Strengthening National Capacity for Product Safety

Strategy 2018-2020
Foreword

I am pleased to present the first strategy from the Office for Product Safety and Standards. This is an important milestone in our work to enhance and strengthen protections from unsafe goods and the harm they can inflict.

The safety of individuals, families and communities is a top priority for Government. As the new Minister with responsibility for product safety, I am looking forward to working with all of our partners to ensure that everyone can continue to buy and use goods with confidence, today and tomorrow. I want to see an approach to product safety regulation that equips the UK for the future, that embraces all the opportunity that innovation and technology brings us. We need to be thinking not only about the challenges of now but where our economy and our society will be in ten or twenty years, as part of delivering the critical ambitions of the Industrial Strategy.

We already have good protections in place and a healthy business environment that supports enterprise. But we must not be complacent – we must ensure that our approach to regulation responds to changing needs whilst delivering the safety outcomes that every citizen expects. This can only be achieved through determined action and a shared commitment to doing the things that matter, that drive change, and that improve outcomes. This includes firm action to tackle those who endanger the public, using the full suite of tools and powers available.

We have already seen the impact of committed partnership through the Working Group on Product Recalls and Safety – whose powerful recommendations laid the foundation for the Office – and I would like to thank the group for their contribution. I fully believe that collaboration and partnership will be key to delivering the aims set out in these pages.

The potential of increased national capacity for product safety is already being unlocked through the early actions of the Office and its partners – including the publication of the first Code of Practice for recalls and corrective action with the British Standards Institution and dedicated training for hundreds of front line officers, working with the Chartered Trading Standards Institute.
Alongside this strategy, I am publishing a number of related documents. These include the first Delivery Plan for the Office, setting out its priority actions, an Incident Management Plan and a Strategic Research Programme. These build on early progress to provide the firm foundations needed to prepare us for the future. They show our commitment to delivering a trusted product safety system with protection, fairness and competition at its heart.

KELLY TOLHURST
MINISTER FOR SMALL BUSINESS, CONSUMERS AND CORPORATE RESPONSIBILITY
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Introduction

1.1 Innovation in consumer goods has always been one of Britain's great strengths – from the automatic kettle to the bagless vacuum cleaner and the processors that power mobile phones. Such products make our lives simpler, improve our wellbeing and connect us to friends and family. As consumers we want to access the latest technology and innovation, but we also want to have trust in the products we buy.

1.2 This means having confidence that products are safe. Our legal framework for product safety is one of the strongest in the world. We have robust laws in place, with clear duties and expectations on industry to make sure goods are safely produced, distributed and sold. We have a global reputation for creating regulatory environments that protect consumers, whilst enabling industry to thrive.

1.3 We know that the pace of technological and social change means that we cannot ignore the challenges, or the opportunities, of the future. We must ensure that our regulatory environment encourages new ideas and new business and delivers the highest standards of safety and protection for consumers.

1.4 The Industrial Strategy aims to create an economy that boosts productivity and provides the best possible environment to start and grow a business, ensuring that the UK is a great place for innovators and entrepreneurs. The Government’s Consumer Green Paper\(^1\) makes clear the commitment to maintaining and championing an open, liberal and modern economy that works for consumers and industry.

1.5 The delivery of regulation plays a critical role in ensuring competitive practice and trust in markets as well as maintaining protections and preventing harm. It also supports industry to thrive, in line with regulators’ responsibilities under the Growth Duty\(^2\) and Regulators’ Code\(^3\). The enforcement challenge has changed as purchasing habits have changed and product innovation has accelerated. This highlights the need for cross boundary and nationally co-ordinated enforcement to supplement local delivery that addresses risks irrespective of the purchasing route – including second hand goods and online sales.

1.6 We are clear that, while we have responsibilities to support and guide business our role is to ensure timely and robust action against the minority who do not comply with their obligations – whether wilfully or through negligence, ignorance or incompetence. We will actively hold to account those responsible for ensuring that safety outcomes are not compromised.

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\(^2\) The Growth Duty came into statutory effect on 29 March 2017 under the Deregulation Act 2015 and requires regulators to have regard to the desirability of promoting economic growth, alongside the delivery of protections set out in relevant legislation.

\(^3\) The Regulators’ Code came into statutory effect on 6 April 2014 under the Legislative and Regulatory Reform Act 2006 and provides a clear, flexible and principles-based framework for how regulators should engage with those they regulate.
1.7 Similarly, our exit from the European Union does not weaken the commitment to strong protections. As set out in the White Paper, The Future Relationship between the United Kingdom and the European Union, the proposed free trade area for goods would include a common rulebook, ongoing participation in the European product standards regime, and high levels of information exchange and market surveillance as well as a frictionless goods border.

1.8 The Office for Product Safety and Standards (Safety & Standards) was launched in January 2018, following the recommendations of the Working Group on Product Recalls and Safety. This, our initial strategy, describes how we are building national capacity for product safety, supporting the ambitions of the Industrial Strategy by strengthening the regulatory environment to deliver improved protections for consumers and better support to industry.

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Our approach

2.1 Our vision is a trusted product safety system that delivers protection for consumers, fairness for business and a competitive market place defined by outcomes of safety and public confidence.

2.2 We will drive action through four objectives:

i. **Analyse** – make the best use of scientific evidence, incident data, risk analysis and intelligence in decision making.

ii. **Inform** – help consumers make informed choices and give businesses the information they need to comply.

iii. **Enforce** – use the full range of tools and powers to maintain protection, fairness and confidence.

iv. **Build** – a robust product safety system and infrastructure that delivers today and is ready for the challenges of tomorrow.

2.3 These objectives are mutually reinforcing. Analysis will drive our decisions and interventions. Engagement and collaboration will shape our consumer communication campaigns and industry guidance. Enforcement and incident responses will help to build confidence. Infrastructure investment will build greater resilience across the system and strengthen local capability.

2.4 We will be guided by three principles – the importance of **protection**, a commitment to **partnership**, and a focus on the **practical**, real world, impact.

2.5 We will work in active **partnership** with organisations across the safety landscape to build a more resilient system. We want to create a shared understanding of risk and the right interventions to mitigate and control risk. We know that not every issue will need intervention and we will prioritise by focusing on risk, cost and benefits. We will provide **practical** tools, tested with users, to enable all those with a role in delivering safety to better fulfil their roles and deliver improved **protection**.
2.6 We want to work collaboratively with partners to maximise our collective impact and a number of organisations and partners are referenced in this document as we describe how we envisage working together. A snapshot of the product safety landscape can be found below. We have not tried to describe the work of all organisations in detail and have focused the scope of this strategy on our responsibilities to establish national capacity and to bring co-ordination to the system.

2.7 To deliver this strategy, we will take forward the following key actions, based around our four objectives.
## Analyse

- Create an ongoing partnership with stakeholders to facilitate data and intelligence sharing, including through membership of the Government Agency Intelligence Network (GAIN).
- Prepare the first national Strategic Assessment to inform intelligence-led prioritisation for action.
- Work with the Royal Society for the Prevention of Accidents (ROSPA) and public health bodies to improve injury data collection.
- Publish a Strategic Research Programme to set priorities for research investment.
- Develop tools and guidance to help businesses and local authorities improve risk assessment.
- Develop peer review to support local authorities producing and validating risk assessments.
- Use behavioural science to understand how best to impact consumer, retailer and producer behaviour in issues of recall, safety messages and safer goods.

## Inform

- Use data and analytics to design new and effective communications tools for consumers, using evidence of the effectiveness of interventions and how consumers behave in real world situations.
- Strengthen collaborations with stakeholder groups and consumer bodies.
- Support collaborative media activity and consumer awareness campaigns about specific hazards and calls to action.
- Work with the Intellectual Property Office to publicise the potential safety hazards of counterfeit goods.
- Work with Electrical Safety First to understand and address safety risks related to second hand goods.
- Review product safety guidance on GOV.UK to ensure it is accessible and aids understanding. Produce new guidance to address any identified issues.
- Work with the Department for International Trade to ensure that online information for importers regarding safety of goods is clear.
- Encourage greater diversity in the membership of British Standards Institution (BSI) Standards committees to inform the development of up to date and effective product standards.
- Review evidence where existing Standards are insufficient.
Strengthening national capacity for product safety: Strategy 2018-2020

### Enforce

- Increase support for local authority led teams at ports, borders and points of entry.
- Provide investment in strategic points of entry to ensure access to specialist enforcement equipment and facilities.
- Carry out risk-led and targeted enforcement activity to tackle non-compliance, working with National Trading Standards (NTS), local authorities and other enforcement authorities, including reviewing product compliance and recall systems of white goods manufacturers supplying to the UK market.
- Support local authorities in forming Primary Authority partnerships with importers, distributors and retailers to improve confidence, certainty and safety outcomes.
- Provide Supporting Regulator capability to support Primary Authority partnerships, providing technical expertise – particularly on novel or contentious issues.
- Publish a process for local authorities to request technical support from the Office.
- Work with white goods manufacturers, gaining assurance that their compliance systems are robust and that they are implementing the recall Code of Practice.
- Establish a national incident management team for product safety incidents.
- Publish an incident management plan including guidance and protocols, setting out our approach to incident classification and collaboration with local authorities and other bodies.

### Build

- Establish a Trading Standards Co-ordination Unit to lead engagement with local authorities.
- Work with the Chartered Trading Standards Institute (CTSI) to assess skills and knowledge on product safety and develop training materials to support capability building for local authorities.
- Be an active member of international regulatory networks, including the OECD, to ensure that the UK can learn from international comparators and remain world leading in our approach to safety.
- Carry out a Post Implementation Review of toy safety and cosmetics regulations, and a periodic review of General Product Safety Regulations.
- Ensure EU product safety Directives are moved into UK law.
- Develop new digital systems to share data and information about product risks and to handle rapid alert notifications.
- Develop a central hub to enable consumers to access reliable information about recalled products and receive alerts of registered products.
- Carry out improvements to the existing Product Recall site to make it easier for consumers to find the right information.
- Map external test house capability, and identify any gaps, to inform development of Safety & Standards in-house test capability.
- Begin market surveillance testing programme in partnership with local authorities.
- Develop new partnerships with accredited test houses to ensure there is sufficient rigorous and independent testing capability available.
When a product is found to be unsafe, a risk assessment is undertaken, which forms the basis for intervention. Risk factors include the nature of the product, the level of hazard and likelihood, and which intervention would most effectively improve the safety of consumers. This may result in a product recall or other corrective action, such as a repair programme, to address the issue. In such an event, as per the Code of Practice on Product Recalls (PAS 7100), manufacturers must contact affected consumers and publicise the risk posed and details of the recall. Information about the recall must also be shared by retailers and distributors to ensure that as many consumers as possible are aware of the issue.

Legislation places requirements on any business involved in the import, manufacture and supply of goods. The legal framework consists of general requirements that apply to all consumer goods, and specific requirements that apply to individual product categories, such as electrical goods and toys. Regulations specify essential requirements of the design and the conformity assessment that must be undertaken to assure compliance.

Standards and conformity bodies: Conformity assessment details the checks that should be undertaken on product design, construction and performance, and in some cases, how those checks should be performed by third party testing houses designated as notified bodies. In many cases manufacturers can refer to published and recognised standards to help guide product design and construction and to help them achieve conformity with the legislation. In the UK, these standards are produced by the British Standards Institution (BSI).

Industry: Producers must ensure the products they place on the market are safe and are provided with instructions for safe use where applicable. They must also have measures in place to identify risks once a product is on the market, so that quick corrective action can be taken where needed, including product recall if required. Distributors must not supply goods that they believe to be dangerous and must cooperate with producers if problems with their products arise.

Consumer organisations: such as Which?, Electrical Safety First and Citizens Advice provide information on the safe use of products, as well as raising awareness of product recalls and safety concerns through targeted information campaigns. The Fire Service plays a significant role in prevention of safety incidents through information campaigns, research and investigation analysis. These organisations also collect and share valuable sources of data.

Other regulatory bodies: national regulators and other Government departments are responsible for safety in other sectors, including the Health and Safety Executive (safety of workplace equipment), the Food Standards Agency (food safety), the Department for Transport (motor vehicle safety), the Department of Health (safety of medicines and medical devices).

National Trading Standards and Trading Standards Scotland: national trading standards teams are nationally funded by Government to add capacity to local trading standards activity, including through the specialist Safety at Ports teams operating at points of entry to intercept unsafe goods as they enter the UK.

Local authorities: Local authority trading standards services (and local environmental health services in Northern Ireland) have an important role in ensuring compliance. This enforcement role includes advising industry on their systems and processes to ensure compliance, and carrying out market surveillance activities to check and test products. Producers are required to monitor the performance of their products and must notify the appropriate local trading standards authority if a safety risk is identified. Trading standards authorities will work with them to rectify issues.

Local authorities are also supported by the professional body for trading standards, the Chartered Trading Standards Institute, to share professional expertise.

Consumers concerned about an unsafe product should contact the Citizens Advice helpline, as well as registering their appliances to receive information and updates in the event of a product fault.

Office for Product Safety and Standards
Strengthening the UK approach: Challenges and opportunities of the product safety system

Changing marketplace: innovation and technology

3.1 Our Industrial Strategy aims for the UK to be the world’s most innovative economy. We know that half of UK firms are innovating and of those firms, 36% have introduced new products and 25% have innovated their processes\(^5\). The ways that consumer products are manufactured, distributed and sold are constantly changing, and are changing at speed, with currently £1.1 billion spent each week online.

3.2 Innovation in the marketplace is about new ideas, new products and new technologies. These may originate from radical transformation or incremental improvements and are leading to new consumer products that were previously unimagined, from smart phones and driverless cars to remote charging batteries. The Internet of Things – everyday devices connected to the internet – has opened a wealth of new possibilities for the consumer, and the speed of adoption of new technologies by the public is rapidly increasing\(^6\).

3.3 The marketplace is also more global than ever before with long and complex supply chains, where one relatively simple household product could contain multiple components manufactured across the globe. Over 70% of global trade is now in intermediate goods or capital goods, many of which will be used in the manufacture of other products\(^7\). Digitalisation has transformed supply chain management, as well as increasing trends towards customisation of products and increased automation in production networks\(^8\).

3.4 With constant changes in product design and production methods, regulation needs to keep pace to ensure that it facilitates and supports growth, rather than becoming a barrier to it. Agile, responsive regulation will need to draw on scientific research to shape new safety solutions for emerging technologies allowing industry to build safety into their initial research and development programmes. Blockchain technologies can provide assurance about the safety of supply chains whilst new scanning technology can facilitate quick and cost-efficient inspection of goods.

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\(^6\) The Economist. accessed at: https://www.economist.com/blogs/graphicdetail/2014/03/daily-chart-77%3Fsrc%3Dscn%2Ftw%2Fdc


\(^8\) https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/supply-chain-4-0-in-consumer-goods
Confidence in regulation: the role of standards

3.5 The majority of current product safety regulation is underpinned by European and international standards, which set a clear and measurable benchmark to assess a product. This provides consumer confidence that safety is built into production and provides a framework against which businesses can achieve and demonstrate compliance.

3.6 The international standards system aims to develop one standard on any given industry issue, to be adopted in countries worldwide. Common standards greatly reduce the cost and complexity for industry and consumers, enable business to operate easily across borders and simplify market access. The UK’s proposal for a UK/ EU free trade area for goods, underpinned by a common rulebook, includes maintaining the ability to apply the single standards model. This will enable the UK to remain influential in the development of European Standards through leadership and participation in standards-developing committees, co-ordinated through BSI.

Frictionless trade at the border

3.7 Trade is a key driver of growth and prosperity, through higher wages, stimulating greater business efficiency and higher productivity. It ensures more people can access a wider choice of goods at lower cost. The nature of international trade and global supply chains makes clear the importance of regulatory co-operation and data exchange with partners. Around 9 million shipping containers enter the UK every year and so interventions to intercept unsafe goods need to be risk-based to ensure effective targeting to deliver protection without undermining smooth and efficient trade logistics.

Harnessing the power of data – product registration and recall

3.8 The digital era has led to a transformation in the way that consumers interact with business. The Government’s Consumer Green Paper states that consumers should be able to take full advantage of the innovations of data and technology while ensuring their privacy rights are protected, recognising the concern some consumers have about how their data will be used, which impacts product registration rates.

3.9 Research shows that less than half (43%) of British adults usually register their large domestic appliances with the manufacturer. Of those that do not always register, 39% said this was because they forgot and 29% did not think it was necessary.

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12 YouGov survey for Association of Manufacturers of Domestic Appliances, 2017. Total sample size was 2028 adults. Fieldwork was undertaken between 5th - 6th January 2017. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+)
3.10 Product registration impacts the success rate of product recalls, which stands at around 10-20%\textsuperscript{13} in the UK, with a lack of awareness that second hand goods can be registered, as well as new purchases. The effectiveness of recalls can vary from negligible for recalls of cheap, high turnover and difficult to trace products to a greater success for higher value items, where consumers can be more motivated to resolve the problem.

**Product registration: low levels of awareness**

A You Gov survey for the Association of Manufacturers of Domestic Appliances\textsuperscript{14}, exploring product registration in support of Register My Appliance Day found that:

- Less than half (43%) of British adults usually register their large domestic appliances with the manufacturer. Of those that do not always register, 39% said this was because they forgot and 29% did not think it was necessary.
- After being told that registering an appliance ensures the manufacturer is able to contact them swiftly (e.g. if the product develops a fault and requires free in-home repair) 62% of consumers said they would be more likely to register.
- Only 15% of consumers realised they could register an appliance with the manufacturer if they acquired it second hand.
- Just 18% understand that they can register an appliance at any time after purchase: 24% thought this was only possible at the time of purchase and 35% thought the item had to be within the warranty period.

3.11 It is these challenges and opportunities in the product safety system that we are seeking to address through our four objectives – Analyse, Inform, Enforce and Build, which are now discussed in turn, along with the actions we will take.


\textsuperscript{14} You Gov survey for Association of Manufacturers of Domestic Appliances, 2017
Analyse: Make the best use of scientific evidence, incident data, risk and intelligence in decision making

4.1 Effective regulation relies on informed decisions, using evidence to assess sometimes contradictory factors relating to risk, hazard and harm. Risk assessment can be complex, with data availability, the quality, quantity and ongoing relevance of information, or limitations on modelling and statistical analysis all contributing to the difficulty of assessment. The National Audit Office has previously identified gaps in the evidence base regarding product safety incidents and the cost-effectiveness of specific interventions\(^\text{15}\), whilst recognising the progress that has been made in developing intelligence-led approaches in recent years.

4.2 We know that there is a large amount of data in existence. This includes datasets from manufacturers and insurers, as well as regulators, health organisations, consumer groups and other Government departments, such as the Home Office Fire Statistics Unit. We are seeking to continue to access tools such as RAPEX\(^\text{16}\) and the OECD Global Recall Portal to allow sharing of cross-boundary product issues and to build a wider picture of product risk and industry compliance.

4.3 However, there remains a challenge in collating and sharing information to enable a robust intelligence picture to be formed, as well as local authority access to external datasets\(^\text{17}\). This section sets out the actions we will take to make the best use of data and evidence to improve decision making.

Intelligence assessment for product safety

4.4 We will use intelligence assessment to ensure that decision makers have access to the most informed picture of risk and that resources can be targeted where they will have the greatest impact. We have already established a new intelligence function within Safety & Standards, which is using the National Intelligence Model and the Management of Risk in Law Enforcement\(^\text{18}\) (MoRiLE) protocols as well-established models for intelligence management.


\(^{16}\) The European Commission Rapid Alert System for dangerous non-food products system


\(^{18}\) Management of Risk in Law Enforcement (MoRiLE) is an intelligence programme to create prioritisation and business intelligence tools for law enforcement.
4.5 We will learn lessons from other sectors, including food, to improve data sharing across organisational boundaries. Based on previous research on barriers to data sharing\(^{19}\), we will establish partnerships to facilitate data sharing, including working through the Government Agency Intelligence Network (GAIN) and alongside the Single Point of Contact for trading standards at ports and the NTS intelligence network.

4.6 Using the National Intelligence Model as our framework, we will produce our first full strategic assessment of the product safety landscape by the end of March 2019. This will enable an objective assessment of the current situation and help to identify priorities for further data capture and operational intervention. It will also enable us to begin horizon scanning analysis, critical for ensuring that the UK can prepare for future opportunities and threats to our system.

4.7 As part of our first steps in operational intelligence assessment, we will be focusing on identifying problem profiles and understanding specific issues in industry sectors. This will include reviewing hospital and injury data, hazard data, injury causes, severity, scale, and impact evidence to target our interventions around any specific product types identified.

4.8 We will also be building an intelligence picture on industry compliance, working closely with trading standards, HMRC and other partners to identify criminal and deliberate non-compliance with safety legislation. Shared data and intelligence will enable us to identify and target problem operators and work with enforcement partners such as the Intellectual Property Office to identify links between counterfeit and unsafe products.

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**Injury and hazard statistics**

Access to datasets has been identified as an acute problem within the product safety landscape. We will work with the Royal Society for the Prevention of Accidents (ROSPA) and the College of Medicine to explore the collection of accident data by Accident & Emergency departments and the NHS to facilitate better information of injury types and product hazards.

The Intelligence Unit will seek to continue to work with other intelligence and statistical teams to draw together a stronger picture on product risk, with the ambition of drawing on data from the Fire Service, the European injury database, and RAPEX, as well as other Market Surveillance Authorities (MSAs) such as the Health and Safety Executive and the Medicines and Healthcare Regulatory Agency.

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**Improved access to scientific and technical advice**

4.9 We have established a new Scientific and Technical Advice Unit, and a Strategic Research Programme, to place science and evidence at the heart of our work and the decisions we take – from strategic planning and policy formulation to incident response.

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4.10 We will work with the BEIS Chief Scientific Adviser and the government scientific network to develop a community of practice around product safety research. We will embed a practice of peer review to ensure that technical and policy advice is underpinned by leading academic research and shaped by industry insights. The unit will harness the best in scientific and technical advice from inside and outside of government through the development of new partnerships.

4.11 Early priorities include looking at new safety solutions to issues such as indelible marking, durability of products in relation to second hand markets, techniques to improve regulatory compliance and examining safety issues with existing technology in products. The programme will also include technology foresight, to identify potential safety issues with new technologies.

4.12 The unit will work closely with partners, such as the National Fire Chiefs Council, the London Fire Brigade, National Trading Standards and Trading Standards Scotland (TSS), as well as the Association of Chief Trading Standards Officers (ACTSO), Welsh Heads of Trading Standards Services (WHOTS) and the Society of Chief Officers of Trading Standards in Scotland (SCOTSS) to ensure that scientific and technical expertise is available to local authorities in an efficient and sustainable way. This will be facilitated by our Trading Standards Co-ordination team.

4.13 We will work with local government to improve the use of risk assessment methodologies, including robust risk identification to find, recognise and describe risks; risk analysis to understand the nature and magnitude of risk; and the use of risk evaluation to determine the acceptability of risk levels. We will develop tools and guidance to assist businesses and regulators in improving risk assessment and will develop peer to peer review for local authority risk assessments to promote greater confidence.

**Applying behavioural science to better understand consumer and business behaviour**

4.14 Behavioural science focuses on improving policy through the understanding of how people behave based on empirically-tested results. The Working Group on Product Recalls and Safety explored how behavioural science might help increase the effectiveness of white goods recall messages sent directly to consumers. It identified that most consumers do not consciously weigh up the costs and benefits of compliance and can fail to comply with clear safety messages in the presence of a minor inconvenience.

4.15 We will continue to explore the power of behavioural science to understand how best to impact consumer, retailer and producer behaviour in issues of recall, safety messages and safer goods, both new and second hand. This will include testing which forms of communication work best with different parties and drive them to action.
New Code of Practice for Product Recalls

In March 2018, the Office launched the first Government-backed Code of Practice (PAS 7100) for product safety recalls, in partnership with BSI and using the findings of behavioural insights.

The Code emphasises the importance of advance planning and the production of a product safety incident plan to ensure preparedness to deal with any potential incident requiring corrective action. Incident plans should detail clear responsibilities for issues such as traceability, legal notification, communications and testing and review. The Code also sets out how MSAs should prepare to deal with incidents and how they can support businesses in proactive planning, as well as in the monitoring of incidents and the implementation of corrective action. The Code has been developed using evidence from behavioural insights and how consumers respond to the safety messages in real life situations.

To date, over 250 local trading standards officers have received training on the Code so they are better equipped to ensure that businesses are prepared to deal with product safety incidents and carry out effective and timely corrective action.
Inform: Help consumers make informed choices and give businesses the information they need to comply

5.1 Information allows us as consumers to make judgments about the products we buy: do they meet our needs; are they good value? Yet in assessing the safety of products, it can be difficult to distinguish between unsafe products and their safe counterparts. When looking at a product, a consumer cannot see the detailed construction, nor know what parts have been used, how heat resistant the material is or whether any wiring is correctly insulated, for example.

5.2 In economic theory, this is classed as a situation of ‘imperfect information’. Product safety regulations provide consumers with a method of addressing this imperfect information – by signalling that safety requirements have been assessed, defined and met, and by doing so in a way that carries a high degree of confidence in the market.

5.3 Enforcing these requirements gives consumers the necessary confidence that legal requirements are being consistently met, enabling them to purchase with confidence. This relies on effective action by industry and compliance with safety requirements.

5.4 Investing in compliance makes economic sense for business, not least because of the direct and indirect costs involved with a failure to fulfil legal obligations. These costs can include the cost of enforcement action, but also the indirect cost of lost sales and damaged customer reputation.

Consumer information

5.5 The ways in which consumers find information and the channels used by consumers to complain are changing. Studies have found that one in four social media users in the UK are using this platform to make a complaint\(^{20}\). Simply relying on engaging consumers by providing them with more information has been shown not to be an effective approach\(^{21}\).

5.6 We will make use of analytics on existing Government websites, such as Product Recall and GOV.UK, and social media to assess the reach of communications. We will use data and evidence of how consumers behave in real world situations to design new and effective communication tools.

5.7 We are a new organisation and we recognise how important it is to build awareness and credibility of our messages. We will strengthen collaborations with stakeholder and consumer groups, recognising their established relationships with consumers and citizens, including ROSPA, Electrical Safety First, Which? and Citizens Advice.

\(^{20}\) The Institute of Customer Service, Service Goes Social: how organisations can deliver customer service through social media, July 2015, cited in National Audit Office, Protecting consumers from scams, unfair trading and unsafe goods, 2016

\(^{21}\) Department for Business, Energy and Industrial Strategy, Modernising Consumer Markets: Consumer Green Paper, April 2018
5.8 We will support collaborative media and awareness campaigns around specific safety hazards and calls to action, for example encouraging product registration through the Register my Appliance scheme for electrical goods and Consumer Safety Week. This will include ensuring that consumers are aware they can register second-hand products, not just brand-new items.

5.9 We will work with the Intellectual Property Office to improve consumer awareness of the dangers of counterfeit products and the safety risks such goods can present. Counterfeit items are often sold at huge discounts to legitimate products and can disproportionately affect the poorest in society.

5.10 We will also work with Electrical Safety First to understand potential risks in relation to second hand goods and develop actions to improve consumer awareness, as well as the responsibilities of those selling such goods.

Industry engagement

5.11 In the main, regulators and industry share a common goal in compliance. Regulatory compliance is often not a single, one off decision, but about processes throughout the business lifecycle. We want to work proactively with industry to address long-standing and emerging complex product safety challenges and to find practical solutions. We want safety compliance to be considered as early as possible in the product lifecycle. By preventing hazards through product design, risks can be mitigated before goods enter the market.

5.12 To support businesses in understanding product safety regulations, we will review existing published guidance on GOV.UK to ensure that is accessible, easy to use and helps understanding. We will also work with the Department for International Trade to ensure that information for importers regarding the safety and compliance of goods is clear and drives compliance.

5.13 We will examine the need for new guidance to industry sectors to ensure that investment in innovation continues to enable competitive advantage whilst meeting safety standards. We want to hear from business to resolve and unblock barriers.

5.14 We will work through the Business Reference Panel to ensure that the business view is heard and that business needs for regulatory support can be addressed through local authorities and primary authority relationships.

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24 The Business Reference Panel is an advisory panel focusing on the delivery of regulation. Through membership of the panel, which comprises of trade associations, businesses and representative bodies, the views of over 1 million businesses in the UK are represented.
Standards

5.15 We have already funded access to British Standards so that local authorities have easy access to technical information, including corrective action and recall procedures, needed to assess compliance.

5.16 We will support the continuation of active participation in standards development. We will work with BSI to encourage greater diversity in committee representation, ensuring that all voices are adequately heard and that standards reflect the outcomes we collectively want to achieve. We will extend support for attendance and participation in committees.

5.17 The development of new standards and the revision of existing standards are a significant undertaking. We will carefully review any emerging evidence of products that pose an unreasonable risk of harm where existing standards or regulations are insufficient, working alongside BSI. This review will include relevant outcomes of research findings from the Strategic Research Programme governed by the Scientific and Technical Advice Unit.
Enforce: Use the full range of tools and powers to maintain protection, fairness and confidence

6.1 Active and visible enforcement, including education, advice, instruction, and investigation and prosecution to tackle non-compliance, is critical for regulations to have impact. Without effective enforcement, safety outcomes can be undermined, as can fair competition for compliant businesses who may find themselves undercut by competitors who do not invest in safety compliance.

6.2 Effective enforcement requires action at multiple levels, as product safety risks cross boundaries and borders. Local authority enforcement officers and specialist product safety teams are a key part of the UK enforcement system. We want to establish a close partnership with local authorities to maximise the strengths of local enforcement, whilst providing additional capacity to tackle national threats and address novel, contentious and complex cases. As we exit the European Union, we will also continue to play our full part in co-operation and joint work with other regulators internationally.

Developing an enforcement strategy

6.3 We want to give compliant businesses the confidence to innovate, invest and grow, which means tackling those that may gain an economic advantage by ignoring their compliance obligations.

6.4 We are committed to enforcement that is risk-based, proportionate and consistent and we aim to be transparent and accountable about our regulatory approach and activities, in accordance with the statutory principles of good regulation and the Regulators’ Code and in line with our enforcement policy and service standards. We will provide guidance to assist local authorities in meeting their responsibilities under the Code, as well as providing guidance on interventions to target their resources effectively.

6.5 We will use data analysis and our engagement with businesses to establish an understanding of current industry practice and approaches to compliance with product safety obligations. We will develop a segmentation of businesses, based on characteristics that identify business investment in compliance. This segmentation will assist Safety & Standards and local authorities in targeting the right interventions to support businesses or sectors into compliance and to take robust action where needed against those who endanger protections.

6.6 Alongside the current review of powers in the Consumer Green Paper, we will examine the framework of powers concerning product safety to ensure that effective enforcement action can be taken to tackle those businesses who break the law. We will consult on our findings later in the year.
Strengthening Primary Authority partnerships

6.7 Primary Authority is a statutory mechanism that enables businesses, trade associations and other co-ordinated groups to receive assured advice from a single local authority. We will support local authorities in forming primary authority partnerships for product safety with manufacturers, importers, distributors and retailers, to ensure that all businesses can access the advice and regulatory expertise they need for their business to succeed, as well as improving confidence, certainty and safety outcomes.

6.8 A Supporting Regulator is able to agree arrangements to provide support to a primary authority in its provision of Primary Authority Advice, or in its development and management of an inspection plan. These arrangements may relate to a single piece of work or they may relate more widely to the primary authority’s partnership work with a business or a group of businesses.

6.9 We will act as a Supporting Regulator to support Primary Authority partnerships, enabling local authorities to access technical expertise and guidance when required. This will help to maximise the effectiveness of partnerships by ensuring that local regulators are able to provide the right advice to businesses and support greater compliance.

6.10 We will establish a simple, transparent process, facilitated through our Trading Standards Co-ordination team, for primary authorities to request advice and support on product safety issues. Requests will be considered in the context of a risk assessment, including the nature of the hazard, levels of innovation, and scale of impact. Inputs provided by Safety & Standards, such as access to testing facilities, will underpin assured advice issued to the business by a primary authority.

6.11 For many global brands, regulatory policies are governed centrally, with knowledge and expertise held at global headquarters, often based outside the UK. The size, scale and complexity of their operations often requires both a breadth and depth of technical regulatory support. Working alongside primary authorities, Safety & Standards will strengthen oversight of significant manufacturers, including those producing white goods and electrical goods, importers and distributors, including online platforms.

6.12 We will work with companies to assess their management systems, conformity assessment processes and Technical Files, supporting industry to build compliance in from the start through intelligent design, both reducing the potential for safety issues and improving efficiency. This national capacity will support primary authorities in managing complex and resource intensive partnerships.

25 Primary Authority is a means for businesses to form partnerships with local authorities to receive regulatory advice to support compliance. More information can be found at: https://www.gov.uk/government/publications/primary-authority-overview

26 An inspection plan is agreed between a business and a primary authority. The purpose of an inspection plan is to guide enforcing authorities through their inspection process and other checks, such as sampling visits and test purchases.
Intercepting goods at borders

6.13 We will provide increased support for local authority led teams at ports and borders, including the NTS Safety at Ports project. We will further develop and expand the Single Point of Contact protocol to ensure that trading standards across the UK have improved access to intelligence from partners at the border to support risk-based targeting.

6.14 We will also examine the need for investment in strategic points of entry to ensure that enforcement officials have the necessary specialist equipment, storage facilities and access to testing to support risk-led interventions and frictionless trade.

6.15 Working with regional and national trading standards intelligence hubs, we will develop intelligence profiles to identify problem goods, importers, and production patterns. These will provide guidance to local authorities to assist the targeting and prioritisation of local enforcement activity. We will examine supply chains and routes to market to ensure that products can be intercepted quickly and efficiently, including those distributed through online sales.

Enforcement of laser pointers

Working with the Home Office and the Department for Transport, we have commissioned local authorities, through NTS, to strengthen checks on high powered lasers entering the UK. We are working with manufacturers and importers to encourage more effective labelling, including the development of a code of practice, and with online retailers to adapt sales policies. We will be launching a communication campaign later in the year to raise public awareness of the hazards of laser pointers.

Rapid incident response

6.16 Businesses should continue to notify their local trading standards authority where they identify any possible safety concern with a product. We will work with local authorities to collate all notifications and build a national picture of issues. Our work to develop shared information systems will assist in data submission and collation.

6.17 In the event of an incident – where concerns about actual or suspected threats to the safety of a product may require intervention to protect consumers – effective incident management is critical, with clear identification of roles and responsibilities. Lead responsibility will be dependent on the nature and severity of the incident or issue, and may be led by local authorities, specialist teams or directly by Safety & Standards. For locally led responses, local authorities may request input to support effective action, including access to testing or specialist technical expertise from Safety & Standards.

6.18 We will test our operational processes, consulting with local authorities and partners. We will develop guidance focusing on operational management, leadership, coordination and the functional command and control processes for multi-agency collaboration. Standardised protocols will be supplemented by a risk assessment matrix to define and classify responses in accordance with the nature and scale of hazard and harm. Our protocols will also include incidents where a cross-Government, multi-agency response is necessitated, working in accordance with civil contingency plans.
Build: Put in place an infrastructure that equips the UK for future challenges

7.1 We have an important part to play in building connections across the product safety system and ensuring the system is built on solid foundations. By ensuring the roles of Government and local authorities are clear in working together, we will be best placed to exploit our collective strengths and address current gaps.

7.2 Product safety is a highly technical area of regulation and requires access to specialist expertise, skills and experience. Local trading standards teams have previously highlighted the challenges caused by an absence of a dedicated national body to co-ordinate activities and provide access to scientific and technical expertise, as well as shortages of specialist officers working in the field.

7.3 Many local authorities do not have specialist officers dedicated to working on product safety issues and generally officers with broader responsibilities will become involved in issues as and when they arise. To support the sharing of expertise on product safety, CTSI, the professional body for trading standards, operate the Lead Officer scheme to provide a liaison point and support to other officers on technical matters. Safety & Standards will work closely with CTSI to build capability and strengthen capacity at the local level.

Local authority collaboration and capability

7.4 We will establish a new co-ordination team to lead our engagement and collaboration with local authorities, led by individuals with operational product safety and trading standards experience. Early activities will include establishing regular dialogue with ACTSO, SCOTSS, WHOTS, NTS, TSS and regional groups of trading standards heads of service to establish ways of working and priorities for support, as well as reviewing existing guidance published for local authorities to increase effectiveness and value to front line professionals.

7.5 Providing access to learning and development opportunities to support continuous professional development will be at the heart of our capability building programme. We will work with CTSI to carry out a strategic analysis of existing knowledge and skills to understand where to focus these activities.

7.6 With CTSI, we will publish a learning and development offer to local authorities, based on feedback and the gap analysis. Early priorities will be to support training for local authorities on the use of standards, conformity assessment and reviewing technical files, as well as developing an online learning tool in the use of the Code of Practice on Recalls.

7.7 We will work closely with local authorities to understand the effectiveness of our collaboration and future priorities for action to build capability at the local level.

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Collaboration and networks

7.8 We want to ensure that professional expertise sits at the heart of the system and will refocus the National Product Safety Group to provide this role. We will convene expert stakeholder groups to support policy development and policy reviews, as we have, for example, when considering the current approach to managing fire safety in furniture and furnishings.

7.9 We will work closely with other departments and regulators on topics of shared interest, including the Home Office fire safety team, to share data and intelligence. We will also co-ordinate our market surveillance activities across different industry sectors through our leadership of the Market Surveillance Co-ordination Committee.

7.10 The UK is well regarded across the world for our approaches to regulation, creating an environment that protects people whilst enabling business to flourish. We want to remain at the leading edge of regulatory innovation through participation and leadership of international networks as well as working with the EU, OECD and other partners to address pan-European and global safety risks.

Policy and implementation review

7.11 Remaining at the leading edge will require timely and periodic reviews of product safety regulations. We will review the existing sanctions regime underpinning product safety legislation to ensure that enforcement is effective, proportionate and dissuasive by providing regulators with an appropriate set of civil and criminal sanctions. These will be in line with the Macrory principles of effective sanctions, and no new sanctions will be introduced unless there is a robust case for them and they are deemed necessary in delivering the required protections.

7.12 We will also carry out Post Implementation Reviews of significant product safety legislation to ensure that the legal framework supports the outcomes it set out to achieve. Early areas for review include toy safety and cosmetics regulations, as well as the five-yearly review of the General Product Safety Regulations, which are scheduled for review by March 2019.

Technology as a tool – investing in our systems

7.13 Better use of information technology to store, analyse and share data between and with local authorities is an immediate priority for action. Work is underway to develop a new system, engaging local authorities and other MSAs to understand their needs. This will include a system of rapid notification to alert MSAs to dangerous goods. We want to maintain high levels of information exchange with international authorities, including potentially remaining part of ICSMS and RAPEX, as well as considering the implications of new trading relationships in the future.

7.14 In line with digital and technology best practice, we will build this in stages – focusing on the needs of users, to make sure the system we build is easy to use, simple and fit for purpose. The first phase of this system for regulators is due to be released in March 2019.

7.15 Consumers must be able to access reliable information relating to recalled products. We have already made improvements to the Product Recall site, testing these with
consumers to ensure it is easier to locate information on recalled products. We will also increase publicity of the Product Recall site to consumers.

7.16 Later this year, we will launch a more comprehensive review of how consumers want to access recall information in order to build a new online database and notification service for consumers. We will also consult with consumer organisations to understand what already exists in terms of recall and safety messages and where we can best collaborate with others.

7.17 These actions represent a significant investment in information technology and development of these systems will continue for the lifetime of this strategy. However, we recognise the importance of early action to improve the experience for consumers and regulators.

New testing capability

7.18 We will strengthen capability at our existing product testing laboratories through additional investment in expertise and equipment and improve access for local authorities to testing capabilities. We will develop new partnerships with accredited test houses and technical experts to increase access to specialist support and to ensure sufficient depth and strength in testing capacity. We will identify accredited test houses to ensure that products can be tested robustly and efficiently. Where the commercial market does not provide the necessary expertise and assurance, we will invest in building our capacity in these areas. Where appropriate, we will seek accredited status for our own laboratories for these tests to provide confidence and certainty in test results.

Ensuring the right skills and expertise

7.19 We need a highly skilled and engaged workforce to ensure we can respond effectively to the dynamic challenges of product safety regulation. We already employ experts in science, engineering and enforcement, regulatory professionals and those with experience of managing compliance in industry. We want to continue to attract the best talent from a range of backgrounds and develop the experts of the future through the use of apprenticeships.

7.20 Across our three office locations in Birmingham (headquarters), London (policy hub) and Teddington (scientific hub) we are establishing and expanding operational teams, ensuring that we are aligning skills and competencies with emerging needs, and matching our resources to our priorities. This includes developing strength and depth in intelligence analysis, science and regulatory skills, consumer engagement and standards development as well as critical functions of information technology, policy and legal.

7.21 We want all our staff to actively participate in professional bodies and networks to learn from others and reflect on international best practice and leading-edge developments. We will encourage continuing professional development and membership of appropriate professional bodies.
Governance and accountability

8.1 We are a Departmental Office within the Department for Business, Energy and Industrial Strategy. We are part of the Market Frameworks Group – which focuses on promoting competitive markets and responsible business practices – and our responsible Minister is Kelly Tolhurst, Minister for Small Business, Consumers and Corporate Responsibility.

8.2 Setting up as a Departmental Office has enabled the organisation to move quickly to begin work. It has enabled us to begin recruitment, design operational processes, plan research programmes and deliver immediate priority actions.

8.3 Over the summer, we want to meet with partners and stakeholders to develop proposals for the longer-term operation of Safety & Standards, thinking about our governance, funding and scope. We also want to gather views on the powers and responsibilities that may be needed to address the changing landscape of product innovation in the future. We will formally consult on these proposals.

Leadership and resourcing

8.4 The Office is led by Graham Russell, Chief Executive, who has significant experience in regulation, including as a previous head of service in trading standards. He is supported by the Leadership Team comprising of six Deputy Directors responsible for operations, policy, enforcement, resourcing and EU and international engagement. The organisational chart for Safety & Standards is shown below:

8.5 Government is investing £12 million per annum of new funding into building national capacity for product safety. This stands at £9 million of additional programme funding and £2 million of capital investment in the year 2018-2019 as we build the organisation and scale up operations. We have allocated our funding this year to our functions as follows:

8.6 We have a total operating budget of around £25 million per annum and currently employ approximately 215 staff to deliver all of the functions of the Office. This is planned to increase to approximately 300 staff by the end of the financial year as we recruit additional staff focused on providing national capacity for product safety.
8.7 Transparency information regarding expenditure will be published as part of the standard reporting for the Department for Business, Energy and Industrial Strategy.

**Stakeholder engagement**

8.8 Meaningful engagement with stakeholders across the product safety landscape will be fundamental to our approach. There are already existing relationships and partnerships in place, and our priority will be to deepen these connections and to develop effective partnerships to support delivery.

8.9 Through our stakeholder engagement activities, we aim to:

- understand the perspectives of the range of stakeholders involved in the product safety system;
- inform and engage stakeholders in our activities and delivery plan – to provide confidence in our actions to strengthen national capacity; and
- form effective partnerships with those organisations that are key to the delivery of our objectives – particularly the local authority trading standards community.

**Monitoring and evaluation**

8.10 The test of this strategy will be the ability to deliver real world change. We have set out our vision – a trusted product safety system that delivers protection for consumers, fairness for business and a competitive marketplace defined by outcomes of safety and public confidence. We will develop our success measures based on the following anticipated benefits:

**Improved consumer safety and confidence** through:

- a greater ability to notify consumers of recalls and notifications that are more effective in persuading consumers to act;
- a reduction in the number of unsafe goods entering the market;
- better informed advice on product risks;
- greater awareness of how to make use of the product safety system and an informed understanding of risk; and
- more consistent protections across the country.

**Greater business confidence and compliance** through:

- greater clarity on how to meet legal obligations in handling corrective actions and recalls;
- improved advice for those seeking support on compliance and better support on product innovation;
- a consistent view on risk assessments and expected responses; and
- risk-based approaches that target regulatory resources.

8.11 We will regularly publish progress reports updating on our activity and performance. The first of these – *Early impact: our immediate actions* – is published alongside this strategy.
Additional responsibilities

8.12 In addition to strengthening national capacity for product safety, our responsibilities include:

i. **Technical regulation and standards**: to ensure that the regulatory system for measurement product standards and accreditation supports innovation and enables businesses to trade internationally with confidence whilst maintaining consumer and environmental protections. We work with the UK Accreditation Service and BSI to support UK businesses to innovate and participate in new markets. We conduct compliance and enforcement activity on behalf of BEIS and other Government departments relating to energy and environmental issues and support checks at UK borders and the interception of non-compliant goods.

ii. **Preparing for EU exit**: to ensure that the product safety, metrology and standards and accreditation regulatory frameworks operate effectively after EU Exit, ensuring continued protections for consumers and supporting UK businesses to continue to trade goods in the UK, the EU and internationally.

iii. **Local Regulatory Delivery**: delivering the Industrial Strategy commitment to simplify local regulatory frameworks by operating Primary Authority and rolling out Better Business for All. We are building capacity in Primary Authority and enabling businesses to benefit from the confidence and certainty provided by access to reliable advice. We are working with local government to embed business support from local regulators in to Growth Hubs through Better Business for All partnerships.

**Proposed funding allocation by national capacity function for 2018-2019**

- Market surveillance and consumer engagement: 15%
- Enforcement and incident management: 31%
- Testing: 11%
- Scientific and technical: 17%
- Co-ordination: 7%
- Policy: 6%
- Organisational cross cutting: 7%
- Intelligence: 6%