

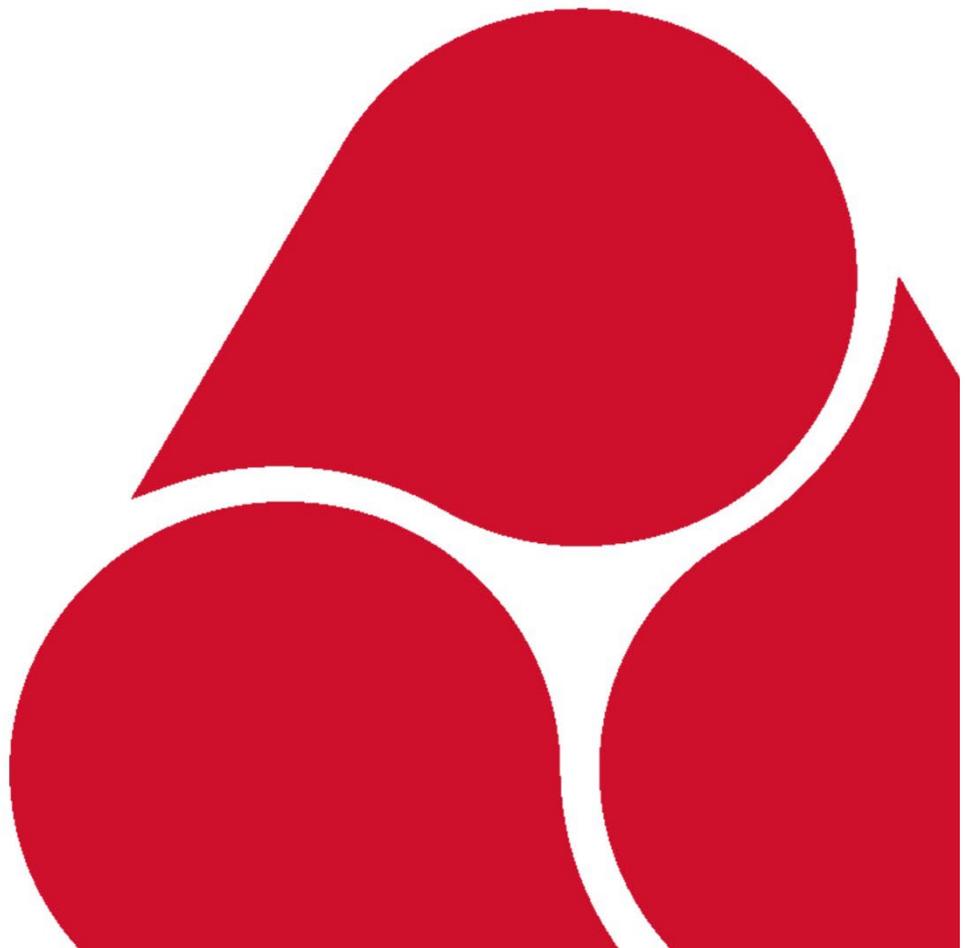


Office for Product
Safety & Standards

Creating an OPSS Benefit Cost Ratio

OPSS Analysis Research Paper

February 2026



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1. Introduction

- 1.1 The Office for Product Safety and Standards (OPSS), part of the Department for Business and Trade, is the UK's national regulator for most consumer products (excluding food, medicines, and vehicles). At the core of the UK's product regulation system, OPSS plays a vital role in protecting people and places by ensuring products are safe and comply with legal standards. It supports businesses in meeting their obligations, strengthens consumer confidence, and contributes to the Department's overarching mission of driving stronger economic growth.
- 1.2 Assessing impact is a critical responsibility for any regulator, as it demonstrates accountability, informs decision-making, and ensures that resources deliver maximum public value. For OPSS, understanding the economic and societal benefits of its work helps maintain confidence in the UK's product safety system and supports evidence-based policy development. To strengthen this evidence, this project explores an OPSS-specific Benefit-Cost Ratio (BCR). The aim is to provide robust analysis that showcases the economic value of OPSS activities and supports future Spending Reviews.
- 1.3 This paper provides a comprehensive overview of the analysis conducted to develop the OPSS specific BCR. It sets out the approach and methodology used, presents the key findings, and discusses the limitations and caveats that should be considered when interpreting the results. In addition, the paper offers broader commentary on the implications of the analysis and how the BCR can inform future decision-making and resource allocation. For readers seeking a deeper understanding of the technical aspects, a dedicated Appendix is included, which explores the methodology in greater detail and provides supporting calculations.

2. Context – Assessing an Organisation Benefit Cost Ratio

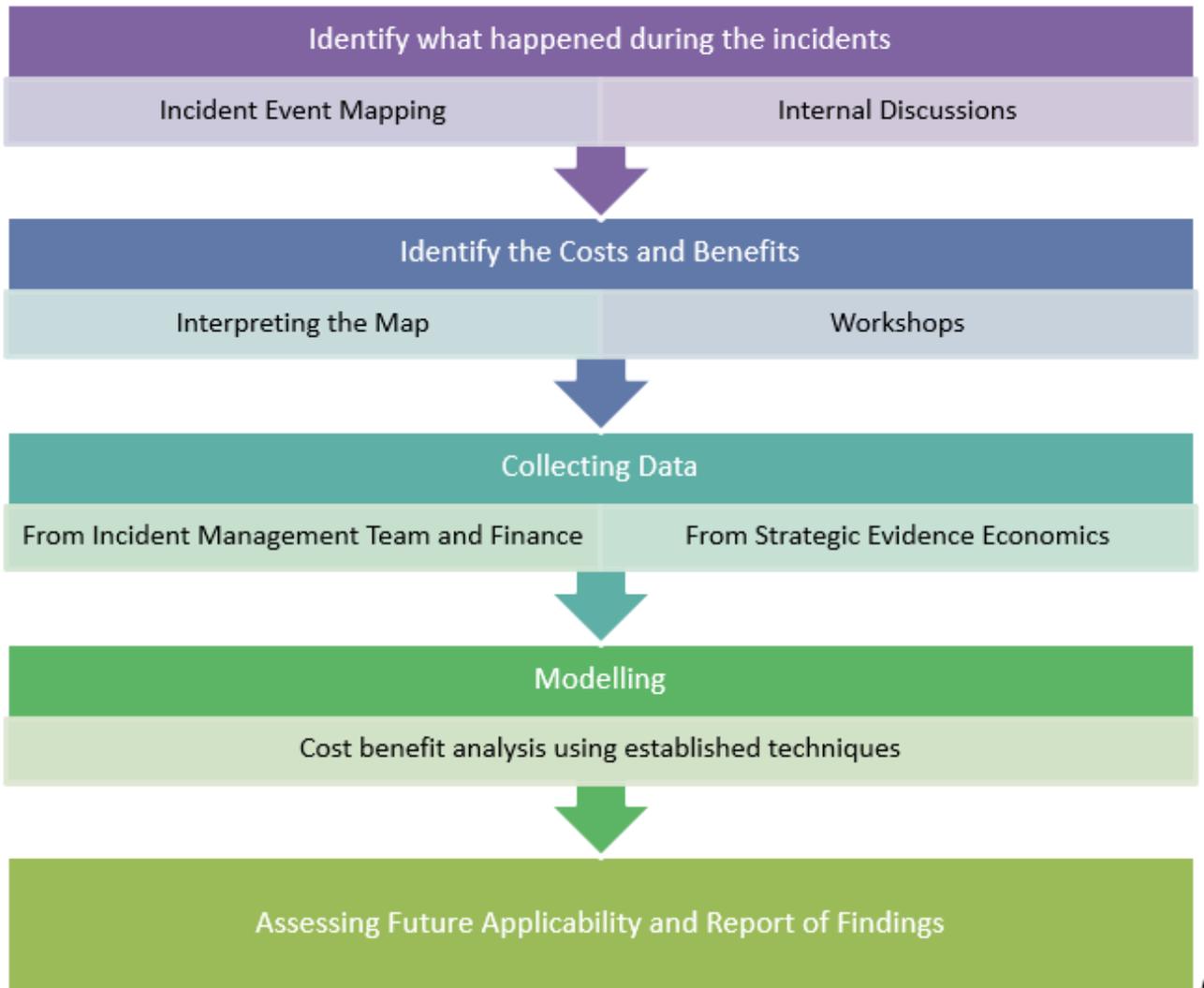
- 2.1 OPSS has consistently demonstrated its commitment to measuring impact and evidencing the value it delivers to consumers, businesses, and the wider economy. This commitment is particularly significant in the context of Spend Reviews, where robust evidence is essential to justify resource allocation, demonstrate value for money, and maintain confidence that public funds are being used effectively. Quantifiable measures, such as a Benefit-Cost Ratio (BCR), provide a clear and credible basis for evidence-based decision-making and ensure OPSS's work aligns with wider government priorities for economic growth and consumer protection.
- 2.2 While an OPSS-wide BCR remains an ultimate ambition, this was not considered feasible at this stage for two principal reasons: a) undertaking a full audit of approximately 500 colleagues, hundreds of organisational goals and a diverse range of impacts, would be logistically complex and potentially disruptive to core operations, and b) the scale of such an exercise meant it could not be completed within the timeframe required to inform the next Spending Review.
- 2.3 To address these challenges, a proportionate methodology was adopted. This approach enables OPSS to provide robust evidence of its value while remaining practical and timely, ensuring that the analysis can inform strategic decisions and support future funding discussions.
- 2.4 The agreed scope for this project was to investigate two specific incidents in which OPSS was directly involved. Incidents are defined as programmes of work managed by the OPSS Incident Management Team (IMT) where an identified product is deemed to be unsafe or non-compliant and requiring regulatory intervention.
- 2.5 Across the multiple types of OPSS workstreams, incidents were chosen for two reasons:
 - a) They have a clear start and end point. The incident process is time-limited triggered by notification of an unsafe or non-compliant good and concludes when the case is either closed or transitioned to business as usual (BAU). Excluding BAU ensures that costs and benefits can be assessed within a clear and finite timeframe.
 - b) The IMT manages the process using an established method for identifying incident specific costs making it easier to determine which costs and benefits are relevant.
- 2.6 The decision on which incidents to assess was based on two considerations:
 - a) To aid conclusions on future applicability, the selected incidents represent contrasting scenarios. Further details are included in the methodology, but broadly one is a technical issue (non-compliant) with a single product (construction product), while the other concerns a safety issue impacting multiple sellers (baby self-feeders).
 - b) The two incidents are recent issues, making it easier to track down the costs and benefits. Two incidents were deemed sufficient given project timescales and diminishing marginal benefits of assessment for each incident we investigate.

- 2.7 The project goes beyond a simple collection of costs and benefits. It assesses the economic validity, applies assumptions where data is minimal, investigates non-monetised aspects, and explores future applicability.

3. Methodology I: Summary of Approach

3.1 One of the key outputs of the project is establishing a robust methodology. The approach taken was:

Figure 1: Summary of Approach



3.2 **Identify what happened during the incidents:** Incidents can be complex and involve a wide set of colleagues and processes. To understand the costs and benefits, it was important to understand the incident. An ‘Incident Event Mapping’ workshop was held with those that were directly involved in either the baby self-feeder or construction product OPSS incident responses. See section: *Incident Event Mapping* for more details.

- 3.3 **Identify the costs and benefits:** The mapping workshop gathered input that could be translated into a Theory of Change (TOC)¹ for both incidents. This helped identify key processes in terms of OPSS' incident response and important areas that should be accounted for in the BCR models. Further workshops within the project team identified the analytical approach and what should and shouldn't be included.
- 3.4 **Collecting data:** Much of the data required for this analysis was available within OPSS. Cost data is routinely captured and maintained by the Finance Team, while benefits data is collected and managed by the Evidence Team.
- 3.5 **Modelling (monetised):** The BCR project team used economic appraisal techniques to estimate a cost-benefit ratio. The types of costs monetised include a range of inputs, activities, and outputs specific to each incident, which account for staff time, testing related expenses, tools utilised as well as any external payments. Benefits have been monetised in the form of detriment avoided using outputs from the OPSS detriment model², which provides estimates for consumers and businesses by product category.
- 3.6 **Modelling (non-monetised):** For costs and benefits related to OPSS intervention that cannot be monetised, these factors have been assessed through qualitative analysis. While they do not form part of the BCR calculation, they provide important context on wider impacts. Further details are outlined in *Methodology IV: Wider Impacts* and *Qualitative Assessment*.
- 3.7 **Assessing future applicability and report of findings:** The final part of the project presents the project findings and considers its application in wider monitoring and evaluation activities that the Office undertakes.

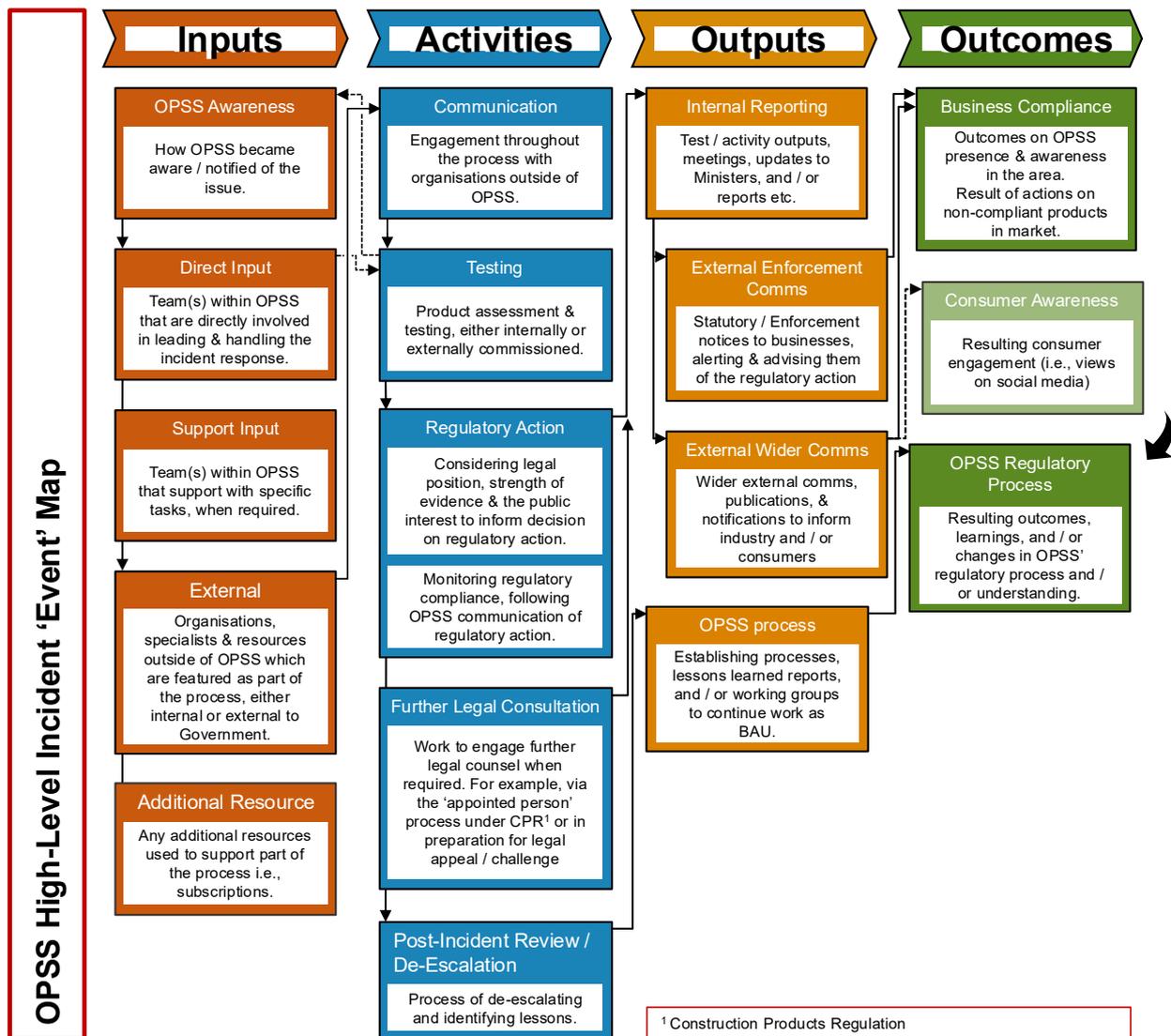
¹ Theory of Change describes how change is assumed to come about through intervention in a prevailing situation. The theory is usually laid out in a diagram showing the connections between interventions and outcomes. - [UK Aid Connect: Theory of Change Guidance](#)

² Detriment model: An analytical framework used to estimate the harm or negative impacts caused by unsafe or non-compliant products. It quantifies these impacts – such as injuries, financial losses, or other adverse outcomes – so that the benefits of regulatory interventions can be assessed in economic terms.

4. Methodology II: Incident Event Mapping

- 4.1 To structure the analysis, an event mapping session was conducted for each incident. This process captured information across four key stages:
- **Inputs:** all available resources used by OPSS as part of the incident response.
 - **Activities:** what was done (specific activities undertaken) by OPSS as part of the incident response.
 - **Outputs:** what was delivered by OPSS as a result of the activities undertaken.
 - **Outcomes:** what were the wider outcomes and results of OPSS' incident response
- 4.2 Attendees were asked to consider the incident for each of these stages. From this exercise, two detailed draft event maps were produced. These maps were used for the identification of quantitative and qualitative costs and benefits for each incident that should be included in the BCR models. Further engagement with OPSS teams enabled deeper investigation into which elements could be quantified or monetised.
- 4.3 Using these detailed maps, a high-level incident map was produced summarising the key parts of both incidents. This is presented below.

Figure 2: High level incident event map



Notes on the OPSS high-level incident 'event' map:

- We acknowledge that the exact sequencing of events is likely to differ between incidents. This high-level map supports the BCR modelling work discussed in this report. We developed it from the processes outlined for the two incident responses discussed.
- Dashed lines indicate where processes may have differed significantly between incidents. For instance, testing for pre-existing work may reveal an incident in one case (leading to OPSS awareness) while OPSS may become aware of a different incident through a formal referral, which then requires testing.
- Solid / opaque box fill shows categories featured across both incidents mapped to date. Lighter / more transparent boxes currently relate to one incident only.

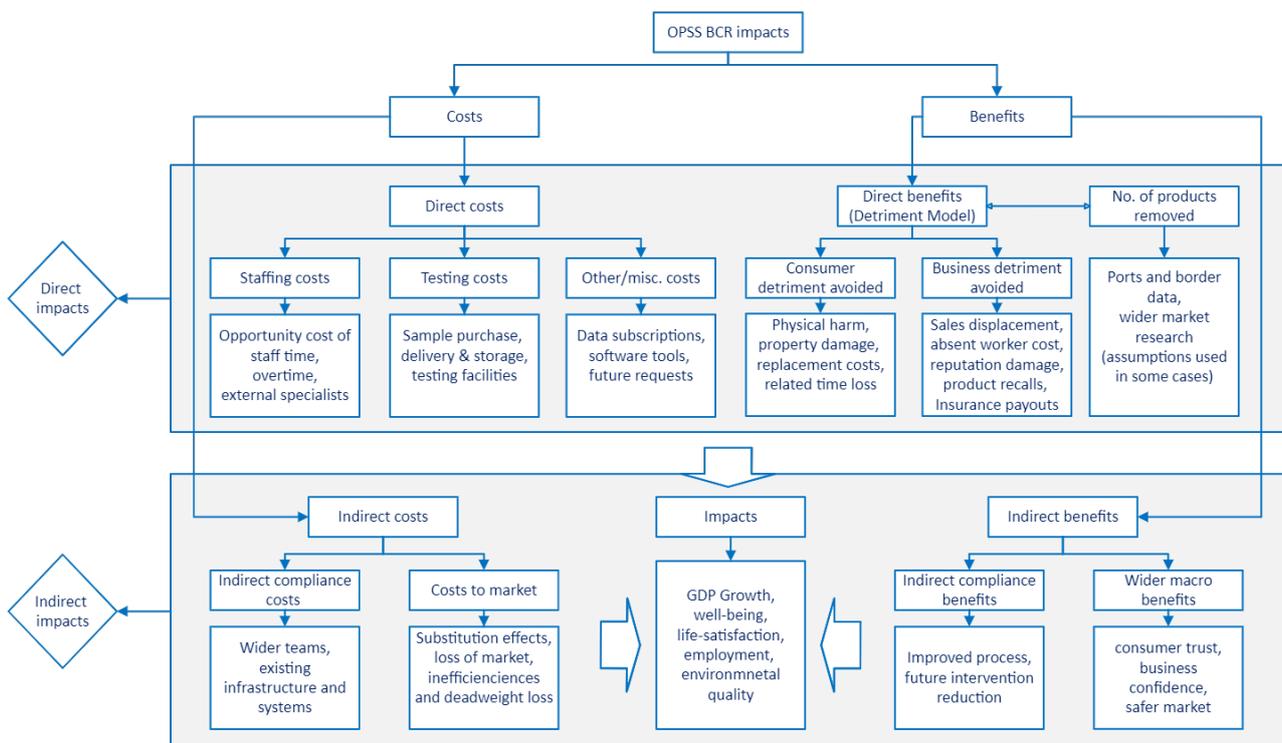
5. Methodology III: Costs and Benefits

5.1 The high-level map in Figure 2 provided a list of costs and benefits to explore. Economic assessment was applied to split these into direct and indirect impacts:

- **Direct impacts** refer to areas that have been monetised and directly influence the BCR calculation
- **Indirect impacts** refer to areas which have not been monetised but considered in the analysis through qualitative methods.

5.2 This is presented below in Figure 3:

Figure 3: Visualisation of direct and indirect costs and benefits³



5.3 The identified costs and benefits feed into a set of overarching impacts, which reflect the overall aims of incident response such as protection from product related harm and the facilitation for economic growth. These impacts align with OPSS's strategic goals and the wider objectives of the Department. Further discussion of these costs and benefits is included in Appendix I.

³ Structure inspired by CEPS report on Assessing the Costs and Benefits of Regulation, 2013 - [Assessing the Costs and Benefits of Regulation – CEPS](#)

Counterfactual

- 5.4 For the purposes of this study, we consider a counterfactual⁴ of no OPSS regulatory involvement in the market relating to the area of the incident. It sets a baseline for what is likely to occur in the absence of intervention, allowing us to conceptualise and model the likely value attributable to incident response.
- 5.5 Due to data limitations and to account for uncertainty, three scenarios are considered for each incident. They explore varying levels of regulatory intervention and the likely impact in terms of the number of products removed from the market. These scenarios have been summarised in Table 1 below and are explored in further detail with breakdowns for each case by incident in the Appendix.

Table 1: Scenarios modelled

| Scenario case | Broad description (specific details vary by incident) |
|---------------|--|
| Low case | Product removal benefits attributable to OPSS intervention are only applicable for the year of incident response. Future product removal in the form of sales prevention is not accounted for. |
| Central case | A multi-year benefits profile is assumed for product removal benefits, however the number of forecasted prevented sales is reduced each year. |
| High case | A multi-year benefits profile is assumed for product removal benefits, with the number of forecasted prevented sales being held broadly constant for every year included in the analysis. |

- 5.6 Each scenario has been assigned a confidence rating in the results section. This details the level of confidence in the estimated BCR for each case reflecting the 'true' BCR value for the specific incident.

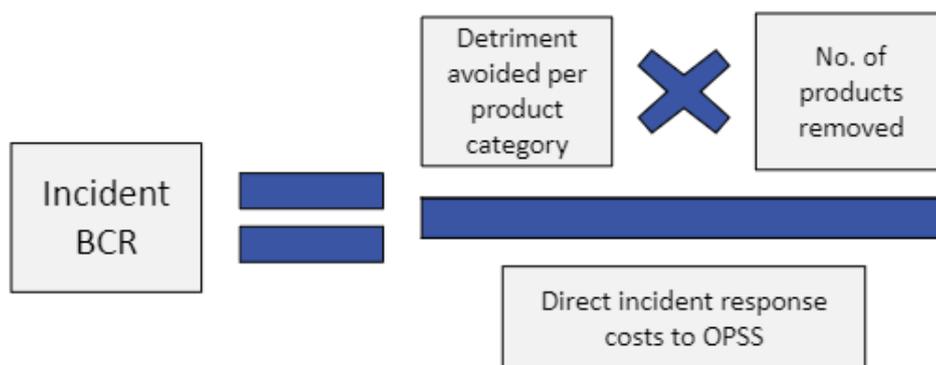
A Benefit Cost Ratio

- 5.7 Monetisation is difficult for product safety. For an incident, the costs to OPSS are easier to assess as they are the financial costs incurred, which are recorded by OPSS finance.
- 5.8 The benefits are significantly more challenging to quantify. Product safety benefits include lives saved, injuries avoided and generally avoiding danger that might otherwise have happened:
- As the action of removing unsafe goods is designed to avoid this danger, no data can be available for what accidents or tragedies may have occurred.
 - It is not possible to state how many of an unsafe or non-compliant product would have been purchased if not removed from the market.

⁴ Counterfactual: An alternative scenario or state of the world used for comparison in analysis, representing what would have occurred if a specific action, event, or intervention had not taken place.

- 5.9 This project draws on OPSS’s existing analysis of product detriment, which quantifies the harm caused by different product categories that are either unsafe or non-compliant for both consumers and businesses. Using this data, we have estimated benefits in the form of detriment avoided.
- 5.10 To apply the product detriment measure, an estimate of the number of products removed from the market is required. However, as noted earlier, this figure is challenging to determine with precision.
- 5.11 Using the best available estimates for these costs and benefits, allows for bespoke BCR figures, as shown in Figure 4. It’s important to note that while the formula is relatively simplistic, each component needs to be robust to take meaning from the result.

Figure 4: Visualisation of BCR formula



6. Methodology IV: Wider Impacts and Qualitative Assessment

- 6.1 Product safety and the specific incidents provide greater costs and benefits than can be monetised. Within this project, analysis was undertaken to decide how these impacts can best be represented.
- 6.2 The methodology concludes with a visual demonstration of the indicative impacts on the BCRs. We assess how far each non-monetised impact influences the BCR, considering the push and pull factors that likely increase or decrease the BCR figures.
- 6.3 We model these as part of the results to provide additional clarity regarding the uncertainty of our estimates being 'true' BCR values (those that capture all costs and benefits that occurred).
- 6.4 To model the indicative impact of non-monetised cost and benefit categories on the BCRs, we developed a 5-point scale, detailed in Table 2.
- 6.5 For both incidents, we used analytical judgement to assess the indicative impacts. Each assessment resulted from cross-analytical discussion with representation from both economic and social research professions.

Table 2: Scale of indicative impact on BCR calculations

| Scale (<i>symbol</i>) | Scale (<i>rating</i>) | Description |
|-------------------------|-------------------------|--|
| ++ | large positive | Benefit or positive impact identified and evidence to qualify and confidently assess this impact as large. |
| + | small positive | Benefit or positive impact identified and evidence to qualify and confidently assess this impact as small. Or, benefit or positive impact identified with insufficient evidence to qualify or confidently assess the impact as large. |
| 0 | neutral | No recognised impact. Or, only a very marginal positive or negative impact identified and insufficient evidence to qualify or confidently assess a magnitude of impact. |
| - | small negative | Cost or negative impact identified and evidence to qualify and confidently assess this impact as small. Or, cost or negative impact identified with insufficient evidence to qualify or confidently assess the impact as large. |
| -- | large negative | Cost or negative impact identified and evidence to qualify and confidently assess this impact as large. |

- 6.6 The application of analytical judgement was designed to be consistent and proportionate. Establishing a consistent criterion provides greater confidence and transparency throughout the process. The selection of an indicative impact for each category (and level of magnitude in some cases – small or large), has resulted from

best information and evidence available. In some cases, a category assessed as having 'small' impact on the BCR might in fact have a 'large' impact that cannot be categorised as such due to lack of available evidence.

- 6.7 Guidance from Oxford Policy Management⁵ provides detailed advice for conducting thorough evaluative assessments of Value for Money (VfM) that efficiently incorporate the use of qualitative information across the '5Es framework'⁶. The approach describes a systematic and evidenced assessment of VfM that involves setting robust criteria and standards with appropriate stakeholders. These are transparently presented via detailed rubrics that are reflective of programme ambitions and open to scrutiny.
- 6.8 Whilst this is recommended, it was not considered feasible to develop specific criteria per incident. Instead, the 5-point scale developed has been informed by the qualitative scales used by Department for Transport (DfT) as part of their appraisal process⁷. Publicly available DfT advice suggests use of a 3- or 7-point scale⁸ in providing qualitative assessments of the scale of impact. A prudent approach to scoring is recommended that reflects the quality of information on which scores are based. It was determined that there was not enough available evidence to allow for confident use of a 7-point scale when determining indicative impact of non-monetised categories. However, the application of a 5-point scale allowed for variation in magnitude of indicative impact selection whilst maintaining proportionate approach.
- 6.9 To add to the transparency of assessments made, brief analytical reasoning is provided for each indicative impact (in Appendix II). All assessments have been made based on information and evidence available. This approach reflects a proportionate response to the constrained resources and timescales faced, without needing to involve wider expertise. The iterative process of refining detailed information on costs and benefits has allowed this approach to be an appropriate method for assessing the indicative impact of non-monetised factors on the BCRs.
- 6.10 For both incidents, several non-monetised push and pull factors were identified. These are visualised in the results section in Figure 5, Figure 6 and Figure 7. Table 3 outlines how the arrows used to support a visualised assessment of non-monetised impacts corresponds to the 5-point scale of indicative impacts detailed in Table 2.

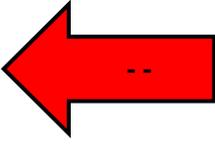
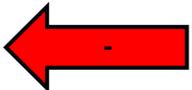
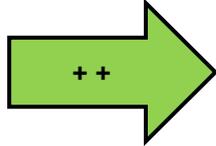
⁵ Assessing Value for Money: The Oxford Policy Management Approach (Second Edition: 2023) <https://www.opml.co.uk/publications/assessing-value-for-money> [accessed 16 Sep. 24]

⁶ The 5Es referencing: Economy, Efficiency, Effectiveness, Equity, and Cost-Effectiveness

⁷ <https://www.gov.uk/government/publications/webtag-transport-appraisal-process-may-2018> [accessed 16 Sep. 24]

⁸ The 7-point qualitative scale referenced = large adverse, moderate adverse, slight adverse, neutral, slight beneficial, moderate beneficial, large beneficial.

Table 3: Visualisation method of scale of indicative impact on BCR calculations

| | | | | | |
|--------------------------|---|---|--------------------------|--|---|
| Scale <i>(symbol)</i> | -- | - | 0 | + | ++ |
| Scale <i>(rating)</i> | large negative | small negative | neutral | small positive | large positive |
| Arrow |  |  | Not visualised in models |  |  |

7. Results I: The Incidents

- 7.1 The baby self-feeder incident involved a childcare product that was unsafe as it presented a serious choking hazard when used as directed. This product was being sold via a range of online marketplaces which included some of the largest platforms. OPSS became aware of this incident in October 2022, and key interventions included the active removal of product listings. This was done through direct engagement with the relevant online marketplaces and the issuing of enforcement notices under regulation 14 (1) of the General Product Safety Regulation 2005. Also, awareness was raised regarding the dangers associated with the product through channels such as the publication of various safety alerts. This action was taken to mitigate the risk of product related harm for purchases made prior to the removal of online listings.
- 7.2 The construction product incident involved a single company with a significant market share in the UK building insulation industry. The incident involved an insulation product which was found to have a fire classification different from the one originally claimed. As part of the regulatory response OPSS issued legal notices, including prohibition notices and notices to warn. This led to the existing stock of affected products being quarantined and production of the specified, in scope of the notices, being halted. For products that were already in the market, OPSS worked with the Ministry of Housing, Communities and Local Government (MHCLG) to ensure local building control authorities were informed.
- 7.3 Value for Money assessments have been developed for the two OPSS incidents outlined in this report. These assessments consider the real cost to government in responding to the incidents, as well as the social benefits attributable to OPSS interventions. For each incident, scenarios have been modelled to present a low, central, and high case BCR.
- 7.4 The following sections set out the assessed BCRs for each incident. For further guidance on interpreting these figures, including an overview of the BCR assessment process, please refer to Appendix.

8. Results II: Baby Self-feeder BCR

- 8.1 For the baby self-feeder incident, we have estimated a central BCR case of **12.6**. However, there is considerable variability in the results depending on the counterfactual case being used for the number of products removed. This is demonstrated in Table 4 below.
- 8.2 A BCR of 12.6 represents that for every £1 spent there are £12.60 of benefits. This is considered a high level.
- 8.3 Crucially, even in a low case scenario where no future year product removal benefits are being accounted for, this incident demonstrates good value for money with a BCR of **6.7**.

Table 4: BCR results for baby self-feeder incident

| Scenario | BCR figure | Confidence rating |
|---|-------------|---------------------|
| Low case | 6.7 | Medium – Low |
| <p><i>The low case consists of a single year benefits profile (benefits occurring only during the year of direct incident response).</i></p> <p><i>Using Ports and Borders data we identified a consignment of baby self-feeders that was removed from the market in one month and annualised this figure.</i></p> <p><i>Medium – Low confidence: Due to only factoring benefits for the year of incident response, this is likely to be an underestimation, however it relies on the least assumptions relative to the other cases.</i></p> | | |
| Central case | 12.6 | Medium |
| <p><i>The central case consists of a five-year benefits profile, with the number of forecasted prevented sales reducing by 50% each year.</i></p> <p><i>A high rate of year-on-year reduction is applied to the forecasted prevented sales as it is likely that even without OPSS intervention, sales could decline given awareness raised beyond government.</i></p> <p><i>Medium confidence: Although there is uncertainty in the benefits profile due to the assumptions applied, this is controlled for by discounting which reduces the forecasted benefits.</i></p> | | |
| High case | 31.3 | Low |
| <p><i>The high case consists of a five-year benefits profile, with the number of forecasted prevented sales being held constant for each year of the benefits profile.</i></p> <p><i>Due to a lack of data to suggest a change in future sales, for the high case a flat benefits profile for product removal benefits has been applied.</i></p> <p><i>Low confidence: It is likely that forecasted product removal benefits would decline due to awareness of dangers of this product still being raised in absence of OPSS. Thus, a flat profile is likely to be an overestimation.</i></p> | | |

9. Results III: Construction Product BCR

- 9.1 For the construction product incident, we have estimated a central BCR case of **4.4**. Likewise with the baby self-feeder incident, there is considerable variability in the results depending on the scenario.
- 9.2 Crucially, even in a low case scenario where no future year product removal benefits are being accounted for, this incident also demonstrates good value for money with a BCR of **1.7**.

Table 5: BCR results for the construction product incident

| Scenario | BCR Figure | Confidence rating |
|--|------------|-------------------|
| Low case | 1.7 | Medium |
| <p><i>The low case consists of a single year benefits profile (benefits occurring only during the year of direct incident response).</i></p> <p><i>The data for products removed was collected by IMT during incident response and is directly from the company involved.</i></p> <p><i>Medium confidence: Due to only factoring benefits for the year of incident response, this is likely to be an underestimation, however it relies on the least assumptions relative to the other cases, and the data regarding product removal is direct from source.</i></p> | | |
| Central case | 4.4 | Medium |
| <p><i>The central case consists of a five-year benefits profile, with the number of forecasted prevented sales being held constant after adjusting for products already in use in buildings.</i></p> <p><i>Although this product category typically has a significantly longer product lifetime, the length of the benefits profile has been limited to five years to control for a potential scenario of detection in the absence of OPSS intervention.</i></p> <p><i>Year on year reductions has not been applied to the forecasted prevented sales due to both the nature of the incident and, involvement of a single firm does not support the rapid decline assumption used for the baby self-feeder central case.</i></p> <p><i>Medium confidence: Although there is uncertainty in the benefits profile due to the assumptions applied, this is controlled for by limiting the benefits profile to five years which reduces the forecasted benefits.</i></p> | | |

| | | |
|---|------------|---------------------|
| High case | 7.4 | Medium – Low |
| <p><i>The high case consists of a ten-year benefits profile, with the number of forecasted prevented sales being held constant after adjusting for products already in use in buildings.</i></p> <p><i>The benefits profile is twice as long as the central case, as it explores an upper estimate in terms of the product lifetime, which is still a considered approach given the nature of the product type involved.</i></p> <p><i>Due to a lack of data to suggest a change in future sales, using this flat approach for forecasting prevented sales considers an average of both upward and downward variability throughout the years being forecasted.</i></p> <p><i>Medium – Low confidence: There is lower certainty with benefit estimations as far out as up to ten years, however this has been applied due to the nature of the product involved which typically has a significantly longer product lifetime.</i></p> | | |

9.3 We have maintained a considered approach for estimating the benefits being used in the BCR calculations. Although insulation products have a relatively long lifetime and are typically used for over 20 years, we have limited the benefits profile to five and ten years in the central and high cases respectively. The Government’s Green Book (appraisal guide) suggests a ten-year appraisal period but allows for flexibility. We do not have enough evidence to suggest it would be applicable to extend the appraisal period.

10. Results IV: Sensitivity Analysis

- 10.1 Figure 4 illustrates the equation used to calculate a BCR. While the formula is relatively simple, the calculations behind each part of the equation are more complex. This has two effects:
- Any change to the number of each part of the equation, could materially affect the overall result.
 - A traditional input sensitivity analysis, examining how the results change if one part of the equation is adjusted, is not informative, as proportional changes (e.g. doubling an input) would simply scale the output.
- 10.2 To provide additional insight, a break-even analysis was undertaken for each incident. This analysis examines how variations in the main inputs, such as number of products removed or the level of detriment avoided, affect the BCR. Specifically, it identifies the point at which benefits to equal the costs (a BCR of 1.0). This is presented in Table 6.
- 10.3 Each scenario is based on different underlying assumptions which would change the break-even figure. As the purpose is to test what is the lowest figure that would keep a BCR at 1.0. we use the low scenario.

Table 6: Break even analysis on BCR

| <i>All figures rounded</i> | Baby self-feeder | | Construction product | |
|----------------------------|------------------|----------------|----------------------|----------------|
| | Given Estimate | For BCR of 1.0 | Given Estimate | For BCR of 1.0 |
| Number of Products | 9,300 | 835 | 43,640 | 10,870 |
| Detriment avoided per item | £345 | £25 | £80 | £15 |

- 10.4 For baby self-feeder products, 835 units would need to be removed from the market for the benefits to equal the costs. This further supports our judgement that the baby self-feeder intervention demonstrates good value for money.
- 10.5 For the construction product involved, 10,870 units would need to be removed from the market. Even when considering the low case BCR scenario, the number of estimated products removed are greater at 43,640 units. This also supports our judgement that the construction product incident demonstrates good value for money.
- 10.6 For the detriment value, it shows that the actual estimates used for the baby self-feeder incident are much greater than the minimum for a BCR 1.0 so minor changes would not affect the outcome. For the construction product incident, these are closer and if the detriment figures were lower than estimated, this would put at risk a positive BCR.

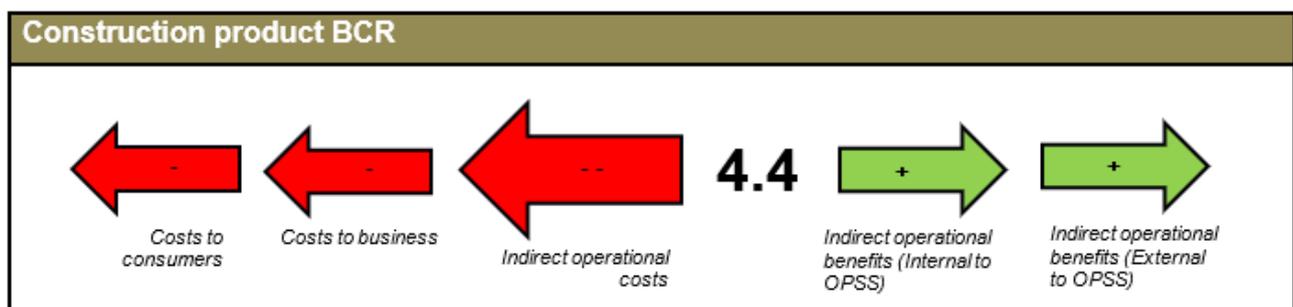
10.7 There is a scenario (not modelled) where the costs could exceed benefits. This would occur if:

- In the case of the baby self-feeder products, the number of products removed was much less than expected, or those who purchased them did not use them, so no injuries or death would occur.
- For the construction product, although non-compliant, the product posed no actual safety risk and caused no harm, thereby reducing the estimated benefits and lowering the BCR.

11. Results V: Wider Impacts on the BCR

- 11.1 For both incidents, qualitative analysis has been conducted to assess the indicative impacts of non-monetised costs and benefits on the BCRs. Figure 5 and Figure 6 present visualised push and pull factors that have been identified for the incident-specific BCRs. Figure 7 visualises expected push and pull factors on future OPSS BCRs.
- 11.2 As mentioned, it is generally easier to identify and monetise costs directly incurred to OPSS as these are well documented. Appendix II includes a table of non-monetised cost categories that have been identified. These costs reflect both indirect operational costs (to those involved with incident response) and wider societal impacts.
- 11.3 It has been more difficult to directly quantify and monetise the benefits identified. Appendix II includes a table of non-monetised benefit categories that have been identified. These focus on indirect operational benefits and improvements to OPSS function when responding to future incidents, direct benefits resulting from incident-specific action (i.e., awareness), and wider societal benefits to the economy.
- 11.4 Alongside the non-monetised categories, each table in Appendix II also includes:
- A brief description of the non-monetised costs or benefits each category relates to.
 - The selected indicative impact on the BCR for each category identified (from the scale presented in Table 2), and the analytical judgement applied, for both incidents separately.
 - An assessment of expected indicative impact across future incidents. This refers to the anticipated impact of the category on future OPSS BCRs as they occur within future incident responses.
- 11.5 While varying sizes of indicative impact have been established for each category, Figure 5, Figure 6 and Figure 7 only visualise positive or negative indicative impacts on the BCRs. Factors that were considered to have no or neutral impact on the BCR have not been modelled. All non-monetised factors assessed as neutral remain included in the tables in Appendix II.
- 11.6 Figure 5 presents a visualisation of the assessment of non-monetised impacts on the construction product BCR.

Figure 5: Assessing non-monetised impacts (construction product)



11.7 As demonstrated in Figure 5, several push and pull factors representing positive and negative indicative impacts, respectively, have been identified on the construction product BCR when assessing non-monetised categories.

11.8 In terms of 'push' factors, interpreting these individually:

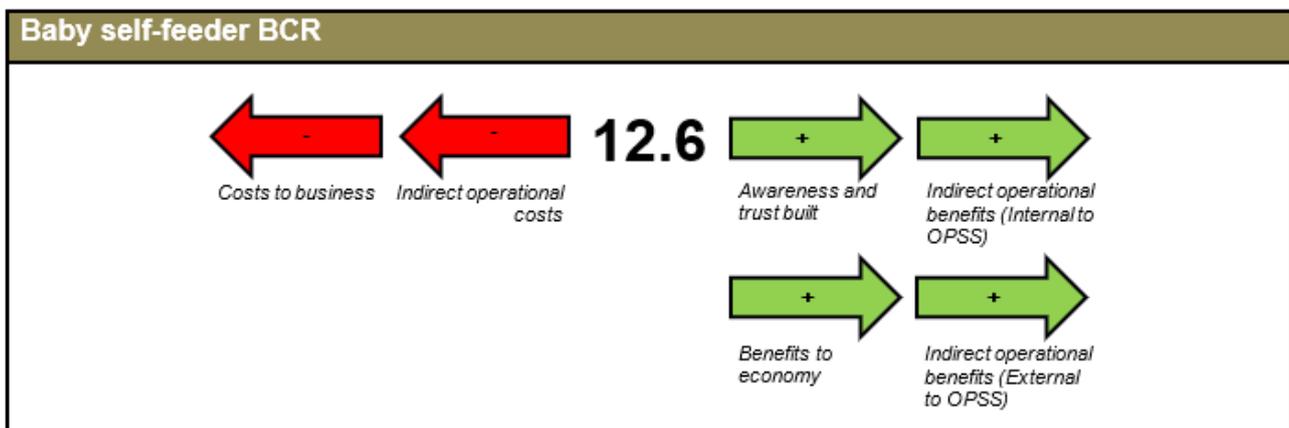
- 'Indirect operational benefits (Internal to OPSS)' and 'Indirect operational benefits (External to OPSS)' were each assessed to have an expected small positive impact on the BCR for the construction product incident.

11.9 In terms of 'pull' factors, interpreting these individually:

- 'Costs to consumers' and 'Costs to business' were each assessed to have a small negative impact on the BCR for the construction product incident.
- 'Indirect operational costs' was assessed to have a large negative impact on the BCR for the construction product incident.

11.10 Figure 6 presents a visualisation of the assessment of non-monetised impacts on the baby self-feeder BCR.

Figure 6: Assessing non-monetised impacts (baby self-feeder)



11.11 As demonstrated in Figure 6, several push and pull factors have been identified on the baby self-feeder BCR when assessing non-monetised categories.

11.12 In terms of 'push' factors, interpreting these individually:

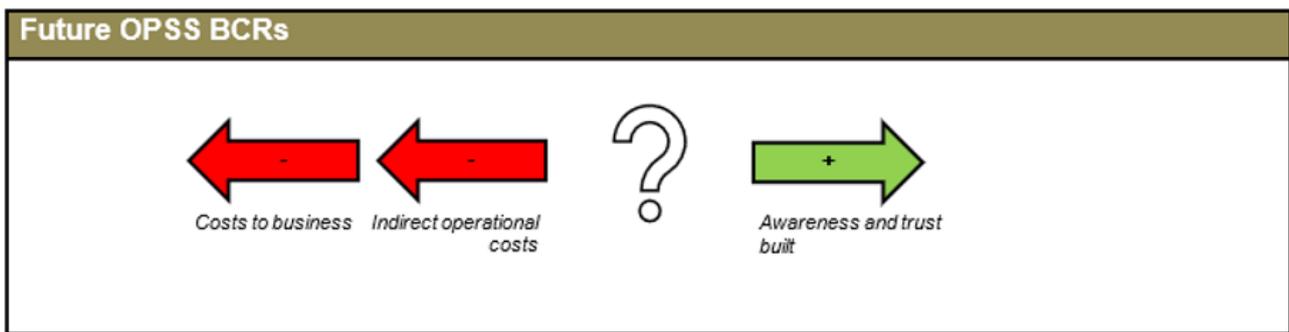
- 'Awareness and trust built', 'Indirect operational benefits (Internal to OPSS)', 'Indirect operational benefits (External to OPSS)', and 'Benefits to economy' were each assessed to have an expected small positive impact on the BCR for the baby self-feeder incident.

11.13 In terms of 'pull' factors, interpreting these individually:

- 'Indirect operational costs' and 'Costs to business' were each assessed to have a small negative impact on the BCR for the baby self-feeder incident.

11.14 Figure 7 presents the assessment of expected positive or negative indicative impacts for non-monetised categories on future OPSS BCRs.

Figure 7: Assessing non-monetised impacts (future BCRs)



11.15 As demonstrated in Figure 7, expected push and pull factors have been identified on future BCRs when assessing non-monetised categories for the construction product and baby self-feeder incidents.

11.16 In terms of the 'push' factor:

- 'Awareness and trust built' was assessed to have a small positive impact on future BCRs.

11.17 In terms of 'pull' factors, interpreting these individually:

- 'Indirect operational costs' and 'Costs to business' were each assessed to have a small negative impact on future BCRs.

11.18 Across all results, it is not possible to determine a generalised effect of the combined push and pull factors on whether future BCR figures would represent overestimates or underestimates. As such, no interpretation has been provided. Further details are available in the section 'Key Assumptions and Caveats'.

12. Key Assumptions and Caveats

- 12.1 The nature of this project means that the derived estimates are subject to a degree of uncertainty based on the assumptions used. To account for this, a proportionate approach has been taken, using ranges and data visualisations to illustrate the scale of any potential uncertainties. OPSS is investing in projects that explore capturing more complete data to address current evidence gaps, support robust analysis and reduce uncertainty. This includes research on the products in consumer's homes, product compliance and further data on injury and harms.
- 12.2 For the assessment of wider impacts, the methodology applied only supports the identification of indicative impacts. No attempt has been made to quantify the impact of these non-monetised factors beyond this level. Therefore, for every BCR, each arrow shown (representing positive or negative indicative impacts) should be considered independently. The visualisations modelled in Figures 5, 6 and 7 do not represent an 'aggregate' effect, meaning they cannot be interpreted as the combined influence of all indicative impacts on a BCR. As such, they cannot be used to infer whether the related BCR reflects an overestimate or underestimate.

13. Conclusion

- 13.1 This research paper represents a significant advancement in OPSS's commitment to evidence-based regulation. By developing and applying a tailored BCR methodology to two contrasting incidents, OPSS has demonstrated both the tangible value of its interventions and the importance of transparent, accountable decision-making within the regulatory sphere.
- 13.2 The analysis confirms that, even under conservative assumptions, OPSS interventions deliver strong value for money, with BCRs consistently above unity in both cases examined. These findings provide compelling evidence to inform future funding decisions and reinforce the case for continued investment in effective product safety regulation. The approach, combining quantitative modelling with qualitative assessment, ensures that both monetised and non-monetised impacts are considered, offering a holistic view of regulatory effectiveness.
- 13.3 Importantly, this project has highlighted the inherent challenges of measuring regulatory impact, particularly where data is limited or benefits are diffuse and long-term. Scenario analysis and sensitivity testing have helped address these uncertainties, while the clear articulation of assumptions and caveats ensures that the results remain credible and open to scrutiny.
- 13.4 Looking ahead, the lessons learned from this work provide a strong foundation for refining OPSS's evaluation methods. As data quality improves and the methodology is applied to a broader range of incidents, OPSS will be better positioned to demonstrate its contribution to public safety, consumer confidence, and economic growth. Furthermore, the framework established here offers a practical model for other regulators seeking proportionate and robust ways to evidence the value of their interventions.
- 13.5 In summary, this report not only evidences the value delivered by OPSS but also sets a benchmark for rigorous, transparent, and forward-thinking regulatory evaluation. Continued investment in this approach will ensure OPSS remains at the forefront of best practice in impact assessment, supporting effective policy and delivering benefits for the wider public good.

Appendix I: Economic Analysis of Incidents

Application of economic theory

Market failures and the rationale for intervention

1. Ensuring appropriate effective safety standards through effective product regulation builds trust in the market. This trust encourages consumers to make purchases with confidence and provides businesses with the assurance to invest and grow, ultimately promoting sustainable economic growth. The rationale for regulatory intervention lies in addressing market failures, which refer to an inefficient distribution of market goods, and in this context can undermine safety standards.
2. A key driver of market failure in the product market is asymmetric information. This occurs when one party in the economic transaction, (in this case the seller), possesses more information about the quality of a product than the buyer. Such an imbalance enables sellers to exploit their greater knowledge regarding products being sold. This puts consumers at risk as they may unknowingly purchase inadequate or defective products and thus incur costs because of seller actions.
3. Government intervention has come from addressing the imbalance between buyer and seller. Examples include having a product testing regime to verify claims, mandating labelling and declarations of compliance, and enforcing standards to ensure products meet safety requirements. Regulatory intervention can combat the exploitation of asymmetric information as enforcement actions are taken to identify and remove harmful products, limiting the negative impacts. Whilst enforcement action does not directly eliminate asymmetric information, they are essential to maintaining the integrity of the regulatory system designed to address it. Without active and effective enforcement, these protections would not function as intended.
4. Moreover, negative consumer outcomes can also be attributed to other factors aside from asymmetric information. For example, the seller in a market may not be aware a product is defective before a consumer purchases it. In this case, although there is more equal information between both parties, the consumer and wider society will still face costs due to product related harm. Costs to society may be in the form of impacts as a result of dealing with consumer harm such as an increased strain on public health services. Regulatory intervention in the form of setting appropriate safety standards such as minimum testing requirements and product certifications can be used to reduce the likelihood of this and thus address the market failure.

Considering impacts of market failures for the specific incidents

5. The construction product incident is relevant to the wider construction sector where there is a fundamental need for quality materials that adhere to and are built to remain at the correct safety standards in the long term due to being used for buildings. If the products being used in buildings are not to the correct standards and compromised on safety, it poses substantial risks to human life at a large scale.
6. For the baby self-feeder incident, this product was primarily sold via a range of online marketplaces which included some of the largest platforms. Survey data commissioned by OPSS and carried out by YouGov found that over 40%⁹ of

⁹ YouGov Product Safety and Consumers, Wave 7

consumers think that online marketplaces hold responsibility for the safety of the products they sell. Particularly when purchasing from the larger online marketplaces, it is likely that customers associate a greater level of trust in the safety of the product due to it being available on a well know platform, regardless of the specific seller behind the product listing. However, as this incident illustrates, even leading online platforms can inadvertently host and facilitate the sale of unsafe products. Perhaps due to the large scale of products being listed online, it makes it increasingly challenging to ensure that every item meets safety and compliance standards. This demonstrates the value of having an effective regulatory framework that enables timely intervention to remove unsafe listings and safeguard consumer interests.

7. Although regulations can impose certain costs on the market, they are a key factor in combating poor product safety standards which can otherwise cause a range of harms to consumers, businesses and the wider economy. Our analysis into two separate incidents has showcased the value of OPSS intervention, where in these cases the benefits to society demonstrate good value for money.

Costs

Direct costs

8. Staffing costs represent a significant proportion of costs for both incidents relevant to this study. Following HM Treasury Green Book guidance, direct staffing costs from internal OPSS teams have been modelled as an opportunity cost, which captures the value associated with the next best alternative use of those resources that was foregone. This is because we assume that in the absence of these incidents, the members of staff involved would be assigned to other value adding projects for OPSS which would incur the same direct staffing costs. In addition to the opportunity cost of direct staff time, overtime payments and staffing costs related to external specialists are modelled separately as these are unique to each incident and are not assumed to be present in the counterfactual scenario of no incident response.
9. Another direct cost area that we monetised in this study is testing costs. Product testing forms a critical component of OPSS incident intervention, and the costs related to it involve sample purchasing and specialist testing, as well as logistical costs relating to delivery, storage and handling. In cases where products are seized such as the construction product incident, purchasing costs may not be relevant however other costs related to testing will still apply.
10. Miscellaneous costs are also directly monetised where appropriate and refer to a range of incident specific costs which can vary based on the specific intervention cases. These include data related expenses such as software and subscriptions, as well as any costs related to future requests or agreements. Where the use of an existing subscription is used, a proportional approach is taken depending on the circumstances.

Indirect costs

11. For both incidents, indirect costs relating to intervention actions include the involvement of wider OPSS teams such as the Legal Team, as well as input from other Government Departments and external stakeholders. Although core team costs have been monetised in the form of opportunity costs, the indirect involvement of other areas that incurred no additional costs to OPSS have not been monetised due to a

lack of data records given the ad-hoc nature. In any case, these costs have been explored as part of the qualitative analysis.

12. Another area of indirect costs are the costs to the wider market because of regulatory intervention, which are prevalent for both consumers and businesses. For consumers this could relate to the prospect of less choice and higher prices, whereas for businesses this can include a reduction in sales revenue and increased costs including additional costs associated with familiarisation. Although these costs have not been monetised, they have been evaluated for each incident in the qualitative analysis section of this report, with reference to the likely impact on the BCR.

Other costs – not included in analysis

13. Fixed costs relating to day-to-day business needs such as building, equipment e.g. laptops and default software have not been factored into the methodology as these costs are not contingent on the incidents and respective intervention actions. In the counterfactual scenario of no OPSS intervention actions, these costs would have been paid for and consumed regardless so are not featured in this analysis. If the purpose of this BCR project was to conduct a review of all OPSS activity, these fixed costs would be considered, however that is outside the scope and not relevant to this study, which instead focuses on regulatory intervention for two specific incidents, representing a fraction of overall activity. This allows us to make an almost certain assumption that in the absence of these incidents, these fixed costs would remain and be utilised for other OPSS needs.

Benefits

Direct benefits and OPSS Detriment Model

14. The monetisation of benefits in this analysis is primarily driven using preliminary outputs of the OPSS Detriment Model. While the detriment model is being published alongside this report, the figures used represent those available at the time of creating the BCR model. Changes in detriment figures would change the monetised benefits and final BCR figures.
15. The OPSS Detriment model monetises the harm caused by unsafe and non-compliant products being sold on the UK market. This provides outputs that are used to value the benefits of OPSS intervention in the form of detriment avoided for 21 unique product categories. To form the calculation of benefits, outputs from the product categories relevant to each incident are used as an estimate of the per product values of detriment avoided. These values are calculated by multiplying the likelihood of a specific product causing detriment by the monetary value of that detriment.

Indirect benefits

16. A key indirect benefit that has not been monetised is incident compliance benefits associated with enabling improved processes for the future because of these incidents. These are internal to OPSS and considered in the qualitative analysis for both incidents. Examples of these have been well documented by IMT and the benefits include increased process efficiency as well as improved methods for dealing with incident response. In some cases, these benefits have the potential to reduce time taken for future intervention cases due to creating better monitoring efforts and specific working groups to identify and address potential issues earlier on.

17. As part of the qualitative analysis, we have also considered wider indirect benefits to the economy that can be associated with intervention for both incidents. Primarily these relate to the impacts associated with fostering a safer market. This can lead to increased trust from consumers who would likely purchase more as a result, and increased confidence in the UK market from businesses who may be willing to invest more. Ultimately, these can lead to sustainable economic growth.

Assessing Benefit Cost Ratios

18. A benefit cost ratio shows for every pound spent, how many pounds in benefits were achieved.
19. A guide to how to appraise in Government is presented by the Department for Transport (DfT)¹⁰: While this is applicable to the work of DfT, it helps guide the reader to economic considerations. In this guidance, it provides the following table:

Table 7: Value for money categories

| VfM Category | Implied by...* |
|--------------|--------------------------------|
| Very High | BCR greater than or equal to 4 |
| High | BCR between 2 and 4 |
| Medium | BCR between 1.5 and 2 |
| Low | BCR between 1 and 1.5 |
| Poor | BCR between 0 and 1 |
| Very Poor | BCR less than or equal to 0 |

20. This can help guide comparisons of what is a low, medium and high BCR, although it is not appropriate to present a direct comparison as this was designed for transport projects. A BCR for an organisation is significantly different and there is not a wide guide to compare to.
21. As such the BCRs given in this paper should be seen as indicative comparisons of incidents and care should be taken to draw exact conclusions.

Further details on methods for BCR calculation

22. The costs considered for the BCR estimations included those attributable to direct incident response. We broadly split these monetised cost areas into three categories for modelling purposes: staffing, testing, and incident specific. Despite our attempts to capture all direct costs, the total figures for each incident are likely to be a slight underestimation. This is because the nature of the project means dealing with past events where we have relied on previous data records and information from staff involved in the incident, meaning that certain areas that we were unable to capture have been left out of the analysis. However, we are confident the key cost areas have

¹⁰ [Green Book Value for Money Guidance](#)

been represented and where relevant have been evidenced through invoices stored by OPSS Finance.

23. The calculation of benefits has been derived in the form of total detriment avoided. To estimate this, we have used per product category figures of detriment avoided depending on the incident and multiplied this by the respective forecasts of the number of products removed as a result of OPSS intervention.
24. For both incidents we found that estimating the number of products removed and forecasted prevented sales to be challenging due to data limitations which meant greater levels of uncertainty associated with forecasts. Due to this, we took a considered approach to the modelling and applied multiple scenario of product removal to test different assumptions in the analysis, as outlined in the costs and benefits methodology section. The detriment model does include data for average product category lifetimes which would have been useful for modelling the length of benefit profiles, however this data was unavailable for the product categories concerning the two incidents relevant to this study.
25. A part of the BCR modelling, we adhered to HM Treasury Green Book guidance for carrying out the analysis. This included applying inflation adjustments to derive real values before applying the recommended discount rate¹¹ of 3.5% when adjusting forecast figures to their present values. This enabled us to estimate the BCR with reference to a base year, which was set as the year of each incident response occurring. The costs modelled generally were incurred in one year while the incident was taking place. The benefits accrue over multiple years from the date of the incident and are discounted accordingly.

Further details on key caveats and assumptions

26. The approach we have taken for calculating benefits has relied on per product detriment figures which have been sourced from the OPSS Detriment model. These detriment estimates are calculated per product category (Construction products / Childcare). More granular subsets relating to the specific products are not available. While products within these categories will have a certain amount of heterogeneity, the category level figures are the average of a large data sample which enhances the viability for use. Future iterations of the detriment model may provide further insights with subsectors being a possible area of investigation.
27. Concerning the calculation of benefits, a key uncertainty in the analysis has been regarding estimating the number of products removed and the forecasted prevented sales as a result of OPSS intervention. This has been primarily due to a lack of data availability. Having suitable data for this is vital for calculating a BCR using this approach as the number of products removed is used as a multiplier for the per product detriment data to estimate total benefits. Due to this, we have applied different counterfactual cases when estimating a BCR where different scenarios for product removal have been applied, and our confidence judgement for each case has been rated. We have presented these details including the methods and justifications that form the assumptions used in each scenario case within the results table as they should be used to supplement the figures given the variability in each case.

¹¹ Discount rate: A percentage used in financial and economic analysis to adjust future costs and benefits to their present value, reflecting the principle that money available now is worth more than the same amount in the future due to factors like inflation and opportunity cost.

28. Uncertainties regarding product removal may reduce in future as developments are ongoing in this area. OPSS Enforcement and Intelligence are investigating ways to monitor product removals on Online Marketplaces through organising internal systems and identifying technologies. This may lead to improved data from monitoring to improve inputs for analysis to calculate a BCR. Also, we are exploring forecasting methods applicable to the construction sector which could further enhance confidence in the modelling of prevented sales in future.
29. When interpreting the visualisation of wider impacts on the BCRs, in the results section, it has not been possible to assess an 'aggregate' effect of all push and pull factors for each incident. As such, it cannot be interpreted from this whether the related BCR likely reflects an overestimated, underestimated or accurate figure. This relates to the rating of indicative impact for each category being based on the information and evidence available. As discussed, in some cases, a category listed as having 'small' impact on the BCR might in fact have a 'large' impact that cannot be categorised as such due to lack of available evidence.

Appendix II: Wider Impacts – Tables of Costs and Benefits

Table 8: Qualitative assessment of non-monetised costs

| Cost Category | Brief Description | Construction Product | Baby self-feeder |
|-----------------------------------|---|---|--|
| Indirect operational costs | Wider teams; existing systems; data subscriptions | <p>- -, large negative</p> <p><i>Evidence that there is cost associated to the valuation of time for input from wider external teams (including opportunity cost). Evidence identified to qualify this impact as 'large negative' as a new (time intensive) relationship was formed between government bodies; this incident will have resulted in more work for another government body to continue in their remit; and costs can be directly compared to those from OPSS.</i></p> <p><i>Other factors were considered neutral in indicative impact as not enough information is known to assess these.</i></p> | <p>-, small negative</p> <p><i>Evidence that there is cost associated to the valuation of time for input from wider external teams (including opportunity cost). However, there is insufficient evidence to qualify this impact as 'large negative'.</i></p> <p><i>Other factors were considered neutral in indicative impact as not enough information is known to assess these.</i></p> |
| | | <p>-, small negative</p> <p>(Assessment of expected indicative impact across future incidents)</p> <p><i>This category demonstrated a mixed level of negative impact on the BCR for each incident. However, it was identified that with more incidents OPSS responds to less people will be required for involvement due to refined processes that only call on those who are needed. It is also recognised that this category will always incur costs so cannot be considered neutral in impact on the BCR.</i></p> | |
| ECosts to business | Sales/revenue impact; reputational, spillover, familiarisation, and legal costs | <p>-, small negative</p> <p><i>Negative impact identified as increased administrative and logistical burden required for compliant providers to demonstrate their product's compliance. Insufficient evidence to qualify this impact as 'large negative'.</i></p> | <p>-, small negative</p> <p><i>Negative impact identified through increased cost of compliance and resourcing required for other businesses involved (for example, online marketplaces) and a potential loss of custom. Insufficient evidence to qualify this impact as 'large negative'.</i></p> |
| | | <p>-, small negative</p> <p>(Assessment of expected indicative impact across future incidents)</p> <p><i>This category demonstrates a small negative impact on the BCR for each incident examined. It was determined that there will always be a cost to business for future incident responses.</i></p> | |

| Cost Category | Brief Description | Construction Product | Baby self-feeder |
|-------------------------------|--|---|--|
| Costs to consumers | Less choice; higher prices. | - , small negative <i>Recognised cost identified for the businesses who were consumers of the noncompliant product removed, in facing delays and altering specifications to avoid remediation costs. Insufficient evidence to qualify this impact as 'large negative' as it would be too theoretical to assess how the result of OPSS action was absorbed into the market for wider consumers - for example, higher prices due to reduced supply and fewer options.</i> | 0, neutral <i>No recognised negative impact identified or can be evidenced. An entire class of noncompliant products was removed meaning consumers cannot choose between (noncompliant) perfect substitutes. Only compliant products remain as alternatives.</i> |
| | | N/A <i>An assessment of expected indicative impact across future incidents was not considered appropriate as this category is highly incident specific. The impact of the cost is highly dependent on the type of non-compliant product removed and the size of the incident OPSS is responding to.</i> | |
| Costs to wider economy | Spillover market effects; lower confidence | 0, neutral <i>Same justification as provided for the assessment of expected indicative impact across future incidents.</i> | 0, neutral <i>Same justification as provided for the assessment of expected indicative impact across future incidents.</i> |
| | | 0, neutral (Assessment of expected indicative impact across future incidents) <i>While it is acknowledged that wider effects of OPSS incident response could exist, these cannot be easily determined and the evidence needed to assess the strength of these factors cannot be gathered.</i> | |

Table 9: Qualitative assessment of non-monetised benefits

| Benefit Category | Brief Description | Construction Product | Baby self-feeder |
|----------------------------------|--|--|---|
| Awareness and trust built | News stories; publications; alerts; social media impressions | 0, neutral <i>No negative impact identified. Lack of evidence that the benefits identified would qualify as a small positive impact.</i> | +, small positive <i>Evidence on positive social media engagement, but no evidence on subsequent action that might have resulted from this - hence cannot qualify the impact as 'large positive'.</i> |
| | | +, small positive (Assessment of expected indicative impact across future incidents) <i>While this category demonstrated a mixed level of impact on the BCR for each incident, it was identified that a higher awareness of OPSS as a regulator could lead to more action taken by the public and businesses in response to future incidents, resulting in greater detriment avoided. However, it was also noted that there may be a reputational hit for the government following an incident. Hence, there is not enough evidence to categorise this impact as 'large positive'.</i> | |

| Benefit Category | Brief Description | Construction Product | Baby self-feeder |
|---|--|--|--|
| Indirect operational benefits <i>(Internal to OPSS)</i> | Improved internal processes for future OPSS action | +, small positive <i>Recognised benefits are identified towards improving the efficiency of future OPSS actions, using reduced resource via improvements in internal processes. No evidence to qualify this impact as 'large positive'.</i> | +, small positive <i>A recognised benefit is identified towards improving the efficiency of future OPSS actions, using reduced resource via improvements in internal processes. No evidence to qualify this impact as 'large positive'.</i> |
| | | 0, neutral (Assessment of expected indicative impact across future incidents) <i>This category demonstrates a small positive impact on the BCR for each incident examined. However, the adoption and revision of factors identified in this category over future incidents were determined to have less impact (eventually reaching a 'peak' in terms of efficiency for internal processes). The incremental benefit resulting from this category for each subsequent incident is determined to reduce over time.</i> | |
| Indirect operational benefits <i>(External to OPSS)</i> | External relationships e.g. Metropolitan police; international efforts | +, small positive <i>Recognised benefits are identified towards improving the efficiency of future OPSS actions via improved relationships with other bodies. No evidence to qualify this impact as 'large positive'.</i> | +, small positive <i>Recognised benefit identified in incidents and regulatory action taken by overseas counterparts. No evidence to qualify this benefit as 'large positive'.</i> |
| | | 0, neutral (Assessment of expected indicative impact across future incidents) <i>This category demonstrates a small positive impact on the BCR for each incident examined. However, the adoption and revision of factors identified in this category over future incidents were determined to have less impact (eventually reaching a 'peak' in terms of efficiency through stakeholder relations). The incremental benefit resulting from this category for each subsequent incident is determined to reduce over time.</i> | |
| Benefits to economy | GDP growth; wellbeing; environment | 0, neutral <i>No negative impact identified however, difficult to qualify any benefit. Incident response reflects action taken against a product from a single manufacturer in a specific product class and there is no information available to evidence the impact of this amongst the market or wider.</i> <i>While it is acknowledged that there are impacts on wellbeing and the environment, there is not enough evidence to assign a rating to these other than neutral.</i> | +, small positive <i>Recognised benefit to market identified as there was targeted removal of a specific non-compliant class of products from the market, hence trying to level the playing field for compliant products. No available evidence to qualify this impact as 'large positive'.</i> <i>While it is acknowledged that there are impacts on wellbeing and the environment, there is not enough evidence to assign a rating to these other than neutral.</i> |
| | | N/A <i>An assessment of expected indicative impact across future incidents was not considered appropriate as this benefit category is highly incident specific. Any attempted assessment would involve theoretical discourse about the impact of regulation on the marketplace or economy, which cannot be evidenced.</i> | |

Appendix III: Confidence Statement

Table 10: Confidence Statement

| | | |
|---------------------------------|---------------|--|
| Methodology | Medium – High | This project introduces a new methodology for assessing benefit cost ratios for OPSS. These have gone through considerable consideration and applicability to Gov analysis techniques. |
| Wider Impacts on the BCR | Medium | The analysis presented is a new method for OPSS but is one informed by guidance from another government department in addition to specific literature. Cross-analytical judgements on indicative impact were made in accordance with information and evidence available however, against generalised criteria as 'response'-specific criteria were not possible to develop within the constraints of this project. |
| Benefit Cost Ratios | Medium – Low | There are significant data gaps for OPSS to robustly assess an OPSS BCR, however with the caveats given in the paper, it was possible to estimate scenario based BCRs for specific incident cases using the method chosen. |

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