

Chartered Trading Standards Institute (CTSI) written submission to Public Bill Committee – Product Regulation and Metrology Bill

Response sent to - <u>scrutiny@parliament.uk</u>

This response is being sent on behalf of The Chartered Trading Standards Institute and has been compiled by the expertise of CTSI members.

ABOUT CTSI

Founded in 1881 (as the 'Incorporated Society of Inspectors of Weights and Measures'), today's Chartered Trading Standards Institute (CTSI) is one of the world's longest-established organisations dedicated to the field of Trading Standards and Consumer Protection.

At CTSI, and through the Trading Standards profession, we aim to promote good trading practices and to protect consumers. We strive to foster a strong vibrant economy by safeguarding the health, safety and wellbeing of citizens through empowering consumers, encouraging honest business, and targeting rogue practices. We provide information, guidance and develop evidence-based policies and campaigns to support local and national stakeholders including central and devolved governments. CTSI also provides the secretariat to the All-Party Parliamentary Group on Consumer Protection and campaigns on range of topics including product safety issues. CTSI is responsible for business advice and education in Trading Standards and consumer protection legislation, including running the Business Companion service to provide clear guidance to businesses on how to meet their legal and regulatory obligations.

CTSI is also contracted to provide administrative support to the Consumer Codes Approval Board which was established after Government (OFT) tasked CTSI to develop a successor to their scheme, as part of the consumer landscape review. This was to give consumers greater confidence when they buy from members of the Approved Code scheme, regarding business behaviour and consumer redress. This also raises the standards of trading for all businesses that operate under the relevant Approved Code for that sector.

CTSI run training and development events for both the Trading Standards profession and a growing number of external organisations and businesses. We also provide accredited courses on regulations and enforcement.

Written Evidence Submission

Introduction

The Chartered Trading Standards Institute (CTSI), working within a collation with the British Toy & Hobby Association (BTHA), Electrical Safety First (ESF), London Fire Brigade (LFB), and Which?, welcomes the introduction of the Product Regulation and Metrology Bill as a vital opportunity to modernise the UK's product safety framework in response to the rapid evolution of online marketplaces and cross-border sales. While the Bill includes a number of positive provisions, CTSI is concerned that unless strengthened, it may fail to deliver the necessary consumer protections in

practice. CTSI submits the following evidence to the Committee to help ensure the legislation delivers on its objectives and can be implemented effectively at both national and local levels.

1. Clear Duties on Online Marketplaces

CTSI strongly supports the Bill's inclusion of a comprehensive and clearer definition of online marketplaces. This expanded definition, particularly as outlined in Section 2(2)(d), recognises platforms that not only provide the digital infrastructure for trade but also manage content and control access. By doing so, the Bill appropriately extends responsibility to marketplace operators and relevant intermediaries.

CTSI has long advocated for the establishment of formal legal duties for online marketplaces. In its recent report to government, <u>Mind the Gap Between the Chain and the Platform</u>, CTSI highlighted the need for providers of online marketplaces to be explicitly recognised in UK legislation. The inclusion of these definitions within the General Product Safety Regulations would ensure that platforms are held accountable for the legal compliance of products offered by third-party sellers.

CTSI also welcomes the provisions in Section 2(3) of the Bill, which broaden the scope of regulatory responsibility to include entities that control access to the marketplace, such as fulfilment service providers. This aligns with CTSI's recommendation to introduce a comprehensive regulatory framework that includes intermediaries—particularly in cases where there is no UK-based manufacturer or importer. This is critical to closing the current accountability gap and ensuring product safety throughout the supply chain.

However, while these definitional improvements are a step in the right direction, CTSI believes the Bill must go further to protect consumers.

Online platforms are increasingly being exploited by third-party sellers to market unsafe, counterfeit, or non-compliant products. A recent investigation revealed that 85% of toys tested from online marketplaces were deemed unsafe. Over the past two years, it is estimated that approximately 7.2 million UK consumers may have been harmed by unsafe or fraudulent goods purchased through these platforms.

CTSI therefore recommends that the following statutory duties be included in the Bill to safeguard consumers and improve accountability:

- **Mandatory Internal Safety Systems:** Online marketplaces must be required to implement robust internal safety processes, including the proactive identification, monitoring, and removal of unsafe or non-compliant products before they reach consumers.
- Seller Verification and Product Traceability: Marketplaces must verify the identity and legitimacy of all sellers using their platforms. Additionally, they should maintain systems for tracking the origin and distribution pathways of all products sold, ensuring full traceability.
- **Consumer Notification Obligations:** Platforms should have a statutory obligation to notify consumers if they have purchased goods later identified as unsafe. This should be aligned with the guidance set out in PAS 7100, the Code of Practice for product safety and recalls.
- Liability for Untraceable Sellers: In situations where a non-compliant or dangerous product is sold by a third-party seller who cannot be identified or contacted, legal liability must rest with the platform facilitating the sale.

Why This Matters

Without the inclusion of these statutory duties, online marketplaces will continue to benefit financially from the sale of unsafe goods while consumers remain exposed to significant risk and face substantial barriers to seeking redress. Clear and enforceable responsibilities are essential to rebalancing the system in favour of consumer protection and restoring trust in online retail environments.

2. Inclusion of Social Media and Informal Sales Channels

While the Bill references online marketplaces in a broad sense—defining them in Section 10 as "a website, a mobile application, or any other platform by means of which information is made available over the internet"—CTSI is concerned that it fails to explicitly address the growing issue of user-to-user sales conducted via social media platforms such as Facebook Marketplace, TikTok, and Instagram.

Although Section 2(2)(d) attempts to provide a general definition of online marketplaces, it does not adequately encompass these informal sales environments. As a result, significant regulatory blind spots remain. These platforms increasingly serve as avenues for the sale of unsafe, counterfeit, and non-compliant products, often with no clear liability chain or traceable seller.

CTSI has repeatedly raised concerns about the lack of accountability on social media platforms that facilitate peer-to-peer sales. Unlike regulated e-commerce marketplaces, these platforms frequently operate without robust oversight mechanisms or sufficient product safety controls. Consumers are often unaware that they are purchasing from unverified third-party sellers, leaving them vulnerable to harm and with limited recourse.

Evidence of this regulatory gap is clear. In a 2023 investigation by ESF, 60% of dangerous recalled products—such as fire-risk tumble dryers—were still listed for sale on Facebook Marketplace two months after being removed from regulated online platforms like eBay. This demonstrates that, in the absence of enforceable duties, informal sales channels continue to act as loopholes that undermine consumer protection.

CTSI therefore recommends the following:

- **Explicit Inclusion of Social Media Platforms:** The Bill should be amended to clearly define and include social media platforms that enable user-to-user sales within the scope of "online marketplaces."
- Equal Legal Duties: Social media companies facilitating informal product sales should be held to the same consumer safety responsibilities as traditional online marketplaces. This includes obligations around product monitoring, seller verification, and notification in cases of unsafe goods.
- **Closing the Liability Gap:** Platforms enabling informal sales must be accountable for unsafe or counterfeit goods sold through their services, particularly where the seller is untraceable or located outside the UK.

Why This Matters

The absence of explicit duties for social media platforms creates a critical vulnerability in the regulatory framework. As these channels grow in popularity for informal commerce, failing to regulate them risks eroding consumer confidence and allowing unsafe products to circulate unchecked. Ensuring parity across all digital sales platforms—formal or informal—is essential to protect the public and maintain a fair-trading environment.

3. Fulfilment Houses – Legal Accountability Gaps

CTSI, alongside its coalition partners, is increasingly concerned about the regulatory grey area in which fulfilment houses currently operate. These entities—often used by overseas sellers to store and distribute goods within the UK—occupy a pivotal position in the supply chain. However, under existing product safety law, their responsibilities are insufficiently defined.

While the Bill introduces enhanced enforcement powers for authorities in Section 3(3), and acknowledges the broader network of actors involved in placing products on the market, it does not provide specific legal obligations for fulfilment houses. These businesses, which store, package, and dispatch goods on behalf of third-party sellers, do not neatly fit the traditional definitions of manufacturers, importers, or retailers. As a result, their role in ensuring product safety remains unclear and underregulated.

Under HMRC's Fulfilment House Due Diligence Scheme, operators are already required to register and conduct certain checks on stored goods. However, this framework does not extend to ensuring compliance with product safety legislation or intellectual property (IP) protections. Consequently, there is no consistent requirement for fulfilment houses to verify whether the goods they handle are safe, properly labelled, or legally compliant.

This regulatory gap is particularly concerning given the increasing prevalence of overseas sellers using fulfilment houses as a conduit into the UK market, often bypassing the more stringent obligations placed on domestic importers. Without clear legal duties, unsafe or counterfeit products may enter the market unchecked, posing risks to consumers and undermining legitimate businesses.

CTSI therefore recommends the following measures:

- **Classify Fulfilment Houses as Importers**: Fulfilment houses should be legally recognised as importers within the supply chain. This would impose clearer responsibilities on them for ensuring that the products they handle meet UK safety and IP standards.
- Mandatory Compliance Checks and Documentation: These entities should be required to carry out basic safety and compliance checks, maintain technical documentation, and conduct risk assessments. This includes verifying product markings, checking conformity declarations, and ensuring packaging and labelling meet UK requirements.
- **Obligation to Remove Unsafe Goods**: Fulfilment houses must have a statutory duty to remove non-compliant, unsafe, or counterfeit goods from circulation. Where unsafe products are identified, enforcement authorities should be granted the explicit power to compel fulfilment houses to take corrective action or cease distribution.

Why This Matters

Fulfilment houses represent a key link in the e-commerce supply chain, particularly as cross-border trade increases. Without robust legal duties, these entities can become an unregulated gateway through which unsafe or illicit products enter the UK market. Clarifying their responsibilities and aligning them with importer obligations will help close this loophole, protect consumers, and strengthen the overall product safety regime.

4. Enforcement Capacity and the Role of Trading Standards

Section 3(1) of the Bill assigns enforcement responsibilities to "designated persons," which primarily includes national regulatory bodies such as the Office for Product Safety and Standards (OPSS). While the role of national enforcement agencies is important, CTSI strongly emphasises the continued and

vital role of Local Authority Trading Standards services in upholding product safety and regulatory compliance across the UK.

Trading Standards officers operate at the frontline of enforcement, with critical reach into communities, high streets, and key entry points such as ports and borders. Their localised knowledge, investigative expertise, and established infrastructure position them uniquely to identify and disrupt the distribution of unsafe, counterfeit, or non-compliant products in real time. Without their involvement, enforcement efforts risk becoming overly centralised and disconnected from the practical realities of marketplace regulation.

CTSI is committed to working closely with the Department for Business and Trade to ensure that local enforcement capacity is not diminished under the new regime. For the Bill's provisions to be effective, local Trading Standards services must retain a central enforcement role and be resourced accordingly.

CTSI recommends the following actions:

- **Retention of Local Enforcement Powers**: The Bill must explicitly ensure that Local Authority Trading Standards officers retain a formal and active role in enforcing product safety and weights and measures compliance. Their involvement is essential for identifying local threats, responding to community concerns, and supporting national enforcement strategies.
- **Ringfenced and Sustainable Funding**: The Government should commit to ringfencing increased funding for Local Authority Trading Standards services. This funding should support recruitment, training, and technological investment to ensure officers are fully equipped to enforce the Bill's requirements.
- Support for Enforcement at Ports and Borders: Additional investment is needed to maintain and expand enforcement capacity at UK ports and borders, where Trading Standards teams serve as the first line of defence against the import of unsafe or non-compliant products.

Why This Matters

Without a properly funded and empowered local enforcement network, the aspirations of the Bill will be difficult to realise in practice. National oversight alone is insufficient to manage the scale and complexity of modern product safety challenges. Local Trading Standards services are indispensable to the enforcement ecosystem and must be supported with both legislative authority and financial investment to ensure consumer protection is upheld nationwide.

5. Legal Metrology – Risks of Dilution

CTSI is seriously concerned that the Bill's provisions on legal metrology, as set out in Section 5, are overly narrow and risk undermining a core pillar of consumer protection. Legal metrology—ensuring the accuracy of weights and measures—underpins fair trading practices, particularly in sectors such as retail, food, fuel, and logistics. These are all areas that are hit the most during cost-of-living increases. Weakening this framework would compromise consumer trust and create a playing field tilted against compliant businesses.

The current drafting focuses predominantly on units of measurement and the quantities of goods, without addressing the critical infrastructure required to enforce metrology standards—namely, the powers and qualifications needed to test, verify, and calibrate measurement equipment. Section 6(3), which addresses enforcement of metrology regulations, does not explicitly empower

enforcement authorities to carry out inspections or verify compliance through equipment testing, a glaring omission given the centrality of accurate measuring tools to consumer transactions.

Moreover, CTSI is concerned by the provisions in Section 9(3), which would allow the Government to repeal or amend key parts of the Weights and Measures Act 1985, including established qualifications for Weights and Measures Inspectors, via secondary legislation. This raises the prospect of a two-tier enforcement system, where professional standards may be diluted, and the integrity of enforcement across local authorities becomes inconsistent.

CTSI therefore recommends the following:

- Inclusion of a Statutory Code of Practice: The Bill should incorporate a formal Code of Practice for Weights and Measures Officers. This would safeguard the professionalism, independence, and consistency of metrology enforcement nationwide.
- **Expanded Enforcement Powers for Equipment Testing**: Clear powers should be granted within the Bill to enable officers to inspect, test, and calibrate measuring equipment as part of their compliance checks. This is essential to ensuring that products are sold accurately and fairly.
- **Protection of Professional Qualifications**: Any reform of metrology qualifications, particularly those established under the Weights and Measures Act 1985, must be subject to full public consultation and must maintain the current high standards of training and competence required for enforcement officers.

Why This Matters

Legal metrology is not merely a technical issue—it is a cornerstone of consumer protection and marketplace fairness. Whether buying petrol, produce, or packaged goods, consumers rely on the accuracy of measurements to ensure they get what they pay for. Allowing enforcement standards or qualifications to be weakened would compromise this trust and expose the public to unfair practices. Strengthening, rather than diluting, the legal metrology framework is essential to upholding the Bill's overarching aim of a safer and fairer market.

6. Emergency Powers – Safeguards Required

Section 4 of the Bill grants the Secretary of State significant authority to amend or create product regulations in response to emergencies. While CTSI recognises the need for a degree of legislative agility—particularly in the face of unforeseen risks to public safety—there is concern that these powers, as currently drafted, are too broad and lack the necessary oversight, definition, and procedural safeguards.

The ability to rapidly adjust regulatory frameworks can be vital in times of crisis—for example, to respond to widespread product failures, urgent safety threats, or global supply chain disruptions. However, the absence of clear limits on the scope, duration, and application of these powers could lead to decisions being made without appropriate stakeholder input or parliamentary scrutiny. Such unchecked discretion risks undermining long-established consumer protections and regulatory standards.

CTSI recommends that the emergency powers provisions in the Bill be amended to include the following safeguards:

- **Clear Definition and Scope**: The circumstances that constitute an "emergency" must be precisely defined in legislation. This will prevent misuse and ensure the powers are only triggered in genuinely urgent situations.
- **Time Limitations**: Any regulations introduced under emergency powers should be strictly time-limited, with an automatic sunset clause unless formally extended by Parliament. This ensures temporary measures do not become permanent without due process.
- **Parliamentary Scrutiny or Mandatory Consultation**: Emergency regulatory changes must be subject to retrospective or expedited parliamentary scrutiny. Additionally, there should be a duty to consult with relevant stakeholders—such as Trading Standards, industry bodies, and consumer groups—where feasible.
- Safeguards Against Erosion of Consumer Protection: The Bill must include explicit language to prevent emergency powers from being used to lower existing product safety standards without thorough and transparent justification.

Why This Matters

Consumer safety regulation must be both responsive and robust. While flexibility is important in emergencies, unchecked executive powers carry the risk of hasty or politically expedient decisions that could weaken vital protections. Ensuring that emergency actions are accountable, proportionate, and time-bound is essential to maintaining public confidence in the regulatory system.

7. Expansion of Powers for Equipment Testing

CTSI believes that the current drafting of the Bill fails to fully empower enforcement authorities to uphold legal metrology standards effectively. Section 6(4) provides enforcement officers with the ability to inspect, seize, and retain goods or evidence related to non-compliance. However, it stops short of explicitly granting powers to test or calibrate measuring equipment, a critical component of ensuring consumer confidence in trade.

Accurate measuring instruments are fundamental to fair commercial transactions, especially in sectors such as retail, fuel, and food services. Local authority Trading Standards services already conduct such equipment testing under existing legislation, but this Bill does not clearly extend or consolidate these powers within the new regulatory framework.

CTSI recommends:

- **Explicit inclusion of powers for equipment testing** and calibration in the enforcement provisions of the Bill.
- Alignment with existing local authority practices to ensure consistency and legal clarity in how metrology enforcement is conducted.

Why This Matters

Without statutory powers to test equipment, enforcement officers may be hampered in verifying compliance and protecting consumers. Clarifying these powers would enhance the effectiveness of metrology enforcement and uphold fairness in the marketplace.

8. Call for a Code of Practice for Weights and Measures Officers

CTSI is preparing to publish a policy report addressing challenges and opportunities within the field of legal metrology. A central recommendation of that report is the introduction of a formal Code of Practice for Weights and Measures Officers, to be incorporated into the legislative framework introduced by the Bill.

Such a Code would establish a nationally consistent standard for enforcement, supporting officers in delivering their duties effectively across different local authorities. It would clarify operational procedures, promote best practice, and help ensure that businesses and consumers receive consistent treatment regardless of location.

While the Bill provides for the enforcement of metrology regulations, it currently makes no provision for the development or implementation of such a Code. This omission represents a missed opportunity to reinforce professional standards and regulatory clarity.

CTSI recommends:

- The inclusion of a statutory Code of Practice within the Bill for Weights and Measures Officers, to ensure consistency and professionalism in legal metrology enforcement.
- **Consultation with stakeholders** to ensure that the Code reflects the operational realities and needs of local authorities and enforcement officers.

Why This Matters

Legal metrology underpins confidence in everyday transactions. By formalising and standardising enforcement through a Code of Practice, the Bill can significantly strengthen the effectiveness and integrity of weights and measures regulation nationwide.

9. Concerns Regarding the Repeal of the Weights and Measures Act 1985

CTSI is deeply concerned about the potential repeal or amendment of significant provisions within the Weights and Measures Act 1985 via secondary legislation, as permitted under Section 9(3) of the Bill. This risks fundamentally altering the legal basis of the UK's metrology system without proper debate or transparency.

In particular, the potential erosion of the statutory qualification for Weights and Measures Inspectors—the only legally mandated professional qualification in the Trading Standards profession—raises fears of a two-tier enforcement system emerging. Such a move would not only undermine the professionalism of those enforcing vital consumer protections, but also threaten the consistency and credibility of metrology enforcement across local authorities.

CTSI recommends:

- **Retaining the statutory qualification for Weights and Measures Inspectors**, or ensuring that any reforms are subject to full consultation and parliamentary debate.
- **Protecting professional standards and enforcement** consistency across the UK through transparent reform processes.

Why This Matters

Diluting or deregulating inspector qualifications without sector-wide agreement risks damaging the integrity of legal metrology enforcement and diminishing consumer trust in fair measurement practices.

10. Continuing Divergence Caused by EU Exit

CTSI is increasingly concerned about the growing divergence between UK and EU product safety regulations in the wake of the UK's departure from the European Union. As the EU prepares to implement the new General Product Safety Regulation (GPSR) alongside revised Directives on machinery and toy safety, there is no clear equivalent within the UK's forthcoming Product Regulation and Metrology Bill.

This divergence risks creating regulatory gaps and confusion for businesses operating across both markets. It could also hinder the UK's ability to match rising international safety standards, ultimately compromising consumer protection and limiting competitiveness in a global context.

CTSI recommends:

- A clear commitment to maintaining regulatory alignment where it benefits consumers and businesses, particularly in high-risk sectors such as toys, electronics, and machinery.
- **Urgent development of a parallel UK regulatory framework** to match the EU's updated product safety requirements.

Why This Matters

Failing to modernise and align UK regulations could result in lower safety standards, reduce consumer confidence, and place UK-based businesses at a competitive disadvantage in European and global markets.

Conclusion and Recommendations

CTSI welcomes the intent behind the Product Regulation and Metrology Bill but believes that, as currently drafted, it will **fall short** of providing the robust consumer protections needed in the modern retail environment.

CTSI recommends that the Committee:

- Strengthen legal duties and liabilities for online marketplaces and social media platforms.
- Clarify the role and responsibilities of fulfilment houses.
- Ensure local enforcement capacity is safeguarded and properly funded.
- Expand metrology powers and protect qualification standards.
- Add appropriate checks on emergency powers.
- Address the risk of regulatory divergence with the EU.

CTSI stands ready to support the Committee with further evidence and would welcome the opportunity to contribute to detailed discussions on implementation.

FOR FURTHER INFORMATION

Please contact Kerry Nicol, External Affairs Manager at CTSI (kerryn@tsi.org.uk or 07496 254 934)