House of Commons

Business and Trade Committee

Oral evidence: Consumer protection, HC 130

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Watch the meeting

Members present: Liam Byrne (Chair); Antonia Bance; Chris Bloore; John Cooper; Sarah Edwards; Alison Griffiths; Justin Madders; Charlie Maynard; Mr Joshua Reynolds.

Questions 62 - 104

Witnesses

I: Wayne Mackay, Director of Policy and Public Affairs, Electrical Safety First; Sue Davies MBE, Head of Consumer Rights Policy, Which?; David MacKenzie, Chair, Chartered Trading Standards Institute.

Examination of witnesses

Witnesses: Wayne Mackay, Sue Davies MBE and David MacKenzie.

Q62 **Chair:** Welcome to today's session of the Business and Trade Committee as we pursue our ongoing investigation into consumer protection in the UK. Thank you so much indeed to our witnesses for joining us to help set the stage for this. Sue, can you lay out what the chief risks to UK consumers are when buying goods from online marketplaces? It looks like a bit of a free-for-all to us but tell me if I am wrong.

Sue Davies: No, I do not think you are wrong. Through the investigations we carry out, we find a huge range of problems and consumers face a wide range of risks. The Digital Markets, Competition and Consumers Act 2024 has improved things to some extent in that it has dealt with certain risks, such as fake reviews, making them a banned practice. There are a lot of gaps, and there are still challenges with enforcement that really need to be addressed so that businesses behave more responsibly. A particular problem we have found is unsafe products, particularly unsafe products on online marketplaces over the last seven years or possibly even longer. Which? has regularly been testing a whole range of products from toys, tools and electrical appliances. It regularly finds unsafe products, which shows that there is still a big gap in the legislation.

Q63 **Chair:** When you say unsafe, do you mean lethal?

Sue Davies: Yes. We did testing this month and found unsafe phone chargers, which would be a fire risk. We found unsafe ladders, and have heard horrific stories where people have fallen using these ladders, which appear to be compliant but we then find out are not, with devastating work and health consequences. Everything is really shocking. A few months ago, we found carcinogenic balloons on online marketplaces. With concerns about asbestos in sand toys, we recently did some testing and found such toys available on online marketplaces. The OPSS is consulting on legislation, but this has been going on for so long that addressing it is really urgent.

Q64 **Chair:** Online marketplaces are obviously consolidating quite quickly now in the UK. Run us through Amazon, eBay, Etsy, Temu and TikTok Shop to give us a sense of which are doing well and which need to up their game.

Sue Davies: There are problems across the board. Some are better than others but, depending on the products we look at, we are finding problems across all the online marketplaces. We are also seeing some of the more traditional retailers, such as B&Q, launch online marketplaces that have different controls for the online marketplaces than they do for their own more traditional retail and online stores. This really highlights why there is a big gap in the legislation in terms of responsibility for online marketplaces where they are not doing sufficient checks.

They have developed business models that onboard lots of sellers from China, which gives consumers access to a much broader range of products. People think they can trust these products because they believe somebody must be checking that they are safe, but we repeatedly find unsafe products.

Q65 **Chair:** They are not checking them. Presumably, it is not just the danger that these things pose but the fact that they are full of counterfeit goods.

Sue Davies: Yes, we have tested counterfeit goods. We have found problems with counterfeit cosmetics across a range of online marketplaces. We have also found problems with higher-end products, such as Dyson hairdryers and products. People think they are buying something that is a good deal but we then find that it is actually an unsafe product. We tested a lot of chargers. People thought they were buying Apple products but they were actually unsafe products. Often the counterfeit products are also the unsafe products.

Q66 **Chair:** You have said that there are problems across all the main marketplaces. Can you give us a sense of the batting order between those marketplaces in terms of which are doing the best and which have things to do?

Sue Davies: We have not ranked them in order. We have tested lots of different categories of products and repeatedly found problems. We then posed as sellers to test their systems, because every time we found a problem we told them about it. They would often take it down but it then reappeared. They tell us that they care about product safety and have checks in place. We posed as sellers; we got a heater that had been recalled and set up a fake account. We listed it on Amazon, eBay, and TikTok. Across the board, we are finding problems. There are particular challenges, but I do not want to say that one is worse than another because we even found the asbestos in sand on Amazon, even though Amazon will say that it does regular checks.

The other thing that we did last year—which showed how, in the grand scheme of things, this is not enough of a priority—was develop a tool to check for products that were subject to official recalls; absolutely unsafe products that the OPSS said are unsafe and should not be sold. We used Google Lens to develop a tool to check for them across a whole range of online marketplaces. We found 800 products that were identical or appeared to be almost identical. We then did subsequent testing to check that the safety problem still existed.

Q67 **Chair:** Extraordinary. What were the marketplaces you found those 800 products on?

Sue Davies: They were across all the marketplaces: Amazon, Temu, eBay, AliExpress and TikTok Shop—across the board. We are sometimes even finding problems on ones that are owned by the more traditional retailers. It is not a question of an occasional bad player; they just do not have the incentive to make sure that they are policing their sites and dealing with the model they have developed.

Q68 **Chair:** David, thank you for coming back. You have talked about this growing problem in consumer detriment now totalling some £71 billion a year. About £5 billion of consumer detriment flows from goods bought from online marketplaces. What is your sense of which marketplaces are doing well and which have to raise their game?

David MacKenzie: I would echo a lot of what Sue just said. It is genuinely across the board, and that is because it is—

Q69 **Chair:** I am interpreting that as, "They are all as bad as each other."

David MacKenzie: You may want to express it that way. It is across the board. Sue made the point about B&Q, traditionally a bricks-and-mortar shop that sells its own stuff to the public, moving into this area and running its own online marketplace with third-party sellers on it. It too is becoming, if you like, complicit in this unacceptable situation that we are all here to talk about today. It is across the board. As the conversation develops today, we will look at solutions to this. It needs absolutely fundamental steps to be taken to create new liabilities and obligations on any business that runs one of these marketplaces.

Q70 **Chair:** Wayne, you are from Electrical Safety First. What is your perspective on where the biggest problems are?

Wayne Mackay: We see three main problems with online marketplaces at the moment. First, consumers believe that the products on sale are safe. It is an assumption; they just assume that these big branded platforms should have the same legal responsibilities as the shops on the high street. Secondly, it is the scale of the problem. Hopefully, I will get to talk a bit later about the similar projects we have done to show just how many non-compliant products are available on these marketplaces. Thirdly, the law has just not kept up with how consumers shop today. The rules were developed for a world of bricks-and-mortar stores, but consumers shop on more and more global online marketplaces. That legal loophole needs to be fixed to solve the problem.

Q71 **Chair:** Is this problem getting better or worse?

Wayne Mackay: In our opinion, it is worse.

Q72 **Chair:** A lot worse?

Wayne Mackay: It is as bad as it can get, especially when you can readily buy unsafe e-bike batteries online. I am sure that many of you will have seen the news about the devastation that these substandard products cause in your constituencies. It is the breadth of the products that are available on the marketplace and the sheer scale that we have to contend with.

Q73 **Mr Reynolds:** Sue, what is the scale when it comes to dodgy products?

Are we talking about a handful of things? Is this nationwide? Out of every marketplace, how many of these products do you think are dodgy at the moment?

Sue Davies: It is very difficult to get an overall number, but we know that more and more people are shopping on online marketplaces. In terms of people's exposure to these products, it is pretty massive. We did a survey last year and 90% of people have bought something from an online marketplace. People are looking for better value, and if they think they have the same protections, they are likely to use online marketplaces.

We looked to see how many recalled products were on sale when we developed our tool last year. It was the most comprehensive look across all online marketplaces that we did, and we found hundreds of products across them all. Those were the low-hanging fruit—the ones that were definitely unsafe. We got some pushback saying, "Well, it might look the same, but is it the same?" That was concerning as well, because we had gone to them with evidence and hoped that they would have responded more quickly.

Over the last few years, we have identified different product categories. I mentioned chargers, but we found lots of problems with carbon monoxide alarms and fire alarms. We looked at lots of different types of toys. We found problems with drills, heaters and children's sleeping bags. There are huge numbers of unsafe products. Child car seats are a particular problem as well—we have had to highlight safety concerns about those.

Which? obviously does lots of testing—it is an expert in testing. We are identifying categories to look at, testing them and finding problems. We have two data scientists who are brilliant. They developed a tool using readily available technology. It was not sophisticated or complex AI, but they were able to use that tool to identify hundreds of products that were recalled. What really concerns us is, with all the resources that these online marketplaces have, why are they not identifying and removing these products to prevent people from being exposed to them?

Q74 **Mr Reynolds:** Are they not, in your view? You have teams of people who are doing this; is that replicated in any of the marketplaces?

Sue Davies: They will all say they take it seriously and have teams that check the products and their sellers.

Q75 **Mr Reynolds:** Your data seems to disagree with that.

Sue Davies: Yes, they are obviously not good enough if we keep finding these problems. As I was saying, we are not designing really complex methodologies. We know that child car seats were a problem, but are they still a problem? Yes, they are. Are carbon monoxide alarms still a problem? Yes, they are. We are testing and finding them. It seems incredible that they are not able to do better.

Q76 **Chair:** Are there unsafe products on these marketplaces today?

Sue Davies: Yes. What is concerning is that we have been highlighting this for years. The Product Regulation and Metrology Act 2025 enables the Government to regulate, but every day there are delays in regulating. We know that more and more people are being put at risk from these products. As Wayne mentioned, we have issues with e-bikes that are a fire risk. People are potentially being put at risk, their children are being put at risk, and there is a fire risk from a lot of these products—that can also have quite devastating consequences.

Q77 **Mr Reynolds:** Do people know that they are buying from marketplaces on some occasions? David was talking about B&Q earlier. I have shopped on B&Q's website thinking that it was a product from B&Q but in the end it was not. It was from the marketplace. Do people know? If they do not know, what is the impact on the consumer in that sense?

Sue Davies: I do not think people know that they have different levels of protection when shopping on an online marketplace. People assume that we have good standards in the UK and that somebody must be checking these things and making sure that things are okay. One thing that can get complicated is where you have an online marketplace and it has responsibility for its own retail site, such as Amazon, and then the marketplace, such as Amazon Marketplace or B&Q Marketplace. They have different legal requirements and different levels of protection covering them, but people do not necessarily know the difference when they are searching for something. They might think they are buying it from Amazon the retailer, but they are actually buying it from a Chinese seller that is not subject to the same controls that we have here.

Q78 **Mr Reynolds:** How do those impacts manifest? You talked about the protections you would have if you were buying from B&Q, but there are no protections when it comes to the marketplace, so what are the real-life impacts that you are seeing on those consumers?

Sue Davies: People are potentially being put at risk by buying these products, and some might be at a more immediate risk. Our recent tests on unsafe chargers show that you could potentially cause a fire. We have worked with London Fire Brigade a lot, which is concerned about the fire risk caused by these unsafe products. There are other things. We have found unsafe levels of chemicals in cosmetics or toys, which is not necessarily an immediate risk but something that is of huge concern if children are being exposed. That is illegal, so they should not be exposed.

Q79 **Justin Madders:** Which? has been very clear on numerous occasions that there is no real incentive for online marketplaces to police this in the way that we would want. Do they even face any reputational risk at the moment?

Sue Davies: You would have thought so, but we keep finding problems, and we keep highlighting the issue again and again. We have not found from our tests that it is any better. If we look, we find problems. We have gone through lots of discussions about the appropriate way to deal with this.

We have had voluntary pledges that have been put forward by some marketplaces, but we feel we need to have really strong legislation that places a duty on them, supported by more prescriptive requirements to make sure that it is applied in the right way, and strong enforcement penalties to make sure that they are held to account, given how many people are potentially shopping on their sites and being exposed to these risks.

Q80 **Justin Madders:** It is very clear that there are no sticks at the moment; hopefully that will change. Is there an element of online marketplaces being a very competitive world, and the more that companies are seen to be putting barriers up in terms of checking products for those would-be sellers, the more of a potential inhibitor it is to expanding their business? Is there any element of that in this as well?

Sue Davies: I do not think so. What we find at the moment is described as a whack-a-mole approach. We find products but they will then often re-appear on the site under a slightly different obscure brand, because they are coming from China. If they know that UK consumers want a particular product that is popular, even if it is taken down it might then be relisted. If we are able to identify those products and find that they are being relisted, the online marketplaces should be able to do that as well.

Q81 **Justin Madders:** You do not have the computing power of Amazon, do you? If you can do it, surely it should be able to. Obviously, it has its own gateways, but from what you are saying, it has no real impact anyway. Picking up on the question of consumer perspective, do you feel there should be more public information campaigns about the risks, or is the answer to legislate and hold these companies to account?

Sue Davies: Through our investigations and publications, we highlight to people what the risks are and try to make people aware of them. People do not necessarily appreciate that they have lower levels of protection. You can give people more information, but ultimately you just have to get on with regulating as quickly as possible so that the right legal incentives are in place. Only the marketplaces that have developed these models know what capabilities they have and what they are capable of doing in order to prevent the sellers they onboard from offering unsafe products to consumers.

Q82 **Chair:** I want to make sure that we have a full list of harms set out. David MacKenzie, we have talked a lot about safety and the perils of unsafe goods. Are there any other consumer harms that you see day-to-day?

David MacKenzie: Yes. I would probably point to three that are, broadly speaking, interrelated but distinct in some ways. The first is product safety, which we have to mention again even though we have been mostly talking about it until now. Keeping consumers safe from physical harm is always going to be a top priority for us, and there are far too many dangerous goods online—there is no doubt about that.

The second is counterfeit goods and otherwise illicit and even shoddy goods. A lot of them are unsafe as well, so there is an interrelation there. A lot of them are not unsafe, but they are still unsatisfactory for consumers and there are far too many of them online.

The third element is the way that technology is now moving at such a pace. It is so difficult for consumers—even savvy consumers—to go online and know if something is real or not. Do they know if something is counterfeit or not? Is it a good or a bad product? It is really difficult when scammers are using AI in all kinds of different ways; influencers are using social media. I feel that it is really difficult for consumers to navigate it at the moment.

What brings these three things together, it seems to us, is that online marketplaces can have a really big impact in making the situation better. If they take the action that we want them to take, it could improve those three negative areas in significant ways.

Q83 **Chair:** There are two things there. First, you have pointed to this new phenomenon where you have integration between influencers on social media. It is just one click into a shop where you can buy things. Presumably, that is creating the risk of this problem accelerating. Secondly, it is about the margins and incentive structures for these online marketplaces.

David MacKenzie: I do not have detailed information about that, but there is no doubt that profit is a massive driver in this. At our conference a couple of weeks ago in Glasgow, we publicised some information about Meta. The figure across the world in terms of the profit it had made directly from scam adverts on Facebook, Instagram and so on is £16 billion. The figure for that in the UK is in the high millions, so we are talking about massive, massive detriment here.

Q84 **Chair:** Social media companies are basically making up to £16 billion in profit from scams.

David MacKenzie: Yes, that is leaked internal Meta information now in the public domain.

Q85 **Chair:** Is that not a mind-blowing number?

David MacKenzie: It is about 10% of overall revenues worldwide, so something is wrong there.

Q86 **Chair:** Wayne, do you have anything to add to that picture of harms we have just painted?

Wayne Mackay: Yes. I will come back to a point made earlier about the scale of the problem. We did a similar investigation to Which?, where we developed a machine learning model using AI for a fraction of the cost that marketplaces have at their disposal in terms of budgets. It used text and image-based recognition—anything that is available with a product on the listing. It scanned over 24,000 listings randomly, and we found that roughly one in 18 products was likely non-compliant, which is worrying when you think about the millions of listings these platforms have on their sites.

To put that into context, if you were to walk down a high street in your constituency, go into a well-known retailer that sells thousands of different product types, and walk down an aisle to be faced with the potential that that product, that product and that product were likely non-compliant, you would rightly walk out the store. That is what our research shows consumers are facing online today. If one in 18 products are likely not compliant, it shows the scale of the issue we need to tackle.

Q87 **Chair:** Just to understand the dynamics of this business model, is it largely driven by marketplaces allowing retailers from China, say, to sign up without adequate checks? Is that a mischaracterisation or is it broadly accurate?

Wayne Mackay: You will probably hear from marketplaces in the next session that they go over and above in terms of checking the credentials of third-party sellers based overseas. As Sue alluded to, we have also been able to easily set up fake businesses on online marketplaces with very dodgy names that are giveaways, but managed to get through.

Q88 **Chair:** Such as what?

Wayne Mackay: Dodgy Electrics and Passed Vetting. That in itself shows that, if you know what you are doing, it is easy. That is quite alarming.

Q89 **Mr Reynolds:** You said one in 18. I have a quote from eBay in 2024, when it said that it had implemented AI algorithms to prevent the sale of unsafe products, including image recognition. Does that chime anywhere near what you are seeing? If you are doing this and seeing one in 18, and eBay is doing the same thing, why is it not seeing that too?

Wayne Mackay: Hopefully you can ask them because I believe they are in the next session. I believe that eBay was among the marketplaces we investigated, and I am happy to share the report with the Committee afterwards. The information that is provided by even third-party sellers is very worrying. It has an opportunity, before the point of sale, to check that. It will say that it has billions of listings to check each day, but that is not the point. It has everything at its disposal to check a listing before it goes live. Even when it goes live, it is still flagged. It could potentially be dangerous, but it reappears. That definitely highlights that the system as a whole is broken.

Q90 **Sarah Edwards:** David, trading standards traditionally are often localised teams that go into bricks-and-mortar businesses. How do you deal with the fact that these marketplaces are anywhere, distribution hubs are all over the place, and they can be accessed online at any time of day? What does all that do to challenge you in terms of the enforcement of the extremely dangerous and counterfeit products we are hearing about in this session? How does this digital age impact your morphing role, as it were, from what you traditionally did to what you now need to be doing, which is a much wider remit?

David MacKenzie: You will not be surprised to hear me say that it is very difficult and challenging. A general point to add to what colleagues said in the previous conversation is that, both locally and nationally, there is a big issue with stuff coming in from abroad and going straight to the consumer through a marketplace, while no business in the UK has specific legal liabilities for the safety and other compliance of that product.

The biggest thing we are calling for is to close that loophole. If there is a manufacturer in the UK, or if there is a clear commercial importer in the UK, they need to have these obligations so we can take action against them if we have to. For the stuff that is coming in through the back door via marketplaces, that is just not the case. Fulfilment houses, the marketplaces themselves, or somebody in the UK should have that liability. That is a general point.

In terms of the local point, we are here today to talk about safety and fair trading online. Quite apart from the challenges that come from the structure of the market that we are dealing with now, there are issues as to how we fit this in with all the other things we are doing. We have been hijacked to a large degree by vapes, illicit tobacco and crime in the high street. Our communities really care about that. Our local and our national politicians really care about that. We quite rightly have been devoting a lot of resources to that but it is how you fit this other stuff in, which is challenging to start with.

We are up for that, and we have some able and skilful people who can do these things, but it is difficult. We are can-do and positive, and we look to make things better—that is what we do. To give you one stat, there were 4,260 trading standards staff in Great Britain in 2002. Last year there were 2,378. It has been virtually cut in two. That is the difficulty. I appreciate that a lot of the public sector has to deal with that, but in the context of increased duties and complexities, it is very difficult.

Q91 **Sarah Edwards:** I have a final question for David, and I will then come to you, Sue, because I know you would like to chip in. Obviously, there has been an uplift in the trading standards budget. David, you rightly cite the brilliant work you have been doing on high streets with vape shops. I have had three closed in my constituency—that is extremely important. Do you have thoughts on using that money to develop some similar tools, or to work with partners around that, to help you target where you send the officers you have?

David MacKenzie: Yes, and you are right to point that out. There has been significant funding for modern apprentices. We are getting new people into the profession, which is helping a bit. There is no doubt about it; it needs an awful lot more. It needs very significant additional funding to do that.

We are all about partnership. We have always been a small service, so we work with partner organisations, national ones, such as the CMA and OPSS, all the time. We work locally with other colleagues and agencies, and we are looking at that. I talked about AI and mentioned the bad stuff around it, but there is a lot of really positive stuff around AI; it can potentially help us do our job better. It can let us help small businesses to increase their compliance and profits. Yes, we are absolutely up for that kind of work.

Q92 **Sarah Edwards:** Sue, did you want to add to that?

Sue Davies: Trading standards obviously does brilliant work, but we have been really concerned about the way the service is under increasing pressure. We did a big freedom-of-information request last year and got replies from all 187 local authorities in Great Britain. It showed a really concerning picture. The worst was Enfield, which had one trading standards officer dealing with absolutely everything. We did that FOI request because there is no national data on what trading standards are doing, how they are resourced and how they are prioritising. When we asked about priorities, it was counterfeiting, weights and measures, and fair trading. They were struggling to do fundamental consumer-protection issues and more routine inspections.

We are pleased that DBT announced to the Committee that it was doing a review of trading standards duties, but we need a more strategic approach to enforcement and a better balance between what happens at national level, regional level and local level. At the moment, you have trading standards dealing with high street issues but, for example, you also have Hertfordshire trading standards dealing with Amazon.

Q93 **Chair:** It is worth just dwelling on this David and Goliath point for a moment. These big marketplaces can basically pick a jurisdiction to police them, is that the nub of it?

Sue Davies: Yes. With primary authority partnerships, a business can choose which local authority it wants to give it advice on how to comply. It then pays that local authority for its time in giving advice on compliance.

Chair: Amazon is policed by the combined forces of Hertfordshire county council.

Sue Davies: Exactly, which is the case for many global multinational businesses.

Chair: eBay is policed by the combined forces of Westminster city council.

Sue Davies: Yes—or is it Kensington and Chelsea?

Q94 **Sarah Edwards:** That sounds extremely ridiculous, but it is helpful to feed into potential recommendations. Wayne, was there anything that you wanted to add on this point? We have just heard about the powers currently holding these huge marketplaces to account, and the difficulty that we have with boots on the ground from trading standards. What is your take on what we need to be doing?

Wayne Mackay: Regulate at pace and make sure that they are each regulated with the same baseline set of duties. The proposals on the table at the moment offer some degree of flexibility in how each marketplace can show that it is complying with duties. That worries us because the Government's big aim is to make online as safe as the high street, but if you are giving them flexibility, consumers might be in a situation where they do not have parity between marketplaces, let alone the high street. That is the key point the Government need to take away in terms of regulating. There needs to be a baseline, which will help market surveillance and enforcement—just get the basics right because they are struggling on that.

As you have heard from Sue, the UK Government have a list of unsafe products that are on the market—recalled products and products that have been subject to a safety notice. It is publicly available and easily scannable, but we can go on to an online marketplace and find products on that list for sale on their site. I will go back to e-bike batteries. You can see how much harm they are causing in our communities. A UPP e-bike battery was found on a marketplace even though it was on the Government's list. It was a bit of a struggle to get the marketplace to listen to us and take it down. For them to listen, we had to go through OPSS. When they cannot even get the basics right, it points to the fact that we need to have really robust regulations that apply across the board.

Q95 **John Cooper:** There has been mention of the Product Regulation and Metrology Act, or PRAM. It is clear that you have concerns about the pace. The consultation on that closed today but, if I can take you back to July last year, the then Product Safety Minister, Justin Madders, said, "By giving regulators the teeth to clamp down on unsafe products, we are ensuring people can shop with confidence whether online or on the high street." That is no reflection on Mr Madders, of course, but it looks as though we might—

Chair: He was setting out the right ambition, I think.

John Cooper: Of course; it was fantastic. But we might want our money back on PRAM. What are your concerns about PRAM? The consultation is out there now; it is going to take more time. I know you are worried about that timescale, but it is going to take more time until that comes back. What do you think about what is laid out in that PRAM consultation? Is it fit for purpose? Sue, will you start on that?

Sue Davies: We are really pleased that we have finally got a consultation. That is the secondary legislation that is looking at how we update the product safety framework to deal with the way people are now buying products. There are some really positive things in it. It is proposing a long-awaited duty on online marketplaces and a duty of care for online marketplaces to prevent, identify and remove dangerous products from their platforms. That is really fundamental because it has been one of the gaps. There has been some ambiguity over whether they actually have responsibility.

The consultation is asking whether there should be outcomes-based or more prescriptive measures, and it is suggesting some checks, such as verification of the seller's contact details, by online marketplaces. It is really important that we have that duty, and that it is backed up by more prescriptive measures about what online marketplaces should be doing in terms of those checks on the sellers and in making sure that they are doing regular monitoring.

We are doing our own checks by looking at recalled products, so you would expect that they are making sure those products are recalled as a minimum and then, when they do find unsafe products, making sure that they are taken down quickly. Compared with a lot of other retailers, they are in a very good position, because they have access to all their customers and can very easily reach people to tell them if there is an unsafe product in their home and what they need to do about it. They are slightly different in terms of how they operate, but there are some really core baseline requirements that need to be included within the legislation.

There is also a separate consultation on enforcement provisions. That is positive as well, because it is proposing much tougher financial penalties. As we have seen with the CMA and the action it has taken on drip pricing, having the ability to fine businesses should be a really important deterrent that helps them to focus on ensuring that they comply. It also includes the ability for cost recovery and online interface orders. If all other measures have failed, they can stop the platforms from having access to the UK market and UK consumers. Those are all really important steps. Given the challenges we have been talking about with enforcement, it is now time to make the Office for Product Safety and Standards an independent consumer-focused regulator, so that it is really focused on making sure it follows through on this update of the legislation and on enforcing it.

Q96 **John Cooper:** That would be the opportunity to not only give these bodies teeth but to actually make sure that they use them. Wayne, can I come to you on that point? You were talking about e-bike batteries. Do you think this is the answer to stop them from going on sale in the UK and bursting into flames in the middle of the night in people's homes?

Wayne Mackay: Marketplaces are definitely a vehicle for substandard batteries reaching people's homes. Yes, if we can regulate marketplaces as strongly as possible, it would be a good step towards solving that problem. To the point I made earlier, the consultation that Sue alluded to provides an assumption of flexibility, and that concerns us. A point made earlier was about the big ambition to make online as safe as the high street. Imagine walking down your high street and going into one shop and buying a charger, and then going into the shop next door and buying the same charger, and realising that only one shop ensures that the product is safe, while the other one does not. That is a reality that we would potentially get into if flexibility is allowed as proposed in the consultation.

Q97 **John Cooper:** David, I will just come to you very quickly as you are at the front end of a lot of this. What is the situation abroad? Do you think the Government need more powers when it comes to holding overseas businesses to account? We can do so much in the UK, but how do we reach out beyond our own borders?

David MacKenzie: That ties back to something I said earlier about the key requirement of holding someone to account in this country. There is an obvious mismatch between local authorities or even national regulators in taking on an enormous marketplace based overseas. That would be the single most important thing to improve the situation all round, because we can focus on who has that liability in the UK.

I was listening to Sue and Wayne, and I would not disagree with anything they said so I will not repeat it—they said a lot of what I was going to say. The way I would characterise it is that there are two key situations. The first is marketplaces taking unsafe and other non-compliant goods offline when they find out that they are non-compliant. That is not happening quickly enough in all situations, and there are some real issues around that.

Probably even more important—and this has come up already but cannot be said often enough—is that they need to be doing their due diligence properly. They need to take proactive steps to remove stuff, not just wait for it to be reported. They may say that they are already doing that. The evidence from Which?, Electrical Safety First, the British Toy & Hobby Association and others that have done this work shows that there is far too much unacceptable stuff on there. The AI is there and these are tech giants. You cannot tell me that they do not have the technical ability to do this a lot better than it is being done at the moment. That is what they should be doing.

Back to the point on primary authority, sometimes there can be a challenge with a small local authority holding a big company to account. Sometimes it works very well, because it is mostly about guidance and giving them assured advice as to how they then design their business—that works very well in a lot of sectors—but primary authority can only tell the business what the law is. At the moment, the obligations that we are calling for are just not there. They are certainly not clear and unambiguous, so that is what we need next.

Q98 **Justin Madders:** Obviously, the Law Commission is reviewing the whole law around product liability. Do you think that could ultimately be the answer and the safety net that you need?

Sue Davies: We are really pleased that it is looking at that, and you have to update our product liability regime to take into account online marketplaces. You need both. You have to have the specific responsibilities to prevent online marketplaces from selling unsafe products to people or to list the sellers who are selling them to people, but then, if something goes wrong, consumers should have access to redress as well. The two go hand in hand and are not a substitute.

Q99 **Charlie Maynard:** I want to continue to explore this. The primary authority may work well in some cases but the idea that Amazon is interfacing with Hertfordshire county council as the primary authority fits badly. I am curious as to what models other countries use, because I suspect they do not use a county to face up against one of the largest companies in the world. Sue, do you have any perspective on that in terms of other models that could make sense here?

Sue Davies: We have looked at other models. They are all very different and not necessarily directly applicable to the UK. The key thing is that we have an enforcement system that has evolved over many years with additional responsibilities being given to local authorities. CTSI estimates that there are about 300 pieces of legislation that local authorities are responsible for enforcing. As that includes the smaller and bigger businesses, primary authority was developed as a way to make sure that you had some co-ordination where you have national businesses.

It is interesting. If you look at the food area, the Food Standards Agency has been consulting on an approach to national level regulation where it takes on responsibility, but it has not yet been determined exactly what businesses are in that scope. We would argue that online marketplaces should be regulated because we find on them a lot of problems with unsafe food supplements in a similar way. They are taking on responsibility for some of the bigger and more complex national businesses, and that fits with some models that you get in other countries. I do not know the intricacies of how they work, but you have the Australian Competition and Consumer Commission, which deals with product safety at a national level. We do not even have an independent national regulator of product safety at the moment, which is important.

Q100 **Charlie Maynard:** When you look around the world and ask who is effectively enforcing these marketplaces and holding them to account for the products they sell, is there a country that is doing a better job than the others? Is there a country that has a good system that they actually enforce? The underlying vibe here is that the Government do not really want to enforce this.

Sue Davies: The EU has updated its legislation and has stronger protections in some areas. The gap with fulfilment service providers that David was talking about has now been addressed within EU law. They have gone further in terms of some due diligence requirements on the bigger platforms, but that is still in the process of being implemented. It is already clear that there are some gaps in terms of the EU's legislation. What is being proposed here will potentially go further than that, but the EU is looking at updating its legislation as well in order to strengthen it. We have an opportunity. It is a real challenge. Work is going on through OECD, UNCTAD and other international bodies to look at how you can have better co-ordination on product safety. We work with consumer organisations across Europe but also globally, and one of the biggest challenges in terms of product safety in all jurisdictions is dealing with the unsafe products coming from online marketplaces.

David MacKenzie: I would echo what Sue just said. It is fair to say that our structure is unusual in that most countries—big and small, but particularly small ones—have a more strategic national approach rather than a local approach. The negatives that come from that are a lack of strategy at times, a lack of co-ordinating, and a consistent postcode lottery—a pick-your-phrase sort of thing. It is important to recognise that it has its strengths too. When covid came along there was stuff we had to do immediately in terms of keeping people safe, making sure that premises were not closed—or closed if they had to be—and PPE. We were able to respond quite nimbly and quickly because we were based in our communities. Any changes in the future need to take account of that and create something that works for Britain

Q101 **Chris Bloore:** My question was going to be about what the Government should be doing, but you have pretty much laid that out in terms of legislative changes. We saw the EU hand out a pretty substantial fine to T-Mobile, which we are going to talk about a little later. Do you think that is the only language that some online marketplaces or big tech companies are going to respond to—actually following up legislation with punitive action when they fail to meet standards?

David MacKenzie: In a word, yes.

Chris Bloore: That is a good answer.

David MacKenzie: Taking formal action—that big stick—is always a last resort. The tenor of this conversation, which I really agree with, is that we have tried to work with these companies over years and they are not doing enough on a voluntary basis. We need strong obligations on them and significant penalties if they do not comply.

Sue Davies: Yes, I completely agree. It is really incredible that this has been going on for so long. We have had lots of discussions with businesses about how they can strengthen controls. As soon as we find any safety problem, we always share our findings, but it is just a recurring problem. We clearly do not have the right incentives and deterrence for it to become enough of a priority within the organisation to invest in the technology and systems that will actually prevent these products from reaching UK consumers.

Wayne Mackay: You will probably hear from the platforms in the next session that they do lots of voluntary measures to make sure that unsafe products are not listed on their websites. Voluntary safety pledges and lots of safety advice pages are hidden away on their platforms, but voluntary action is not working. We need the legal baseline to make sure they are all held to the same standards.

Q102 **Chair:** In terms of the frontline officers up and down the country, David, do you hear anything from them in particular about the powers they wish they had?

David MacKenzie: It is a range of things. Any time we have this conversation with Government, it feels like we are coming with a great long list of things that seem quite onerous but, when you start going through them, there is a realisation that you need the structure to hopefully not use them very often. However, they need to be there as leverage and a deterrent.

In the context of what we are talking about today, it needs to be things like the explicit power to require stuff to be taken down quickly. We do not really have that at the moment. One thing that is boring but really important is specific obligations on marketplaces to share information, documents and things that are relevant to something we are looking into It is those sorts of things, as well as penalties. Fixed penalties may well be appropriate in some situations.

Back when I started in this job 30 years ago, it was prosecution or nothing. Over the years, this country has developed different parts to consumer protection, and other mechanisms for dealing with it, such as civil enforcement, which I am very keen on, as well as fixed penalties and disruption. Powers of seizure are very important. When you are not getting co-operation and there are dangerous products, you need to take them off their hands. A suite of things of that kind is important. It is no good creating obligations if you do not create the appropriate powers to enforce those obligations.

Q103 **Chair:** Is that list written down? Is there a MacKenzie manifesto that you might be able to send us?

David MacKenzie: It will be in our full consultation response. We can certainly provide that; it is no problem at all.

Q104 **Antonia Bance:** Thank you very much for a very enlightening panel; it is really appreciated. As referred to, we have three online marketplaces in front of us next. I am going to give you the opportunity to imagine yourself in my place. If you had to ask each of them one question about their approach to consumer protection, what would it be and why?

Wayne Mackay: Let me take you back to the here and now. My question would be simple. This morning, a member of Electrical Safety First's very small team went on to the three marketplaces you are about to hear from and within minutes was able to find likely non-compliant products. They are popular products when it is hot outside, such as fans and garden equipment, and details will be emailed to all Committee members now and to OPSS.

Let me just give you a quick example of the products we found on Amazon, eBay and Temu that are live at the moment. We found a cordless lawnmower on Amazon that, despite being rated five stars, has been sold with a US plug, which is against our safety standards. We found a 10-litre mobile air cooler on eBay with a 220 volt rating that does not comply with British standards. A bargain was found on Temu: a three-in-one floor fan that gives you a water tank, a fan and two icepacks. Clearly, water and electricity do not mix. Aside from that, the fan had a 220 voltage rating that is against our standards. The user instructions did not relate to that product; they were actually for an air fryer, so not very handy. The fan is sold out as of today, which is even more worrying. How many people in your constituencies have potentially bought that product?

My question would be very simple. With all the data, technology, AI, and resources that we know they have, how is this still possible? How can we find these products in a matter of minutes and they cannot? If they can, why are they still there?

Sue Davies: Mine would be very similar. These are some of the most well-resourced businesses globally that have huge amounts of expertise in technology. Why are they not investing in stopping unsafe products being listed on their sites? A small but obviously very good team is able to easily identify these products, identify where there might be risks and then focus their testing to repeatedly find products. It clearly is not enough of a priority, and it is very difficult to understand why that is the case. Why do they not want to invest in this?

David MacKenzie: Every day, we in trading standards are dealing with businesses big and small, which have to make a profit. That is what the country needs to give people jobs and have the successful economy and society that we need, but there is a balance. There is a balance between that, keeping people safe and treating people fairly. It seems to me that everything said in this session illustrates that they are getting that balance wrong. My question is: why are you getting that balance wrong between profits, keeping people safe and trading fairly? They appear to be putting profits above the safety of their customers.

Chair: Thank you all. It has been an excellent session. You have really helped set the stage for the session to come. We are very grateful to you for your evidence. If you would not mind sending us the follow-up information that was cited this afternoon, we would be very grateful. That concludes this panel.