data rights and management, as illustrated by the #ToyFail campaign. This was launched by the Norwegian Consumer Council after they found serious security flaws in children’s toys and watches, which could allow strangers to access information about a child’s location and even to contact a child without the parent’s knowledge. See Norway case study in Annex 2 for more details.

2. STRONG GOVERNANCE

OVERVIEW

Overall responsibility for creating safe markets for consumers lies with the authorities. Strong and effective governance is needed to lay firm foundations for a product safety framework, with independent oversight, that prioritises consumer safety. This involves: setting clear rules and guidance on how to develop safe products; and providing adequate tools and resources to market surveillance and enforcement agencies to enable them to assess risks and ensure compliance.

5 Consumers International ‘Connection and Protection in the Digital Age’ April 2016

COMMITMENT TO CONSUMER PROTECTION

CONSUMER PROTECTION FRAMEWORK

The foundation for good consumer protection is national legislation that clearly defines consumer rights and organisational responsibilities. Our research found that the majority of survey respondents (84%) have consumer protection legislation in their country, but only 47% claim to have a national policy on consumer protection and only 27% have a strategic plan in place to build on this foundation and provide the necessary detail for implementation. (See

Fig. 1) Across all respondents and countries, there is a correlation between income and prevalence of consumer protection legislation, with high income countries more likely to have national policies and strategic plans in place.

Fig.1 Consumer protection framework

	Yes	In Development	No
Consumer protection legislation	84%	9%	7%
National policy on consumer protection	47%	13%	36%
Strategic plan (e.g. 5 or 10 years)	27%	12%	47%

GOVERNMENT SUPPORT FOR CONSUMER ORGANISATIONS

Although there is a clear need for national governments to step up and drive improvement from the top, consumer organisations play a vital role in representing consumers, defending their rights and ensuring that their voice is heard in the development of policy. They can successfully campaign for better action by the authorities, as described in the UK (**Annex 1**) and Australian (**Annex 5**) case studies.

Almost two thirds (60%) of respondents come from countries where the government supports consumer organisations in some way, but the level and type of support is mixed. It is most common, in 39% of respondents’ countries, for governments to fund specific programmes, such as consumer information and awareness.

For example, a respondent from a consumer organisation in Brazil says that it receives “ad hoc support for specific causes, projects or campaigns” and a respondent from the Netherlands says “sometimes funding is given for specific surveys”. Many consumer organisations do not receive any government funding or support at all to help them perform their role. Only a third (31%) of respondents say that governments are bound, by a specific legal provision, to support consumer organisations in their country. For example, as in Europe where the European Commission supports the consumer organisation BEUC.

Many respondents, particularly those from Africa, highlighted government support for consumer organisations as a priority for improvement. A respondent from Cameroon claims that a key barrier to product safety in its country is “the absence of active consumer organizations in the process of monitoring compliance and product safety”. Another from Gambia stressed that “governments must empower consumer associations by funding them”.

INTERNATIONAL GUIDANCE

International guidance can provide a blueprint for governments on how to address issues of consumer protection and product safety in all areas of the regulatory framework. For example, the [UN Guidelines for Consumer Protection](#) (UNGCP) give guidance to governments and businesses, stating that consumers should have the right of access to non-hazardous products and urges Member States to “adopt or encourage the adoption of appropriate measures, including legal systems, safety regulations, national or international standards, voluntary standards and the maintenance of safety records to ensure that products are safe for either intended or normally foreseeable use.”



RECOMMENDATIONS:

- Government commitment to prioritise consumer safety, demonstrated by existence of a robust consumer protection framework.
- National governments to look to international guidance on how best to implement product safety legislation.
- National governments to support consumer organisations to ensure that consumers are adequately protected and informed.

PRODUCT SAFETY OVERSIGHT AUTHORITY

An effective product safety framework requires a central government-mandated body, which can take a strategic overview of regulation, has clear responsibilities for setting targets, coordinating efforts and monitoring implementation. It should be independent so that it can challenge the system and drive improvements.

Although 93% of respondents say that their country has some form of government-mandated institution for product safety, the high levels of dissatisfaction with the product safety framework imply that these institutions are not operating effectively or adequately fulfilling their responsibilities. Our research found that the powers and remit of these institutions vary.

When asked to choose from a list, 69% of respondents said that the institution in their country was responsible for regulation, 68% for standardisation, 65% for enforcement and 55% for policy making.

Feedback from respondents suggests that, even where a central oversight body exists, certain powers and functions are often devolved to regional or local authorities (see UK case study in **Annex 1**), which can create challenges in terms of sharing information and enforcement. A respondent from Germany told us: “Risk assessment and compilation of data is performed at a Federal level, whereas enforcement is regional.”

A respondent from Australia told us: “There are different institutions at either federal or state level, which varies by sector.” Other examples of systems that operate on multiple levels are the USA, which operates a federal state system and the European Union, which has overarching rules that may be implemented in a variety of ways by different Member States.

To offer real protection to consumers, UK consumer organisation Which? says that the creation of a “national independent product safety body”, underpinned by the following core principles, is a key priority:⁶

- Independence of the body from those it regulates
- A requirement to put consumer interests first
- Transparency in how it operates
- A proactive approach to market surveillance
- A centre of expertise on product safety
- Ability to identify potential trends, gather intelligence and cooperate with international partners
- A duty to directly communicate and engage with consumers to ensure they are aware of safety issues.

RECOMMENDATION:

Government commitment to prioritise consumer safety, demonstrated by existence of a robust consumer protection framework.

PRODUCT SAFETY LEGISLATION

EXISTING NATIONAL LEGISLATION

The majority of countries address the issue of product safety in their legislation, in some way, according to our respondents. Almost half (47%) of respondents say that there are provisions for product safety within their general consumer protection law, a third have a specific law regarding product safety and 10% have separate regulations for specific product sectors, such as electrical appliances or toys. These approaches are not mutually exclusive, and countries may use a combination of the three.

A respondent from Canada says that product safety is: “Dealt with in sectoral legislation on an ad hoc basis. Provisions found (at the federal level) in health legislation, transportation legislation and food legislation, and a whole array of sub-sectoral consumer products legislation.”

A small number of respondents (7%) have no mandatory rules in their country relating to product safety and rely on voluntary tools alone.

The lower the income of a country, the least likely it is to have legislation that deals with product safety.

Problems reported by our survey respondents suggest that even where legislation does exist, there are low levels of compliance that need to be addressed as a priority. (See **Section 5** on Enforcement).

CONTENT OF PRODUCT SAFETY LEGISLATION

Regardless of how product safety is addressed through legislation, it is the content of that legislation which is key to ensuring consumer safety.

Only 13% of respondents with product safety legislation in their country agree that it operates successfully, while 28% think that it does not work well at all.

Their feedback highlights many inconsistencies and gaps in legislative content, demonstrating a clear need to establish the necessary legal provisions in countries where it is lacking, and to strengthen existing legislation in others. The content of legislation should cover all stages of the product journey – from design and manufacture through to enforcement – and ideally should include:

a) Clear definition of safe products

How the term ‘safe products’ is defined is important in assessing the scope and effectiveness of the existing legislation.

6 Which? ‘Strengthening the Consumer Product Safety Regime’, July 2017

Overall, 15% of respondents said that there is no legal definition of what constitutes a safe product in their country.

Where product safety is defined in national legislation it is most common to stipulate that products should: comply with all legal requirements; not harm consumer health and safety; and provide information about safe use (see **Fig. 2**).

However, it is less common for legislation to consider the accessibility of a product, or the potential misuse of a product, for example, where a child might realistically get hold of a product aimed at adults. Both of these aspects are very important to ensure that all consumers are fully protected.

Fig.2 Content of product safety legislation

Definition	National legislation includes this definition (% of respondents)
A product must comply with all safety regulations and requirements imposed by law	78%
A product should not harm consumer health and physical safety	77%
A product must provide information about safe use	75%
A product is considered safe if it complies with existing standards	63%
A product should be suitable for use by all consumers, including the elderly, children and people with reduced mobility	57%
A product must specifically cover foreseeable misuse (or similar)	48%

b) General safety provision

Some respondents feel that a priority should be for all legislative frameworks to include a general safety provision – a positive obligation on suppliers to ensure the products they sell are safe. The Australian consumer organisation, CHOICE, was recently successful in getting the law amended to include this (see **Annex 4**).

c) Clear rules and responsibilities, with information about liability

Two problems highlighted by our respondents are that liability is often unclear and that mandatory requirements do not always apply to all suppliers in the production chain. Our research shows that manufacturers are most likely to be subject to legal requirements, in 85% of respondents' countries. After this it is importers (82%), distributors (65%) and finally retailers (58%). This can create confusion for businesses, as well as complicate enforcement. Establishing liability is crucial, as corrective actions and consumer redress both rely on this. For information about 'strict liability' see box in **Section 5**.

There are a variety of mandatory processes that may be imposed on suppliers, as shown in **Fig.3**, but these are likely to vary by product and the likelihood of them happening depends on the level of enforcement (see **Section 5**).

Fig.3 Mandatory processes for suppliers

Type of mandatory process	% of respondents
The product must be certified by an accredited conformity assessment body before being placed on the market	62%
Suppliers must be pre-registered and approved by authorities	59%
The supplier must be identified on products	58%
Imported products must be cleared by customs as safe for the market	56%
The supplier may self-certify the product as conforming to relevant national or international standards or safety requirements	43%
Products must carry a national or regional quality mark	40%
A product is automatically cleared at customs if it has been certified by a foreign accredited conformity assessment body	24%

d) Sanctions and penalties for non-compliance

Consumers and businesses need to know that those breaking the rules are likely to get caught and face consequences.

Respondents agreed that legislators should increase sanctions for those that violate product safety rules so that the costs of non-compliance are sufficiently high, as is the case in the USA, to act as a deterrent and encourage suppliers to invest resources in avoiding future penalties.

Legislation also needs to ensure that there are adequate tools and resources for agencies tasked with enforcing those rules.

GAPS IN LEGISLATION

A number of respondents raised concerns about second-hand goods, which have the potential to cause high consumer detriment, yet are rarely subject to mandatory requirements.



Importing second-hand products for resale is common across all countries but only 34% of respondents said that these products must be tested before being placed on the market in their country.

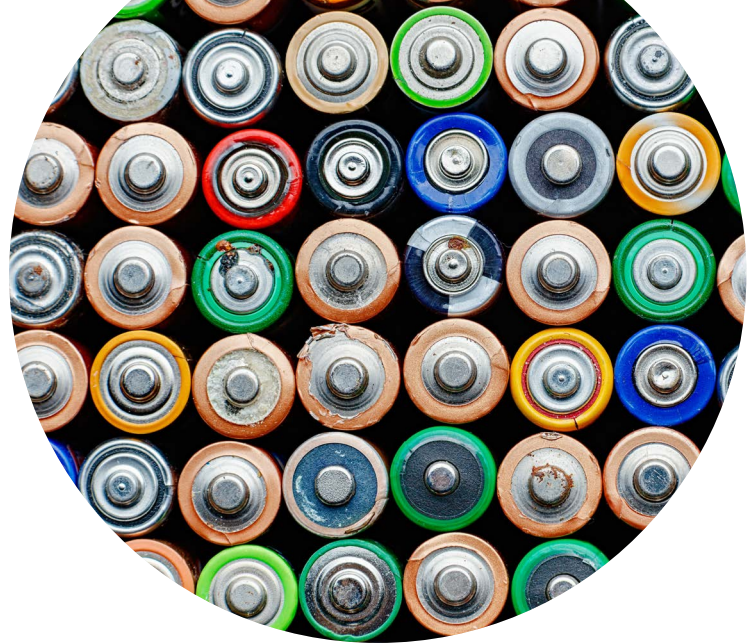
Our results show that low income countries, such as those in Africa, are most likely to import second-hand goods for resale, and least likely to test these for safety. This increases the risk of consumer detriment for those on low incomes.

Respondents in some African and Latin American countries also highlighted problems where items are sold on informal markets (see Kenya case study, **Annex 3**).

Where possible, existing regulations should be tightened to remove any loopholes that can be exploited by suppliers.

RECOMMENDATIONS:

- Product safety legislation that addresses issues such as a general obligation to trade safely, liability accessibility, privacy and foreseeable misuse.
- Penalties for failure to comply need to be a significant deterrent.
- Ensure that all suppliers of consumer products are subject to mandatory requirements, giving consideration to second-hand goods and informal markets.



3. ENSURING PRODUCTS ARE SAFE BEFORE THEY REACH CONSUMERS

OVERVIEW

To maximise consumer protection, and minimise risk, it is essential to increase efforts to ensure that products are safe before they reach consumers. This could be achieved by strengthening product safety legislation and by creating clear guidance for manufacturers about how to develop safe products. There is also a need to ensure that adequate testing and controls are in place before products get to market and that clear labelling and instructions exist to help consumers understand how to use products safely, and the associated risks of not doing so.

INFORMATION AND GUIDANCE FOR SUPPLIERS

Assuming that adequate product safety legislation exists, the next step is to ensure that suppliers are aware of their legal responsibilities and understand how to implement the law. Detailed guidance could be delivered in the form of mandatory legislation for specific product sectors, which are known to cause the highest consumer detriment, or by the use of standards.

STANDARDS

Standards are documents that define good practice for a particular product, issue or process. Product safety is covered in numerous product and sector specific standards. Respondents recognise the importance of standards in influencing business behaviour but suggested that further work could be done to raise awareness of standards and the benefits that they can deliver to business.

Standards should not be a substitute for legislation when it is needed, but can play an important supporting role, often providing the detailed guidance that legislation cannot. Standards are voluntary, although in some cases they may be referenced in legislation so that manufacturers have to adhere to certain standards before their products can be sold. Six in ten respondents (61%) said that their country's legislation requires mandatory compliance to standards

for some products, whereas 16% require mandatory compliance to standards for all products. Low income countries are most likely to have mandatory compliance for all products, at 31%. Just under one fifth of respondents (18%) come from countries where there is no mandatory compliance to standards at all. Using legislation to underpin key standards where consumer detriment is high e.g. toys, electrical appliances, could help to strengthen consumer protection.

Standards can be national, regional or international but, in terms of product safety, ISO standards could help to achieve global consistency, given the absence of an international legal framework. Existing ISO standards, such as: ISO 10377 Consumer product safety; ISO 20245 Cross-border trade of second-hand goods; and ISO 10393:2013, Consumer product recall should be promoted. Opportunities for new ISO standards should be explored.

However, some respondents noted that standards take time to develop and can struggle to keep up with the rapid pace of technological change. In some cases, it may be possible to update an existing standard to reflect new manufacturing processes or address new risks that have come to light. It is usually quicker and easier to revise an existing standard than change existing legislation. Another solution could be to explore opportunities for ISO Publicly Available Specifications (PAS) documents - fast track standards often used to respond to an urgent market need. In the UK, as detailed in **Annex 1**, PAS 7100 for Recalls was developed to tackle growing concern over unsafe domestic appliances. 'Horizontal' standards that address common issues across a range of products - e.g. Privacy by Design - rather than 'vertical' standards for specific products, can also be a good way of dealing with areas of rapid change.

Although standards bodies have a duty to involve the consumer stakeholder in the standards development process, one respondent raised concerns that, in reality, "consumer organisations often lack resources to input effectively" and the consumer voice may be weakened as a result. This could be improved by better government support for consumer organisations (see 2.2.2).

RECOMMENDATIONS:

- Work with suppliers to increase understanding of their legal obligations in terms of product safety
- Raise awareness of the benefits of standards.
- Promote ISO product safety standards to ensure a consistent global approach.
- Legislation to underpin standards in areas of high consumer detriment.
- Explore opportunities for PAS documents and horizontal standards.
- Standards to be regularly reviewed to ensure that they are fit for purpose and can be strengthened in response to emerging issues.
- More work needed to encourage and facilitate consumer input to standards.

TESTING AND CONTROLS

To ensure that goods are safe before reaching the market it is important that adequate testing is carried out. Detailed test protocols – perhaps in the form of standards – could help to facilitate testing, providing businesses with clear and consistent guidance on how to test their own products. Independent third-party audits and certifications could add weight to this process. Legislation could spell out testing requirements and responsibilities for businesses.

However, there should also be some level of independent testing, so that product safety is not entirely dependent on self-certification by businesses. Respondents from the Philippines, Romania and Mexico all argued that more independent testing centres, with increased funding, are required. Public authorities need sufficient powers and resources to allow them to conduct independent testing, where necessary. This might include border checks on imported goods, as well as responding to concerns about products manufactured in their home country.

A number of respondents raised concerns about imported goods, second-hand goods and informal markets (as described in Kenya case study, Annex 3), highlighting that product safety legislation and mandatory requirements do not always apply to these areas. A respondent from Mozambique drew attention to problems associated with “the existence of the informal market that operates without observing the existing legal rules”. The importance of testing second-hand goods was noted by both Niger and Costa Rica. A respondent from Niger told us: “used products imported into Niger are not really inspected except for second-hand vehicles that must undergo technical inspections. Freezers, television sets, electric queues ... do not undergo real control.”

RECOMMENDATIONS:

- Consistent guidance and test protocols for businesses.
- Public authorities need adequate resources to conduct independent testing.
- Improve safety testing of all goods before they reach the market, taking all sources into consideration (e.g. second-hand products and informal markets).

CONSUMER INFORMATION ABOUT PRODUCTS

Several respondents highlighted problems with product labelling and safety warnings, which could lead to consumers using products incorrectly or without understanding the risks. A respondent from New Zealand highlighted that a priority for improvement was “to educate the public about safety marking and what to look for”. An Australian respondent felt it was a priority “to improve transparency and ensure the public has more access to relevant information about safety issues”. An OECD study agrees that product labelling is inadequate, especially when purchasing online across borders, where labelling rules might be inconsistent or important information in a different language⁷. Improvements clearly need to be made where goods are likely to be sold in other countries.

RECOMMENDATIONS:

- Consistent rules for product labelling, instructions and safety warnings.
- Better information and education for consumers in terms of what to look for and general risks.

⁷ OECD (2016), “Online Product Safety: Trends and Challenges”, OECD Digital Economy Papers, No. 261, OECD Publishing, Paris.

4. IDENTIFYING AND REPORTING UNSAFE PRODUCTS

OVERVIEW

Effective market surveillance, data collection and reporting are fundamental to ensure that potential problems can be identified quickly, and the appropriate action taken to minimise consumer detriment.

MARKET SURVEILLANCE

The majority of respondents (83%) have some form of market surveillance authority in their country, although they are least likely to be found in countries with low income. However, our research reveals low levels of satisfaction in this area, suggesting that market surveillance systems are not operating effectively.



Only 18% of respondents feel that market surveillance in their country is 'good' or 'very good', whereas 41% think that it is 'poor', and 40% that it is 'adequate'.

Good governance and a strong regulatory framework (see Section 2) is necessary to define the role of market surveillance authorities and ensure that they make effective use of data to identify trends, adopt a proactive approach and have sufficient resources and expertise. Market surveillance authorities also have a role to play in assessing the level of risk to consumers, the urgency of the situation and the best way to proceed.

Respondents in several countries called for a stronger role for consumer organisations in working with government to raise awareness of problems in the marketplace.

There was strong support for better coordination between market surveillance systems, at an international level, to protect consumers in the global marketplace.

RECOMMENDATIONS:

- Good governance to ensure effective functioning of market surveillance authorities, plus adequate resourcing and expertise to perform that function.
- Consumer organisations to have a stronger role and work with authorities.
- Better coordination of market surveillance authorities in different countries.

DATA COLLECTION AND REPORTING

Almost two thirds of respondents (65%) have an official body in their country to which concerns about unsafe products can be reported. However, feedback suggests that there are often multiple systems in place which can be confusing. Data is often collected by sector, rather than in one central place, and many countries only collect data about some products. A respondent from Uganda says that product safety concerns can only be reported to: "Some sectoral regulators that have consumer complaints mechanisms".

Other respondents indicate that concerns can only be reported about high risk products. For example, in El Salvador, concerns may only be reported about "food, drinks and medicines".

More than a quarter (28%) of respondents have no system in their country for reporting unsafe products.

Respondents claim that the effectiveness of systems can also be limited by who is allowed to report concerns. The majority of respondents (89%) said that their country's system accepts reports from consumers, yet only 73% allow reports from official bodies such as consumer organisations and only 52% from suppliers. These two groups clearly possess valuable information about product safety risks and should be allowed to contribute. A respondent from Spain says "Consumers and their representative organisations are excluded from the product safety information system and are not part of the alert network. Information about unsafe and dangerous products offered by consumer authorities is insufficient and is not proactive. There are no channels for consumers to communicate dangerous and unsafe products and there are no effective mechanisms for consumers to claim if they have purchased and used the product."

Accident and injury data from healthcare providers can provide valuable information about incidents caused by unsafe products, helping authorities to identify areas of risk and coordinate the appropriate response. But 49% of respondents say that their country does not collect this type of information. Unsurprisingly, given the cost of implementation, there is a strong correlation between a country's income and the likelihood of collecting this data. Where this data does exist, only 61% of respondents said that it is publicly available.

To be effective in identifying risks to consumers from unsafe products, countries need one central database that gathers information from the widest possible range of sources and shares it effectively with those that need to know, including consumers, businesses and relevant authorities. A respondent from Kenya highlights the importance of providing "regular updates on unsafe products".

In the global marketplace, where many goods are sold cross-border, it is important that national or regional agencies collecting information about unsafe products, share data with authorities in other countries. In the digital age, better use could be made of IT tools to improve data collection and sharing.

RECOMMENDATIONS:

- One central database for unsafe products, with information coming from multiple sources, including consumer groups and manufacturers/ businesses.
- Effective use of that data to coordinate swift and appropriate response.
- Better use of IT tools to improve data collection and sharing.
- Coordination of national product safety databases to share information relating to products in circulation that have been found to be dangerous.



5. TAKING ACTION WHEN UNSAFE PRODUCTS ARE FOUND

OVERVIEW

When unsafe products are identified, swift and appropriate action must be taken to minimise the risks to consumers. Our respondents indicate high levels of dissatisfaction with enforcement suggesting that this is an area which does not operate effectively in many countries. Legislation must clearly define the 'rules' – what is expected in terms of corrective actions and consumer redress – so that consumers and businesses understand their rights and responsibilities. Enforcement authorities need sufficient power and resources to ensure compliance with existing rules.

POWERS OF ENFORCEMENT

There is a pressing need for stronger enforcement of existing rules, with the majority of respondents wanting improvements in this area. As described in **Section 2**, strong governance is essential to the effective functioning of the product safety framework, but it is important that a holistic approach is taken. There is no point having strict rules for the manufacture of safe products if there is no way to check that these are being followed, no penalties for breaching the rules and no one to enforce those penalties.



National legislation should clearly define rules, which can be used as a benchmark for businesses and enforcement authorities, but it is also crucial that it defines the role of enforcement authorities, giving them sufficient tools and resources to fulfil their remit. Feedback from our respondents shows that enforcement of existing rules often falls to local authorities who do not have adequate capacity.

STRICTER PENALTIES FOR PRODUCT SAFETY VIOLATIONS

The vast majority of respondents come from countries where enforcement action can be taken in response to product safety violations (see Fig.4). But many agreed that stricter penalties are needed for those that breach the rules.

Fig.4 Enforcement actions for product safety violations

Possible enforcement actions	% of respondents
Fines	79%
Seizure of goods	59%
Suspension or revocation of business license	38%
Criminal prosecution	36%
Civil action	35%
Naming and shaming of guilty businesses	25%
Imprisonment	18%
No enforcement actions are used	6%

Respondents also pointed out that what is set in principle, in legislation, and what applies in practice, in terms of compliance, can be very different. A respondent from Malaysia complained that there are only “mild penalties and rare prosecutions”.

A respondent from New Zealand said: “Criminal prosecution, civil action and imprisonment are all possibilities but rarely used.” It is therefore essential that enforcement authorities have sufficient resources to apply and enforce the appropriate penalties.

RECOMMENDATIONS:

- Stricter penalties for those that breach product safety rules, to act as a deterrent.
- Sufficient resources for market surveillance and enforcement agencies to ensure penalties are applied.

CORRECTIVE ACTIONS

When products are found to be unsafe there are a range of corrective actions that might be taken (see Fig.5) to protect consumers and minimise detriment, such as withdrawing stock from the marketplace, informing consumers about the problem or issuing a formal recall. The action taken can differ case-by-case, and by country. Worryingly,

17% of respondents said that no corrective action is mandatory in their country.

Fig.5 Actions taken when a product is found to be unsafe

Action to be taken for unsafe products	% of respondents
Suppliers must withdraw existing stock from the marketplace	66%
Suppliers must notify the responsible authorities of products found to be unsafe after they have been placed on the market	56%
Suppliers must institute a programme to recall unsafe products	46%
Fair compensation to consumers who bought the product that is recalled or withdrawn from the market	38%
The repayment of any testing or legal costs that the authority has incurred during its investigation into an unsafe product	20%
No form of corrective action is mandatory	17%

Many agreed that legislation should prioritise consumer safety, make it clear what actions must be taken in the event of unsafe products being identified, and who is responsible for those actions. One respondent told us: "at present there is too much reliance on voluntary action by businesses".

One respondent from Ghana told us: "Irrespective of being mandatory, enforcement isn't effective". Comments such as these highlight the need for independent government oversight, and intervention when necessary, to make sure businesses are correctly fulfilling their responsibilities and taking the appropriate corrective action in a timely way.

Identifying who is responsible for the corrective actions depends on how the country's legislation deals with the issue of liability (see box on 'strict liability' in Section 5). In some cases, there is a clear liability, often shared down the production chain. For example, a respondent from Brussels tells us that: "In Europe the manufacturer is usually responsible, not the supplier. If the manufacturer cannot be found or held responsible, the supplier has to carry out the measures." However, in cases where liability is not clear, it can be difficult to enforce corrective actions.

RECOMMENDATIONS:

- Legislation to define mandatory corrective actions and who is responsible for taking them (liability).
- Creation of an independent oversight authority, and sufficient resources for enforcement agencies, to ensure that corrective actions are carried out.

PUBLIC AWARENESS AND RECALLS

Once products have been identified as potentially unsafe, businesses and consumers need to be informed so that they can take the appropriate action. For example, consumers might be advised to return products for repair, replacement or refund. However, getting information to the right people can be challenging.

INFORMATION ABOUT UNSAFE PRODUCTS

More than two thirds of respondents (69%) do not have a publicly accessible system in their country where consumers can get information about potentially unsafe products. Even where systems do exist, information may be held by multiple organisations and the onus is often on consumers to proactively search these databases to find out if there are reported problems with any products they own. A one-stop-shop of information, with everything in one place, should be easily accessible by all that need that information, including consumers.

In some cases, for example where consumer detriment is high, public safety warnings will be issued. The most common method of disseminating information, used in 49% of respondents' countries, is to provide rapid alerts via media, such as newspapers and TV. Only a fifth of respondents have an online rapid alert system in their country. This approach is most popular in Europe and Latin America and the Caribbean, which have the RAPEX and SIAR systems, respectively (see RAPEX case study, below). Increased efforts should be made to target consumers that own unsafe products.

Authorities and businesses should adopt a proactive and coordinated approach to sharing information and issuing

public safety warnings, which is based on international intelligence, rather than relying on consumers to read the right newspapers or follow the right social media channels.

RAPEX

RAPEX is a comprehensive online rapid alert system that coordinates information about dangerous products across 31 European countries. Information about unsafe products is collected from manufacturers and national authorities. The appropriate action is then triggered - such as investigation, notifying relevant authorities, withdrawing or recalling unsafe products, or stopping them at the border. Information is shared with consumers and businesses via the publication of regular online reports.

RECALLS

An effective recall system is crucial to ensure that unsafe products are dealt with quickly to minimise risks. However, many respondents raised concerns about the effectiveness of recalls, both at a national and international level. The majority of respondents (86%) have a system for product recalls in their country. However, this is not mandatory in all cases and two-thirds claim that recalls rarely happen, with a quarter saying that suppliers in their country only issue recalls if ordered to. Recalls are most likely to happen regularly in countries with higher incomes. A harmonised, global approach to recalls is needed to respond to the growth of the global marketplace, but at present there is an inconsistent approach to consumer product recalls, which can create gaps in consumer protection at national and international levels. To find out how inconsistencies in the early stages of the global recall of the Samsung Galaxy Note7 were handled, see the Argentina case study in **Annex 5**. ISO 10393 offers guidance on a consistent approach to product recalls. It is due for revision in 2018, so consumer involvement in this standard could be important in ensuring that it addresses current issues.

Consumers may also benefit from better information about recalls. Procon SP, a consumer protection agency in Brazil, issued a Recall Guide for consumers after a survey showed that many people were not responding to recalls and did not understand the importance of doing so.

The Recall Guide, which is freely available to consumers, gathers information about dangerous products, consumer accidents, explaining the risks and details of action. As detailed in **Annex 1**, the UK consumer group Which? campaigned for improvements to the recall system, following a number of serious fires caused by domestic appliances.

RECOMMENDATIONS:

- One-stop-shop for information on unsafe products, which is easily accessible to consumers.
- More proactive and coordinated approach to product safety warnings. Governments to explore options for online rapid alert systems and participate in these where they already exist.
- Legislation to make product recalls mandatory, specifying good practice.
- Encourage use of international guidance to recalls e.g. ISO 10393 and ensure consumer involvement **in its** forthcoming revision.

CONSUMER REDRESS

According to our research, most countries offer a right to redress to consumers who have bought unsafe products. The most common option available to consumers is to receive a replacement or refund from a supplier, with 80% of respondents coming from countries where this is the norm. In a situation where there is a dispute with the supplier, the most common option is that the consumer can resolve this through a legal court (75%).

However, feedback from respondents indicates that, despite these options being available in theory, consumers often face practical difficulties trying to achieve satisfactory redress. This is substantiated by research from the European consumer organisation BEUC, which explains the challenges faced by consumers seeking redress in the global online marketplace.⁸ One barrier cited by our respondents is that legislation fails to spell out clear rights on what the consumer is entitled to and who is liable for putting things right. See box below for more information about strict liability. It is clearly important for the law to clarify these points, and for consumers to be better educated about their rights, so that they can demand and rely on them.

8 BEUC 'The challenge of protecting EU consumers in global online markets' November 2017

STRICT LIABILITY

One recurring problem is the requirement in many laws to attribute blame. Compensation may be required, or penalties levied, only where a distributor or manufacturer has 'knowingly' released a defective product onto the market. In practice this can be very difficult to prove and in many cases the defect may genuinely have gone unnoticed.

The concept of 'strict liability' does not require an attribution of blame, but simply proof that the product was defective, and the defect caused injury. It is a matter for the parties in the supply chain to attribute responsibility among themselves, so the consumer should be able to press for compensation from any party. Using the principle of strict liability could make it easier for consumers to achieve satisfactory redress and ease legal problems associated with long and complex supply chains often found in the global marketplace, especially in e-commerce.

Several respondents from African countries also highlight difficulties caused by the 'burden of proof' being on the consumer, meaning that they will only get redress if they can provide evidence to the supplier that there is a problem. A few respondents claimed that inefficient or corrupt judicial systems could hamper consumer's efforts to seek redress. A respondent from the Dominican Republic told us: "The consumer has the prerogative to go to the defence agencies and to the courts for justice. However, that is very expensive, slow and not affordable". Another from Togo says that "the corruption of the judiciary does not facilitate the task" of consumer redress.

RECOMMENDATIONS:

- Legislation to clearly define consumer rights in terms of product safety, returns and recalls.
- Clear information to consumers about their rights related to unsafe products.
- Legislation to clearly define liability, with consideration given to the principle of 'strict liability'.
- Facilitate consumer access to schemes of redress.



6. BETTER COOPERATION & COORDINATION

OVERVIEW

Respondents agreed that there is a need for improved coordination and communication between different stakeholders - including governments, market surveillance authorities and enforcement agencies - at both a national and international level. This is important at all stages, from sharing best practice about how to develop strong regulatory frameworks and manufacture safe products, to sharing information about potentially unsafe products.

INTERNATIONAL COOPERATION

Only a third of respondents said that their country cooperates with authorities in other countries in terms of market surveillance and enforcement. Several respondents also felt that better international collaboration was needed regarding imported goods. For example, a respondent from Papua New Guinea told us that: “As a developing economy, one main issue faced is effective inter-government cooperation (such as effective border control). The lack of proper inter-government cooperation is a factor that hinders the advancement of consumer protection in our country.”

Goods are increasingly traded globally so it is fundamental that information about products identified as unsafe in one country is shared with other countries too. The case of the Samsung Galaxy Note 7, described in **Annex 5**, highlights the problems associated with recalling a product used by consumers worldwide. International organisations, such as the UNCTAD Intergovernmental Group of Experts on consumer protection and the Consumer Policy Committee of the International Standards Organisation (ISO/ COPOLCO), could work together to advance on a global action to set some general rules for recalls.

The OECD’s work on consumer product safety offers useful guidance on how to improve co-operation amongst jurisdictions by improving information sharing and promoting greater co-operation among product safety market surveillance, enforcement, and regulatory authorities worldwide.

There needs to be better collaboration between the different alert systems around the world to share information about unsafe products.

International sharing of data on unsafe products would also help to act as a brake on dumping - preventing products that are condemned in one country being sold in other markets where authorities, and consumers, are unaware of its history.

NATIONAL COORDINATION

Better coordination at a national level is also needed in some cases. Respondents in the Democratic Republic of Congo, Namibia, Australia and Bolivia identified challenges with coordination between different authorities and agencies within their own countries. The UK also highlighted problems with an enforcement system that it considers to be over reliant on local authorities (see **Annex 1** case study).

7. CONCLUSION

Our research reveals low levels of satisfaction with the operation of existing product safety frameworks, highlighting gaps and inconsistencies both at a national and international level.

While some countries are still struggling with long-term problems, such as a lack of resources for enforcement authorities, the growth of global markets and rapid technological advances are creating new challenges for all those tasked with protecting consumers from unsafe products.

There is an urgent need to strengthen and develop existing national frameworks at all three stages of the product journey:

- Best endeavours to maximise safety and minimise risks before products are placed on the market.
- Effective identification of unsafe products on the market and sharing information about potential risks.
- Swift and appropriate response to products identified as unsafe.

To protect 21st century consumers in the global marketplace, it is important to adopt a global approach to all three areas.

The main priorities for improvement identified by survey respondents are to:

DEVELOP OR STRENGTHEN REGULATORY FRAMEWORK

At a national level, there is a pressing need to develop and improve existing legislation that clearly defines rules, responsibilities and liabilities. Suppliers need clear guidance on their responsibilities and how to develop safe products that comply with legislation. This could be achieved by raising awareness of existing ISO standards – and identifying areas where new standards might add value. Legislation should be used to underpin standards where there are potentially serious risks to consumers, for example toys and domestic appliances.

Strong governance and leadership is required to identify key issues, develop strategies and focus work in areas it is most needed. An independent oversight body, which can challenge the system and intervene where necessary, is vital to the functioning of this framework. The use of international guidance, such as that published by the United Nations and the OECD could be used to help national governments identify key priorities for an effective product safety framework.

IMPROVE ENFORCEMENT

There is a clear need to strengthen enforcement of existing rules, which is made easier if these are clearly defined in legislation. Penalties for product safety violations need to be stronger to act as an effective deterrent for businesses. Corrective actions, such as recalls, are not always mandatory. This is crucial to enhance consumer trust and deliver adequate protection.

Widespread dissatisfaction with the enforcement process suggests that the near-universal model requiring enforcement in the market place - after products have been widely distributed to consumers - is not working effectively. It is unrealistic to expect every country to check every product that comes to market. A pragmatic solution would be to focus efforts on reducing the number of unsafe products that reach the market in the first place, so that enforcement agencies can make the best use of their limited resources to deal with serious issues that arise.

EMPOWER CONSUMERS

Consumers need clearer information about the products they plan to buy, in terms of product labelling, warnings and instructions for use so that they can make informed decisions. They also need access to comprehensive and timely information about unsafe products so that they can take the appropriate action.

It needs to be easier for consumers to access complaint and dispute resolution systems. Better guidance and strong legislative foundations, with clear rules on consumer rights and liability, will help consumers to achieve satisfactory redress.

Consumer organisations have an important role to play in protecting and empowering consumers and should be given adequate governmental support to perform this role. Our research suggests a strong correlation between income and consumer protection from unsafe products, highlighting greater risks for consumers in low income countries, which must be addressed as a priority.

IMPROVE COOPERATION AND COORDINATION

International cooperation around good practice, sharing of information and enforcement is vital to ensure that consumers are protected in the global marketplace. Better consistency can be achieved by referring to international guidance and standards. Improved communication and collaboration between governments, and different agencies responsible for product safety, both nationally and internationally, is also important.

ADAPT TO MEET 21ST CENTURY PRODUCT SAFETY CHALLENGES

The product safety framework must be fit for purpose in the 21st century. This can be achieved by:

- Addressing key consumer issues, such as privacy and security, related to digital technology and e-commerce.
- Reflecting the way that real consumer markets operate by taking into account issues related to imports, second-hand goods and informal markets, which are often excluded from legislative requirements.

ANNEX 1: UK CASE STUDY

APPLIANCE FIRES

The UK consumer organisation, Which? has highlighted that faulty appliances, such as washing machines and tumble dryers cause thousands of fires in the UK every year. Its 'End Dangerous Products' campaign called for the product safety system to be strengthened. This was largely prompted by a manufacturer's failure to ensure the speedy or effective withdrawal and modification of more than five million tumble dryers identified as at risk of catching fire through Which?'s own product safety testing. One of these dryers is alleged to have caused a large fire in a block of flats.

Which? claims that these incidents have highlighted serious flaws in the UK's product safety regime, bringing into question the adequacy of the current regulatory and enforcement system, and the level of independent oversight to deal with national issues. Most responsibility for enforcement of product safety legislation falls to local authorities and is dealt with along with a broad range of other responsibilities.

Following this pressure, and a series of reviews into product safety, the UK Government made some changes to the system. It enhanced resources at national level by creating an Office for Product Safety and Standards, although product safety will only be one of its responsibilities and most work will still fall to local authorities – including oversight of recalls. The Government also worked with the British Standards Institution to produce a new standard for Product Recalls which clarifies roles and responsibilities but is voluntary. These actions demonstrate that Governments will respond to pressure from consumer groups, but Which? considers that the current proposals are too limited and they are working for more robust standards to ensure that products are safer before they reach consumers' homes.

ANNEX 2: NORWAY CASE STUDY

INTERNET CONNECTED TOYS

As a part of its work on the Internet of Things throughout 2016 and 2017, the Norwegian Consumer Council (NCC) uncovered serious flaws in internet-connected products for children that highlight a serious lack of understanding of basic consumer rights, privacy and security. Tests uncovered critical defects in two dolls (Cayla and iQue) plus three smartwatches for children. Two of the smartwatches have flaws which could allow a stranger to take control of the apps, gaining access to children's location and personal details, and even enabling them to contact the children directly, all without the parents' knowledge. One of the watches also functions as a listening device, allowing a stranger with some technical knowledge to secretly audio monitor the surroundings of the child.

The NCC also found inadequate and unclear user terms that deny consumers their basic consumer and privacy rights when engaging with these products. Only one of the services asks for consent to data collection and there is no way to delete user accounts from any of the services. It claims that the large number of cheap Chinese products being imported and rebranded by local retailers, makes it very difficult to obtain a clear picture of who is responsible for the various products.

These findings illustrate the emerging problems facing consumers in the world of connected devices, and the need to make sure that product safety regulations also apply to products with digital components. The NCC, joined by Consumers International, the European consumer voice in standardisation (ANEC), BEUC and other consumer organisations, launched the #ToyFail campaign to raise awareness of the issues, and to call for improvements in safety. A letter was sent to the European Commission (EC) to express concern. The NCC submitted formal complaints to the Norwegian Data Protection Authority (DPA) and Consumer Ombudsman, and enforcement action has been started. Internationally, the response from industry has been mixed. Some retailers were quick to respond, withdrawing the products from sale, and offering refunds, while others continue to sell the products under different brand names.

ANNEX 3: KENYA CASE STUDY

INFORMAL MARKETS

There is a very popular green liquid detergent sold in Kenya, which is used for cleaning kitchen utensils, floors, walls, toilets, towels in barber shops and importantly, hands in most restaurants in towns. The detergent is made by mixing industrial chemicals with water and is often stored in recycled mineral water bottles. These filled bottles are sold very cheaply - 25 Kenya Shillings for a 500ml bottle. They are sold informally, in kiosks and by hawkers who walk around residential areas during the day with 10 litre Jerry cans. Since it is a cheap way of accessing soap, this has become a very acceptable product for cleaning hands and is also considered an income generating activity for jobless youth in Kenya.

However, as the market is informal no product safety regulations are being complied with. Despite the widespread use of this product, the safety of the detergent, and potential risks to consumers, are unknown. Many complain that the detergent leaves the skin very dry, and there could be further physiological effects. The detergent is sold without a label showing ingredients, concentrations, instructions or any warnings associated with its use. There are no expiry dates or contacts in case something goes wrong while using them. Consumers have no information about what they are exposing themselves to and the sources of the chemicals that are mixed with water is secret. Attempts to get information from the sellers has failed to reveal any details.

ANNEX 4: AUSTRALIA CASE STUDY

LEGISLATIVE REFORM

In 2016-17 the Australian Government conducted a review of the Australian legal framework for consumer protection, seeking stakeholder views on possible reforms to strengthen the law and improve consumer welfare.

CHOICE, the Australian consumer organisation, used the review to call for stronger product safety laws, specifically the introduction of a general safety provision (a legal obligation for suppliers to ensure the products they sell are safe). CHOICE launched a campaign to seek support for this using written submissions, consumer surveys, media interviews (radio, print and TV), social media, investigative stories, and emails to members and supporters to highlight product safety failures (most notably the Takata airbag recall via [campaigns.choice.com.au/consumerlaw](https://www.choice.com.au/consumerlaw)) to encourage supporters to sign a petition calling for the introduction of a general safety provision.

The strategy was successful. The final report of the review recommended the government look at options for introducing a general safety provision. The Australian Department of the Treasury is currently conducting a regulatory impact statement for the proposed new law.

ANNEX 5: ARGENTINA CASE STUDY

SAMSUNG GALAXY NOTE 7

In August 2016, within days of the Samsung Galaxy Note 7 being launched, there were reports of some phones exploding. It transpired that problems within the battery cells caused the phones to overheat and in extreme cases, to catch fire. More than 100 incidents were reported of serious damage to property, as well as harm to individuals.

Within a couple of weeks, Samsung had issued a global recall of the phone. By this time two and a half million Samsung Galaxy Note 7s had been sent to retailers in several markets, and around a million phones were in use by consumers. It became clear that Samsung was responding differently to consumers affected by the problems with the Galaxy Note 7, depending on where they were in the world. In Argentina, the National Directorate of Consumer Protection contacted Samsung's subsidiary in the country to find out what they were planning to do with the recall. Samsung Argentina replied that as the Galaxy Note 7 was not sold in the country, there would be no action. Many Argentinians had bought the device abroad, and Samsung gave no solution to them.

Samsung is a global company. Its handsets are just as likely to malfunction in Sydney as Seoul, Buenos Aires as Paris, so the way Samsung treats its customers should be no different. Instead of reacting to situations as and when, country-by-country, we made it clear that Samsung needed a consistent and transparent process to deal with a crisis like this.



Consumers International brings together over 200 member organisations in more than 100 countries to empower and champion the rights of consumers everywhere. We are their voice in international policy-making forums and the global marketplace to ensure they are treated safely, fairly and honestly.

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