

CTSI MANIFESTO

# HELPING LOCAL COMMUNITIES AND BUSINESSES TO PROSPER

# WE ARE CALLING ON THE NEXT GOVERNMENT TO:

## **Build back Trading Standards services to better protect consumers and law-abiding businesses.**

- Make a phased additional investment in Trading Standards services, rising to £100 million after 4 years.
- Review the current funding model for Trading Standards with a view to putting it on a more sustainable footing. Provide £14 million investment for a dedicated Apprenticeship fund to create 300 apprenticeship places for Trading Standards services across the UK.
- Provide £20 million to bolster Trading Standards resources for Local Authorities with ports and borders in their area and improve Trading Standards powers so these Local Authorities can effectively tackle the illegal and unsafe products entering the UK.
- Consider putting product safety competency on a statutory footing, to ensure product safety enforcement officers are suitably qualified and maintain their expertise.

## **Create more confident consumers by putting in place greater levels of protection.**

- Include consumer rights and money matters in the Citizenship and Personal, Social, Health and Economic (PSHE) syllabuses or embed them into the core national curriculum for 14-18 year olds.
- Appoint a Consumer Champion in Government with the responsibility for providing a more cohesive strategic direction on consumer protection issues.
- Undertake an analysis of consumer detriment data to develop an overall picture of risks and harms that consumers face.
- Support better data and intelligence sharing between organisations and businesses to help Trading Standards target its resources more effectively and improve consumer outcomes.
- Review the redress landscape to make it simpler for both businesses and consumers to navigate.

## **Develop a regulatory system that supports business innovation and growth.**

- Set out a clear economic strategy for green products that puts consumer protection at its heart.
- Introduce licensing schemes for the home improvement, motor vehicles and green energy businesses.
- Minimise regulatory divergence between the UK and EU and enable the UK's continued information exchange with key EU cooperation groups.
- Simplify the product safety regulatory system by seeking mutual recognition of conformity assessment with the EU.
- Introduce clear legal duties on online marketplaces in line with those for online businesses, as set out in the Online Safety Act 2023.
- Consider setting out appropriate standards and appointing a suitable watchdog to regulate AI (Artificial Intelligence) which will protect consumers and legitimate businesses.



# INTRODUCTION

**This is a challenging time for the UK economy; we are in the grip of a cost of living crisis and consumers have never been more exposed to harm. Price hikes in retail food, energy, rent, insurance and mobile phones have hit the poorest in our society the hardest. The growth of global online trade has seen an exponential rise in imported counterfeit and unsafe products, as well as scams and frauds, which can have a big impact on low income consumers. The 'drive towards net zero' opens up new and complex markets, but the high costs of green home-improvement products and electric vehicles have left consumers susceptible to rogue traders and scams.**

**At a time when levels of consumer detriment are increasing, access to justice remains beyond the reach of many consumers. We therefore need to equip consumers with the ability to make informed decisions and thereby avoid problems.**

**Regulatory controls need to be able to respond to this rapidly changing trading environment. But despite these growing market pressures we have seen Trading Standards resources reduced by 50% to what are unsustainable levels.**

## What Trading Standards does

Trading Standards is part of the fabric of everyday life: supporting local economies, playing a critical role in protecting consumers and maintaining a fair and safe trading environment for businesses.

### Trading standards:

- Prevents rogue traders perpetrating crimes against consumers, preying on the public (including older people or the most vulnerable) with false claims and scams.
- Prevents the sale of counterfeit goods and dangerous toys and products.
- Ensures that the food you eat contains what it says on the label.
- Prevents outbreaks of animal diseases.
- Stops young children buying cigarettes, alcohol and vapes.
- Ensures property agents act fairly with consumers who are buying or renting their home.
- Ensures that you get what you pay for, both online and in shops, and so much more. In the UK, around £650 billion worth of goods and services are sold by weight, volume or number each year; so a short measure of just 1% costs consumers and businesses an estimated £6.5 billion.<sup>1</sup>

<sup>1</sup> UK Measurement Strategy The Value of Measurement: Supporting information for the UK Measurement Strategy, Department for Business, Energy & Industrial Strategy, March 2017, <https://assets.publishing.service.gov.uk/media/5a750a6140f0b6397f35d334/uk-measurement-strategy-supporting-information.pdf> and Brexit Think Tank Trading Standards Opportunities and Threats from the UK Leaving the EU, Legal Metrology, The EU Withdrawal Impact on Legal Metrology, David Templeton, CTSI Lead Officer for Legal Metrology



**WE ALSO WORK  
CLOSELY WITH  
BUSINESSES TO  
ENSURE THAT THEY  
UNDERSTAND THE LAW.**

CTSI works closely with national regulators and, through Local Authority Trading Standards teams, we make sure that laws are enforced through place-based regulation. We also work closely with businesses to ensure that they understand the law and we take action against those who are breaking it. An effective Trading Standards system gives consumers confidence in the businesses they buy goods and services from, which is a vital component for our nation's economic growth.

The depletion in the capacity, resources and skills of the Trading Standards workforce is having a devastating effect on our ability to protect consumers and legitimate businesses. Already we are seeing alarming signs of decriminalisation of offences which involve serious, organised and professional criminality, such as doorstep crime. Despite the financial detriment to individual consumers running to thousands of pounds, budgetary constraints have seen such incidents regarded by some as "low-level" crime.

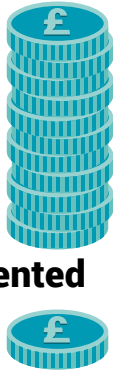
## Consequences of not investing in Trading Standards

The work of Trading Standards is vital in preventing major national emergencies and crises. Without controls on unsafe building products, we risk another Grenfell tower disaster, which cost 72 lives and £6 billion to the UK economy.<sup>2</sup> Without checks on meat entering the food chain, we risk another horsemeat scandal, which caused huge reputational damage to the UK's meat industry at home and abroad and cost the UK economy £850 million.<sup>3</sup> Over the last decade, National Trading Standards (NTS) has tackled £1.54 billion in consumer and business detriment, equating to £11 of detriment prevented for every £1 invested.<sup>4</sup> Despite this, in 2022 an estimated £54 billion of consumer detriment remained unaddressed<sup>5</sup> and a decade of under-funding of Trading Standards has left the consumer protection system broken.

Our manifesto sets out the key actions needed to build back Trading Standards services so that we can better support local communities and businesses to prosper through place-based regulation, and restore trust and confidence in the consumer protection system. CTSI is keen to work with the UK and Devolved Governments and key partners to make these improvements.

Over the last decade  
National Trading  
Standards (NTS)  
has tackled  
**£1.54 BILLION**  
in consumer  
and business  
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Equating to **£11**  
of **detriment prevented**  
for every **£1**  
invested



### We are calling on the next Government to:

- Build back Trading Standards services to better protect consumers and law-abiding businesses
- Make the wider consumer protection system more effective
- Address ongoing and emerging issues

<sup>2</sup> This cost includes costs of buying new homes for survivors, creation of a memorial, public enquiry, legal costs, and compensation for bereaved families and survivors, The Guardian, 30 July 2023, <https://www.theguardian.com/uk-news/2023/jul/30/grenfell-tower-disaster-cost-soars>, £3.5 billion for removing unsafe cladding from buildings more than 18m high on top of £1.6 billion in the previous year, BBC News, 20 April 2021, <https://www.bbc.co.uk/news/uk-politics-56805145>

<sup>3</sup> Horsemeat was found in beef products, the estimated costs were due to product recalls, lost sales, and plunging share prices, The Grocer, 15 January 2023, <https://www.thegrocer.co.uk/food-safety/horsegate-10-years-on-is-our-food-any-safer/675174.article>

<sup>4</sup> National Trading Standards - Ten Year Impacts, April 2012 – April 2022, NTS provides funding from Department for Business and Trade and other Departments and tasks local and regional Trading Standards teams, [https://www.nationaltradingstandards.uk/uploads/NTS%2010\\_year\\_Impacts%20-Oct%2022.pdf](https://www.nationaltradingstandards.uk/uploads/NTS%2010_year_Impacts%20-Oct%2022.pdf)

<sup>5</sup> Consumer Protection Study 2022, Understanding the impacts and resolution of consumer problems, BEIS Research Paper Number 2022/005, Department for Business, Energy & Industrial Strategy, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1068864/consumer-protection-study-2022.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1068864/consumer-protection-study-2022.pdf)



Image of Grenfell Towers and Ivory Spire





# 1 BUILD BACK TRADING STANDARDS SERVICES TO BETTER PROTECT CONSUMERS AND LAW-ABIDING BUSINESSES

## 1.1 Building back the UK's Trading Standards service

The vital work of Trading Standards in supporting business innovation and keeping consumers safe from crimes by rogue traders is in jeopardy due to a lack of investment. Successive CTSI workforce surveys have found Trading Standards has been cut to critical levels:<sup>6</sup>

- **Over the last decade spending on Trading Standards has been cut by over 50%.**
- **Over the same period staffing levels have declined by between 30% and 50%.**
- **Many authorities no longer have sufficient resources to enforce all the consumer protection legislation for which they are responsible.**

There is now an urgent need for more long-term sustainable investment in Trading Standards to build back its resources, capacity and capability to respond to the issues set out in this manifesto. In 2020/21 HM Treasury provided £1.4 million to the Northern Ireland Trading Standards service within the Department for the Economy to fulfil the new obligations under the Northern Ireland protocol and Windsor framework. This was used to increase staff capacity by 30%, including 24 extra staff and 16 trainees, ensuring the long-term sustainability of the NI Trading Standards service.

A continuing investment would build back local Trading Standards services by creating 2,000 more Trading Standards posts, including 300 Apprenticeship places across the UK. This investment would help reduce business failure from unfair and illegal competition, increase tax revenue from legitimate businesses, reduce health inequalities and NHS costs with fewer product safety-related deaths and injuries. Investment could be sought from a levy on business, a windfall tax or additional tax revenue from online providers.

### **We are calling on the next Government to:**

- **Make a phased additional investment in Trading Standards services, rising to £100 million after 4 years.**

<sup>6</sup> CTSI Workforce survey 2017, <https://www.tradingstandards.uk/media/documents/news--policy/surveys/ctsi-workforce-survey-2017.pdf> and CTSI Workforce survey 2019

## 1.2 Exploring Alternative Funding Models for Trading Standards

Local placed-based regulation is a critical part of the consumer protection system. Funds distributed through the central Government grant to Local Authorities are not ringfenced; there is no guarantee that money will get to Trading Standards and, therefore, the grant provides no guarantee of Trading Standards resourcing. Although welcome, annual grants from Government Departments, such as for vapes enforcement or enforcement at our ports and borders, provide only short-term funding which prevents longer term recruitment and planning for Trading Standards. To put Trading Standards on a more sustainable footing and to fully capitalise on the benefits of local regulation, Trading Standards funding needs to be protected. Otherwise it risks being used for other purposes.

### We are calling on the next Government to:

- Review the current funding model for Trading Standards with a view to putting it on a more strategic and sustainable footing.



TRADING STANDARDS  
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## CASE STUDY

Supported by CTSI, NTS has a proven track record of effectively coordinating Trading Standards activities through a partnership approach with the regional Trading Standards network.

Over 5 years, with funding from BEIS,<sup>7</sup> NTS funded a team tackling mass marketing scams. It worked with overseas enforcement agencies and local Trading Standards teams to help disrupt scam mailers and assist with interventions. The team stopped over 11 million items of scam mail, helped over 11,300 especially susceptible consumers, and saved victims over £120 million.<sup>8</sup>

Over the last decade, the Food Standards Agency (FSA) has provided up to £2.3 million per year for an animal feed delivery programme delivered through NTS, resulting in inspections of 13,500 premises, as well as sampling and other activities. NTS has also coordinated local authority responses to issues, such as foot-and-mouth disease and avian influenza, which has been key in protecting public health, supporting UK farming and maintaining meat export markets.

Over the last 10 years, the second-hand car market has been one of the most complained about industry sectors in the UK. Rogue dealers who sell cheap, clocked or unroadworthy cars often impact the most financially vulnerable consumers. NTS supported Trading Standards cross-regional activities to disrupt the most complained about used car traders. Over 4 years this has prevented £1.9 million of consumer detriment.

<sup>7</sup> Department for Business, Energy and Industrial Strategy – during the 10 years, BEIS provided £12 million funding per year

<sup>8</sup> National Trading Standards - Ten Year Impacts April 2012 – April 2022, [https://www.nationaltradingstandards.uk/uploads/NTS%2010\\_year\\_Impacts%20-Oct%2022.pdf](https://www.nationaltradingstandards.uk/uploads/NTS%2010_year_Impacts%20-Oct%2022.pdf)



## 1.3 Investing in the Pipeline of Trading Standards Professionals

The Trading Standards workforce is ageing and depleting in numbers due to retirement and staff retention issues. We need to develop a future pipeline of talent in the Trading Standards workforce which represents the communities it serves.

- In Scotland, more than half of the profession is set to retire in the next 10 years.
- In Wales, in 2021, only 7% of the profession were aged 30 or younger and 31% were over 50.
- It is a similar picture across England.

We need to promote the profession to young people and to those looking to switch careers. Working with specialist trainers, CTSI has developed a more affordable and sustainable way to bring new talent into Trading Standards in England through the level 4 Regulatory Compliance Officer (RCO) or the level 6 Trading Standards Professional (TSP) Apprenticeship Schemes. Scotland has also developed the Scottish Vocational Qualification (SVQ) Regulatory Services SCQF level 7 Apprenticeship scheme and Wales is currently developing its scheme. Since August 2020,<sup>9</sup> 207 RCO Apprentices have completed their Apprenticeships in England, but only 51 of these currently work in Trading Standards. £14 million of the investment in Trading Standards could be used for a dedicated Apprenticeship fund to create more Apprenticeship places, delivering a new generation of Trading Standards professionals.

### We are calling on the next Government to:

- Provide £14 million investment for a dedicated Apprenticeship fund to create 300 apprenticeship places for Trading Standards services across the UK.



CTSI HAS DEVELOPED  
A MORE AFFORDABLE  
AND SUSTAINABLE  
WAY TO BRING  
NEW TALENT INTO  
TRADING STANDARDS  
IN ENGLAND.

<sup>9</sup> Data from Apprenticeships providers: Babbington, <https://babbington.co.uk/about-us/> and Credit Services Association, [www.csa-uk.com](http://www.csa-uk.com)

## CASE STUDY

### **Regulatory Compliance Officer Apprenticeship in Wales**

Building on the Apprenticeship schemes in England, Trading Standards in Wales is developing the 24 month level 4 Regulatory Apprenticeship scheme for Wales. For the scheme to be viable, at least 50 Apprentices a year are needed for each course.



## 1.4 Stronger Protection at our Ports and Borders

Many of the issues that Trading Standards teams deal with come from sub-standard products entering the UK, which are then sold on UK high streets or online. The UK ports industry is the second largest in Europe, with 95% of cargo arriving at our sea ports.<sup>10</sup> In 2022, 120 commercial ports handled 458.9 million tonnes of cargo, 51 of which are major ports handling around 1 million tonnes of cargo a year.<sup>11</sup>

Trading Standards provides crucial protection at our ports and borders, including container ports, roll on roll off (RoRo) ports, airports and postal hubs, by preventing illegal and unsafe products entering the UK market. 45% of imported products examined at ports by Trading Standards were found to be unsafe.<sup>12</sup> The Office for Product Safety and Standards (OPSS) recognises that Trading Standards resources and powers are limited, particularly where sellers are based overseas with no UK business in the supply chain.<sup>13</sup> As a result, the UK is becoming a dumping ground for illegal and dangerous products, increasing the risk to consumers and damaging legitimate UK businesses. £20 million of the Trading Standards investment could be used to create 400 Trading Standards posts in Local Authorities with ports and borders in their area. This would enable Trading Standards to better support OPSS in tackling unsafe goods entering the UK. Clearer powers for Trading Standards to use at ports and borders are also needed and the EU Regulation on Accreditation and Market Surveillance and EU General Product Safety Regulation provide a useful basis for updating Trading Standards powers.<sup>14</sup>



THE UK PORTS  
INDUSTRY IS THE  
SECOND LARGEST IN  
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OF CARGO ARRIVING  
AT OUR SEA PORTS.

### We are calling on the next Government to:

- Provide £20 million to bolster Trading Standards resources for Local Authorities with ports and borders in their area and improve Trading Standards powers so these Local Authorities can effectively tackle the illegal and unsafe products entering the UK.

<sup>10</sup> Transport statistics Great Britain, 2021, <https://www.gov.uk/government/statistics/transport-statistics-great-britain-2021/transport-statistics-great-britain-2021>, <https://www.gov.uk/government/statistics/port-freight-annual-statistics-2022/port-freight-annual-statistics-2022-overview-of-port-freight-statistics-and-useful-information>

<sup>11</sup> Port freight annual statistics, 2021, <https://www.gov.uk/government/statistics/port-freight-annual-statistics-2021/port-freight-annual-statistics-2021-overview-of-port-freight-statistics-and-useful-information#:~:text=In%202021%2C%20a%20total%20of,an%20impact%20on%20cargo%20volumes>

<sup>12</sup> House of Commons Committee of Public Accounts - Protecting consumers from unsafe products

<sup>13</sup> House of Commons Committee of Public Accounts - Protecting consumers from unsafe products

<sup>14</sup> Regulation (EU) 2023/988 on general product safety, [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L\\_2023.135.01.0001.01.ENG&toc=OJ%3AL%3A2023%3A135%3ATOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_2023.135.01.0001.01.ENG&toc=OJ%3AL%3A2023%3A135%3ATOC)

## CASE STUDY

### **Suffolk Imports Team Surveillance at the Port of Felixstowe**

In 2022/2023, Suffolk Imports team found that 49% of consignments examined contained unsafe products and were refused entry, including toys and e-scooters. The work of the Imports team has saved countless lives and saved the UK economy an estimated £12.8 million a year.



## 1.5 Putting Product Safety Competency Requirements on a Statutory Footing

We welcome OPSS's timely Product Safety Review.<sup>15</sup> However, there is a clear risk to public health and safety if there are not enough suitably qualified and competent Trading Standards professionals to enforce product safety legislation. It is essential that Trading Standards has access to adequate specialist resources, especially in those Local Authorities with ports or borders within their area. To achieve this, the competency requirements for product safety enforcement now need to be put on a statutory footing. A general statutory competency requirement would require product safety enforcement officers to be suitably qualified and to maintain their competency using the existing CTSI qualification framework and Chartered Trading Standards Practitioner competencies. This would be backed up by a Code of Practice, similar to that of the FSA, to be drawn up in collaboration with interested parties, setting out the qualifications and competencies that Trading Standards professionals should possess and how they are assessed and maintained.

### We are calling on the next Government to:

- Consider putting product safety competency on a statutory footing, to ensure product safety enforcement officers are suitably qualified and maintain their expertise.

<sup>15</sup> Smarter Regulation: UK Product Safety Review Consultation, August 2023, Department for Business and Trade, <https://assets.publishing.service.gov.uk/media/64ca51246ae44e001311b3e7/uk-product-safety-review-consultation-august-2023.pdf>





# 2

## CREATE MORE CONFIDENT CONSUMERS BY PUTTING IN PLACE GREATER LEVELS OF PROTECTION

**In addition to having greater skills and capacity to build back Trading Standards enforcement capabilities, we would also like to see clearer alternatives to enforcement, in order to strengthen the overall consumer protection system. This includes moves towards smarter regulation, such as Outcome-Based Cooperative Regulation where appropriate and making greater use of non-legislative alternative mechanisms such as Alternative Dispute Resolution (ADR), Consumer Codes, and access to information, advice and education.**

### 2.1 Consumer Education for Young Consumers

Confident and savvy consumers drive business competition and innovation. But a lack of knowledge of consumer rights, money matters and redress means that consumers are more susceptible to falling foul of scams or not getting what they want, especially in new complex markets. Young consumers are also more likely to engage with the poorly regulated social media market where scams occur more frequently. Equipping young consumers with the knowledge and skills to understand their rights and manage their finances is vital in enabling them to be more confident in asserting their rights, avoiding consumer problems and seeking redress if things do go wrong.

Citizenship and Personal, Social, Health and Economic (PSHE) education are important tools in children's education as they equip pupils with the knowledge and skills necessary to make informed decisions and a sound understanding of risk. A poll by CTSI indicated that 82% of people agreed that consumer rights should be taught in schools.<sup>16</sup> Consumer rights and money matters should therefore be added to the Citizenship and PSHE syllabuses. It could also be added to apprenticeship

and vocational trade qualifications, which would help to create more resilient communities.

#### **We are calling on the next Government to:**

- Include consumer rights and money matters in the Citizenship and Personal, Social, Health and Economic (PSHE) syllabuses or embed them into the core national curriculum for 14-18 year olds.

<sup>16</sup>CTSI commissioned survey of 1,000 people across the UK, September 2023, [https://charts.censuswide.com/CW12206EC/CW12206EC\\_V1box.html](https://charts.censuswide.com/CW12206EC/CW12206EC_V1box.html)

## 2.2 Delivering a more Cohesive Strategic Direction for Consumer Protection

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Trading Standards services deliver place-based regulatory support to a range of Government Departments and agencies, such as the Department for Business and Trade (DBT), Department for Levelling Up, Housing and Communities (DLUHC), Department for Environment, Food and Rural Affairs (Defra), OPSS, Intellectual Property Office (IPO) and FSA and Devolved Governments, all of which have different priorities. This adds complexity and resourcing challenges for Trading Standards services. A Consumer Champion within Government with responsibility for coordinating across Government and working with key partners, including Trading Standards, would help focus enforcement activities on the key consumer protection priorities. The Consumer Champion could work in conjunction with a new independent Consumer Council.

### **We are calling on the next Government to:**

- Appoint a Consumer Champion in Government with the responsibility for providing a more cohesive strategic direction on consumer protection issues.





## 2.3 Improving Consumer Data and Intelligence Sharing

Consumer detriment data is captured or quoted by many different organisations, such as DBT, OPSS, Competition and Markets Authority (CMA), Citizens Advice,<sup>17</sup> Office of Gas and Electricity Markets (Ofgem) and the Consumer Protection Partnership, but there is no overall picture of the risks to consumers. The recent National Audit Office report highlighted the importance of cooperation and coordination between central and local government, but found there was no effective data exchange between organisations in the UK's product safety and food regimes.<sup>18</sup> In addition, the Citizens Advice helpline took over 1.8 million calls during 2022-2023,<sup>19</sup> which provides important intelligence for Trading Standards about consumer problems, but restricted helpline opening times due to resourcing challenges, and the increasingly complex nature of consumer cases, reduces this intelligence source. It is imperative that Citizens Advice has the resources to continue this vital service.

Eliminating unnecessary barriers to sharing data on consumer problems would enable Trading Standards to access more robust and powerful intelligence. This will help Trading Standards to fully utilise its intelligence-led system, work more effectively in partnership with other regulators and better target its regulatory interventions.



IT IS IMPERATIVE  
THAT CITIZENS  
ADVICE HAS THE  
RESOURCES TO  
CONTINUE THIS  
VITAL SERVICE.

### We are calling on the next Government to:

- Undertake an analysis of consumer detriment data to develop an overall picture of risks and harms that consumers face.
- Support better data and intelligence sharing between organisations and businesses to help Trading Standards target its resources more effectively and improve consumer outcomes.

<sup>17</sup>Citizens Advice Consumer helpline in England, Consumer Advice Scotland, Energy Advice Scotland, Postal Advice Scotland, Consumerline in Northern Ireland, <https://www.gov.uk/consumer-advice>

<sup>18</sup>Lessons learned: How to deliver effective regulation locally Cross-government, National Audit Office, SESSION 2022-23 26 MAY 2023 HC 1373, [https://www.nao.org.uk/insights/lessons-learned-how-to-deliver-regulation-locally/?utm\\_source=LinkedIn&utm\\_medium=social&utm\\_campaign=Orlo](https://www.nao.org.uk/insights/lessons-learned-how-to-deliver-regulation-locally/?utm_source=LinkedIn&utm_medium=social&utm_campaign=Orlo)

<sup>19</sup>A year of breaking unwelcome records. Citizens Advice, Annual report 2022/23, [https://assets.ctfassets.net/mfz4nbgura3g/2bwY2CBqL6xXKOR1m4Tybn/512b9a90d559b7f1b36a121bb2a704fa/CA\\_Annual\\_Report\\_2022-23.pdf](https://assets.ctfassets.net/mfz4nbgura3g/2bwY2CBqL6xXKOR1m4Tybn/512b9a90d559b7f1b36a121bb2a704fa/CA_Annual_Report_2022-23.pdf)



## 2.4 Expanding the Role of Alternatives to Enforcement, including Consumer Codes and Alternative Dispute Resolution (ADR).

In a fast-moving technological trading environment, legislation can lag behind and even impede business innovation, so there is an opportunity to use a smarter regulatory approach, such as Outcome-Based Cooperative Regulation.<sup>20</sup> CTSI's Consumer Codes and ADR schemes can offer robust non-legislative tools for consumers to seek redress when things go wrong with a purchase, taking pressure off the overstretched court system. Businesses wishing to be part of a Consumer Code are required to offer an approved ADR scheme. Consumer Codes currently cover around 80,000 businesses in a range of sectors, including renewable energy, healthcare, motor sales and builders.<sup>21</sup> However, consumers are confused about how to seek redress when they have a problem (due to a combination of multiple ADR providers and gaps in redress) and do not understand the role of Ombudsmen, Redress and ADR schemes. For example, in the private property sector there are 2 Ombudsman schemes (the Property Ombudsman and the New Homes Ombudsman) and the Property Redress scheme. Citizens Advice also found consumer awareness of ADR schemes was only 28% in regulated sectors and 16% in non-regulated sectors, and YouGov found that only 2% of the public have used an ADR scheme.<sup>22</sup> More needs to be done to protect consumers and to help them seek redress by improving accreditation and accountability, and simplifying the redress routes.

### We are calling on the next Government to:

- Review the redress landscape to make it simpler for both businesses and consumers to navigate.

<sup>20</sup> Outcome-Based Cooperative Regulation, The Regulatory Review, Christopher Hodges, 2 January 2023, <https://www.theregview.org/2023/01/02/hodges-outcome-based-cooperative-regulation/>

<sup>21</sup> Consumer codes approval scheme annual report 2022, Consumer Codes Approval Scheme (CCAS) Chartered Trading Standards Institute, <https://www.tradingstandards.uk/media/3179006/consumer-codes-annual-report-2022.pdf>

<sup>22</sup> Confusion, gaps, and overlaps A consumer perspective on alternative dispute resolution between consumers and businesses; Chris Gill, Naomi Creutzfeldt, Jane Williams, Sarah O'Neill, and Niall Vivian, Queen Margaret University, Consumer Dispute Resolution Centre, Citizens Advice and University of Westminster, <https://www.citizensadvice.org.uk/Global/CitizensAdvice/Consumer%20publications/Gaps%20overlaps%20consumer%20confusion%202021704.pdf>

# 3

## DEVELOP A REGULATORY SYSTEM THAT SUPPORTS BUSINESS INNOVATION AND GROWTH

**Trading Standards is alert to continued threats to high standards of protection for both consumers and business, and we are at the forefront of identifying new and emerging risks. Our regulators, law-makers and politicians need to anticipate, plan and respond to these challenges and ensure that the Trading Standards system is robust enough to deal with them. The UK is part of the global economy, and we need to mitigate the risks of the UK regulatory framework diverging from the EU, ensuring the UK is an accessible and attractive place to do business.**

## 3.1 Achieving the UK's Net Zero Target by 2050

The UK's drive towards net zero presents business opportunities, with new markets not only in electric vehicles, but also in green energy products - such as heat pumps, solar products and home insulation - worth an estimated £1 trillion over the next five years.<sup>23</sup> However, consumers face significant challenges in transitioning to these more sustainable products. For example, the high upfront costs of retrofitting solar panels and heat pumps which cost up to £11,000 to £14,000 respectively;<sup>24</sup> In addition, some electric vehicles are almost double the price of their petrol equivalent.<sup>25</sup> The CMA uncovered 'greenwashing' where businesses make false or overstated environmental claims<sup>26</sup> and research by Citizens Advice in 2021 estimated that more than 19 million adults across the UK could have been targeted by a green scam in the past year, with an estimated 5.2 million victims impacted by them.<sup>27</sup> CTSI also found that 97% of home maintenance websites did not comply with the law.<sup>28</sup>

Investment in frontline Trading Standards is essential in preventing what we anticipate will be billions of pounds worth of consumer detriment. Introducing licensing schemes which include minimum industry standards and accreditation requirements, and mandatory Consumer Codes, would better protect consumers and businesses and help build consumer trust and confidence in these new markets.<sup>29</sup>

### We are calling on the next Government to:

- Set out a clear economic strategy for green products that puts consumer protection at its heart.
- Introduce licensing schemes for home improvement, motor vehicles and green energy businesses.

<sup>23</sup> National Consumer Federation, 23 March 2023, <https://thencf.org.uk/wp-content/uploads/2023/02/NCF-Retrofit-Priorities.pdf>

<sup>24</sup> Energy Saving Trust, <https://energysavingtrust.org.uk/advice/air-source-heat-pumps/>

<sup>25</sup> <https://www.moneysavingexpert.com/utilities/electric-vehicles/#need-10>

<sup>26</sup> Consumer protection in the green heating and insulation sector Call for information: findings report, Competition and Markets Authority, 31 May 2023, [https://assets.publishing.service.gov.uk/media/6475f1685f7bb7000c7fa176/Consumer\\_protection\\_in\\_the\\_green\\_heating\\_and\\_insulation\\_sector\\_-\\_Final\\_report.pdf](https://assets.publishing.service.gov.uk/media/6475f1685f7bb7000c7fa176/Consumer_protection_in_the_green_heating_and_insulation_sector_-_Final_report.pdf)

<sup>27</sup> From nationally representative survey of 2,112 adults in the UK, 16 December 2021, Citizens Advice, <https://www.citizensadvice.org.uk/about-us/about-us1/media/press-releases/19-million-targeted-by-a-green-scam-here-are-five-top-tips-on-staying-safe-when-making-your-home-more-energy-efficient/>

<sup>28</sup> CTSI survey of 184 websites, 22 December 2023, [tradingstandards.uk/news-policy-campaigns/news-room/2023/almost-all-home-maintenance-websites-do-not-comply-with-the-law/](https://tradingstandards.uk/news-policy-campaigns/news-room/2023/almost-all-home-maintenance-websites-do-not-comply-with-the-law/)

<sup>29</sup> Consumer protection in the green heating and insulation sector Call for information: findings report, 31 May 2023, <https://www.tradingstandards.uk/news-policy-campaigns/news-room/2023/almost-all-home-maintenance-websites-do-not-comply-with-the-law/>

## 3.2 Minimising Regulatory Divergence between the UK and EU

Minimising divergence between UK and EU regulation is essential in reducing the costs on UK businesses and the cost in training Trading Standards officers in two different legislative regimes. Any ambiguity in legislative requirements could also present risks to consumers. Trading Standards could benefit from sharing information with cooperation groups, such as the product safety (ICSMS), the rapid alert system for dangerous non-food products (RAPEX), legal metrology (WELMEC) and food law enforcement. This will enable Trading Standards services to target their interventions more effectively through an intelligence-led approach.

### We are calling on the next Government to:

- Minimise regulatory divergence between the UK and EU and enable the UK's continued information exchange with key EU cooperation groups.

## 3.3 Simplifying Product Safety Regulation

We welcome the indefinite extension to the recognition of CE conformity marking to avoid a sudden change for businesses and unnecessary business costs without damaging consumer protection. That said, having two legislative systems - with the UK Conformity Assessed (UKCA) mark working alongside the CE marking - is undesirable in the longer term as it can cause consumer confusion. There are also challenges for Trading Standards in determining which regulatory provisions apply and complexity for UK businesses, which may in time need to go to the EU to have their products certified for the UK market. A clear strategy for UK product regulation is needed. A first step would be to minimise barriers to trade and support UK conformity assessment through an agreement with the EU that recognises testing and certification in both jurisdictions.

### We are calling on the next Government to:

- Simplify the product safety regulatory system by seeking mutual recognition of conformity assessment with the EU.





## 3.4 Addressing Gaps to Protect Consumers using Online Marketplaces

A third of products are now sold online, often through online marketplaces, which are a key trading method for small and medium sized businesses.<sup>30</sup> The OPSS consumer attitudes to product safety survey (2022–2023) showed that only 52% of consumers feel that the UK's system for regulating the safety of products ensures that products they buy are safe. It also showed a decline in consumers' trust in suppliers, with only 43% seeing online marketplaces as trustworthy.<sup>31</sup> Cheap, counterfeit goods and dangerous products, such as e-scooters and mobile phone chargers, and grey market food products, are increasingly being imported and sold through online marketplaces.<sup>32</sup> OPSS data showed that 24% of the 3,000 safety notifications related to unsafe toys, with 25% of the products presenting a serious or high risk. It is also estimated that the sale of counterfeit goods costs the UK exchequer £1.3 billion.<sup>33</sup> CTSI's recent survey found that Facebook Marketplace was the most complained about and the slowest to take action against problem sellers; eBay and Amazon were also highlighted.<sup>34</sup> 90% of Trading Standards professionals say they have been unable to take action against online marketplaces, including scam or fraudulent websites. We need to create a fair and safe trading environment for businesses and one that consumers can trust.



WE NEED TO CREATE A FAIR AND SAFE TRADING ENVIRONMENT FOR BUSINESSES AND CONSUMERS USING ONLINE MARKETPLACES.

### We are calling on the next Government to:

- Introduce clear legal duties on online marketplaces in line with those for online businesses, as set out in the Online Safety Act 2023.<sup>35</sup>

<sup>30</sup> All-Party Parliamentary Group (APPG) for Consumer Protection, House of Commons Committee of Public Accounts - Protecting consumers from unsafe products, House of Commons, 16 September 2021, <https://committees.parliament.uk/publications/7451/documents/78000/default/>

<sup>31</sup> OPSS Delivery Report 2022-2023, 9 January 2024, <https://www.gov.uk/government/publications/opss-delivery-report-2022-2023/opss-delivery-report-2022-2023>

<sup>32</sup> The All-Party Parliamentary Group for Consumer Protection, evidence sessions, 2023

<sup>33</sup> Product Safety Database report 2022 - 2023, Office of Product Safety and Standards, 18 October 2023, <https://www.gov.uk/government/statistics/product-safety-database-annual-reports/product-safety-database-report-2022-to-2023>

<sup>34</sup> Anti Counterfeiting Group, All Party Parliamentary Group Online Marketplaces and Supply Chain Inquiry evidence session June 2023

<sup>35</sup> CTSI, 20 June 2023, <https://www.tradingstandards.uk/news-policy-campaigns/news-room/2023/facebook-marketplace-tops-list-of-most-complained-about-online-retail-platforms/>

<sup>36</sup> Section 10(3)(b), Online Safety Act 2023, <https://www.legislation.gov.uk/ukpga/2023/50/contents>

## 3.5 Realising the Benefits of Digital Technologies and AI

New digital technologies (such as AI) present opportunities to drive business innovation and efficiencies, but in 2022, only 15% of businesses had adopted AI technology and retail had the lowest adoption rates. Nevertheless, spending on AI technologies could increase from £16.7 billion in 2020 to £83.5 billion by 2040.<sup>37</sup> Incorporating AI systems into consumer products could improve the product quality and, in turn, product safety.<sup>38</sup> But there are risks; AI can also be used for scams and frauds - for example, with ChatGPT phishing and verification fraud (which can override security technology) and fake celebrity endorsements aimed at defrauding consumers. The cost of living crisis means consumer spending is under considerable pressure, with consumers looking for cheap products and services, leaving them more susceptible to scams and frauds. In 2022, 1 in 15 adults were victims of fraud, with 18% of those victimised becoming victims more than once. In 2019/20, the total cost to society of fraud against individuals in England and Wales was estimated to be at least £6.8 billion.<sup>39</sup> Having the right standards in place will protect consumers and maintain business confidence.

### We are calling on the next Government to:

- Consider setting out appropriate standards and appointing a suitable watchdog to regulate AI (Artificial Intelligence) which will protect consumers and legitimate businesses.

<sup>37</sup> AI Activity in UK Businesses An assessment of the scale of AI activity in UK businesses and scenarios for growth over the next twenty years, A report by Capital Economics for the Department for Digital, Culture, Media, and Sport (DCMS), Andrew Evans, Anja Heimann, January 2022, [https://assets.publishing.service.gov.uk/media/61d87355e90e07037668e1bd/AI\\_Activity\\_in\\_UK\\_Businesses\\_Report\\_Capital\\_Economics\\_and\\_DCMS\\_January\\_2022\\_Web\\_accessible.pdf](https://assets.publishing.service.gov.uk/media/61d87355e90e07037668e1bd/AI_Activity_in_UK_Businesses_Report_Capital_Economics_and_DCMS_January_2022_Web_accessible.pdf)

<sup>38</sup> Study on the Impact of Artificial Intelligence on Product Safety, OPSS, Final Report, December 2021, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1077630/impact-of-ai-on-product-safety.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1077630/impact-of-ai-on-product-safety.pdf)

<sup>39</sup> Fraud Strategy: stopping scams and protecting the public, Home Office, Updated 1 June 2023, <https://www.gov.uk/government/publications/fraud-strategy/fraud-strategy-stopping-scams-and-protecting-the-public#the-harm-fraud-causes>

# WORKING WITH YOU

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**We would be delighted to work with you on these issues so please contact our policy team, at [policy@tsi.org.uk](mailto:policy@tsi.org.uk).**

## **About CTSI**

The Chartered Trading Standards Institute (CTSI) is the professional membership association for Trading Standards across the UK. Our broad membership represents Trading Standards and consumer protection professionals working in a range of sectors – including local authorities, central government and national regulators, businesses and not-for-profit organisations. All our members are united in an ambition to protect consumers and providing a level playing field for business.

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