



# EUROLAB Special Briefing

## OECD Digital Economy Papers: Online Product Safety, Trends and Challenges

The OECD report on Online Product Safety examines selected product safety problems faced by consumers when purchasing tangible goods via e-commerce, at both domestic and cross-border levels.

The report is divided into two main parts, exploring the scope and magnitude of such online product safety issues, and providing an overview of the government and business initiatives that have been carried out in a number of jurisdictions to protect consumers from unsafe products online.

The report also includes the results of an OECD online product safety sweep ("the OECD sweep") co-ordinated by the Australian Competition and Consumer Commission (ACCC) from 27 to 30 April 2015 on behalf of the Working Party on Consumer Product Safety (WP). The initiative, in which 25 jurisdictions participated, involved the inspection of a total of 1709 goods falling into one of the following three categories: *i*) banned and recalled products; *ii*) inadequate product labelling; and *iii*) products that do not meet safety standards or requirements.

### Scope and magnitude of online product safety problems

The paper reports that the following three product categories, which are available for sale online in a number of jurisdictions, have been reported as potential sources of consumer harm:

- Banned and recalled products: These include goods that have been:
  - Prohibited from sale in countries, both online and offline;
  - Recalled from the market, in a voluntary or mandatory manner. It should be noted that banned and recalled products, which are sometimes considered as separate product categories, are being addressed in this report under the same product category.
- Inadequate product labelling and safety warnings;
- Products that do not meet voluntary or mandatory safety standards.

Figure 1. OECD sweep results: Non-compliance rates at domestic and cross-border e-commerce levels

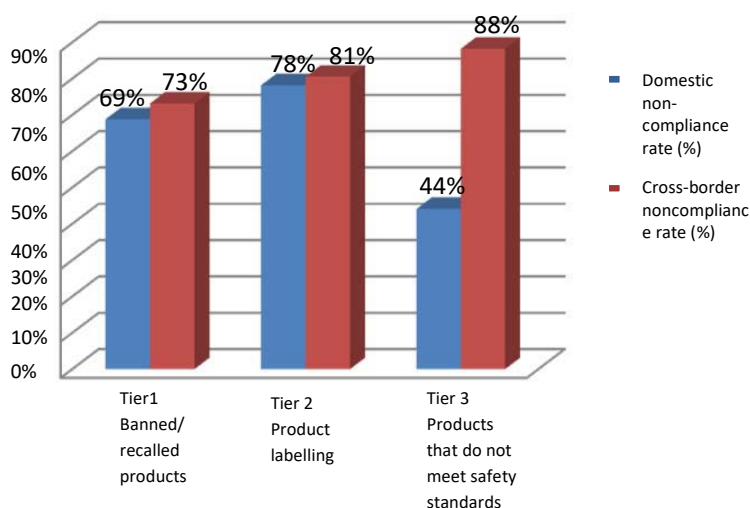
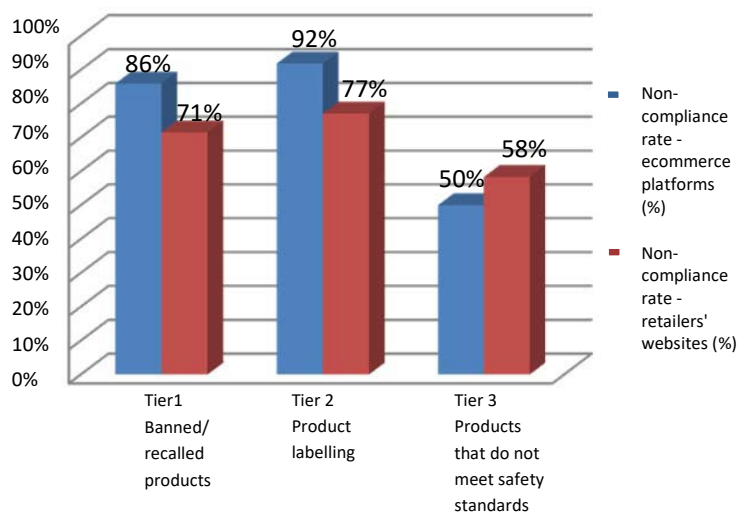


Figure 2. OECD sweep results: Non-compliance rates on e-commerce platforms and retailers' websites



## **Consumer product safety protection and empowerment initiatives**

Over the past two decades, a number of initiatives have been carried out by product safety authorities and businesses to protect consumers from unsafe products online. These include:

### **1. Market surveillance and enforcement actions:**

In some jurisdictions, market surveillance entities focusing on e-commerce activities have been established and market surveillance guidelines have been developed to improve the detection of unsafe products online. With respect to enforcement, in addition to actions taken solely by product safety authorities, co-operation with other authorities, such as customs, and/or with other stakeholders, such as e-commerce platforms, has helped to improve the detection of unsafe products and to prevent them from entering the market. International co-operation has likewise been enhanced through information sharing, sweeps and joint market surveillance activities.

### **2. Individual and joint actions undertaken by businesses:**

E-commerce platforms and online retailers can facilitate and help to improve the effectiveness of product recalls by governments or manufacturers through the use of the consumer data that they collect for the purposes of product delivery. By combatting counterfeit products, businesses can help to enhance consumer product safety as those products may pose health and safety risks. Both manufacturers and e-commerce platforms have taken actions to remove counterfeit goods from the market, sometimes through joint actions or the establishment of co-operation schemes between manufacturers and ecommerce platforms.

### **3. Business and consumer awareness initiatives:**

Some government authorities have developed education programmes to provide online retailers and e-commerce platforms with information and guidance on the regulations that need to be complied with to ensure product safety online. Some initiatives have also aimed to alert consumers about unsafe goods available in e-commerce, through the provision of:

- checklists relating to online product safety issues;
- product recall information;
- information on websites which are suspected to be selling unsafe products;
- information, *via* traditional and online media, describing the potential damages and risks that unsafe products may cause.

For further information and the source: OECD (2016), "Online Product Safety: Trends and Challenges", OECD Digital Economy Papers, No. 261, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5jlnb5q93jlt-en> OECD

Should you have any comments or questions do not hesitate to contact Zeynep Yildizeli at [info@eurolab.org](mailto:info@eurolab.org)