

## WHITE GOODS SAFETY: HOW COULD TRACEABILITY BE IMPROVED?

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There are now an estimated 41 domestic electric appliances in daily use in the average UK home. Government fire statistics recorded between 2010 and 2016 identify 1,598 fires alleged to have been caused by fridges or freezers. That equates to 4.4 fires a week. Further statistics from 2014/15 show that about 36% of incidents attended by the Fire and Rescue services were related to the misuse of electrical equipment or appliances within the home.

### The problem with product recalls

The tragic Grenfell Tower fire, which it is suggested may have been started by a fridge, followed a spate of fires across the UK which were allegedly caused by faulty tumble dryers. These incidents (the root causes of which are yet to be established) helped to push the issue of product safety, and particularly the safety of white goods, into sharp focus. Only last year, MPs backed a parliamentary motion which expressed "*deep concern*" about faulty household white goods, and highlighting problems with the product recall system.

Delayed or poorly executed product recalls can have a detrimental effect on the company involved because of the cost and organisational problems of ensuring the entire product line is returned. Market share can be lost when products are off the shelves and it can take a long time to recover to pre-recall levels (if at all). For example, Samsung's Galaxy Note 7 recall had a massive impact on the company not only because of the logistical headache caused by recalling the flagship smartphones, but also because a key product launch was effectively cancelled, together with detrimental effect on the company's brand and its reputation for reliability. Samsung announced that it was able to recover 96% of the Note 7 phones from global customers, and estimated that the recall would cost upward of \$5 billion.

Although the product safety record in the UK is generally good, with an increasingly globalised marketplace it is becoming more difficult to trace the origins of faults within supply chains. Product recalls are inconvenient, increasingly frequent and frustrating for consumers, who often ignore them.

Research from Electrical Safety First (ESF) has found that only 10-20% of recalled electrical products are ever returned. White goods pose a particular problem - large items are difficult to recall and often corrective action is more appropriate, but that generally requires gaining access to the product in the consumers' home.

A recent report from ESF found that 77% of people would be more likely to respond to a recall if they were better aware of the potential dangers posed by the recalled product- we always advise that a recall notice must spell out the risk posed by the product but sometimes even strong warnings regarding risk of fire and electrocution can be ignored.

In a YouGov survey of 4,164 adults, 47% stated that they had never seen a product recall notice. Retailers and manufacturers have no sure way of reaching all affected consumers. While internet sales are common now, Data Protection requirements can mean that historic customer data is not held and a customer who walks into a shop, buys a product, and takes it away can do so without leaving contact details.

Manufacturers try to mitigate this in part by giving customers the opportunity to register their products but how many people actually do that? For most products, unless there is a real incentive to register, people ignore the registration card (perhaps suspecting that details are sought solely for marketing purposes) and throw it away with the packaging or store it with the (often unopened) instruction manual.

In order to institute a successful corrective action or recall, a manufacturer must be able to trace the issue all the way back to the root cause of the problem and identify the affected batch or batches. From there one can establish which, if any, products on the market are affected, where they are in the supply chain and which may be with consumers, in showrooms or in warehouses.

This is vital in order to be able to target any message to consumers and the more targeted the recall, the more likely it is that consumers will respond. An email or letter explaining that a particular product purchased on a given date from a given outlet explaining the issue and the next steps to take is far more likely to be seen and heeded than a recall notice in a newspaper, a website or in-store.

## How can the traceability process be improved?

Traceability processes need to be assessed by carefully balancing the importance of being able to easily trace products with the administrative costs and difficulties of registering all white goods.

One potential solution would be for the necessary data to be collected at point of sale, so that there is not a burden on the consumer to remember to register. However, this is problematic as information such as address and contact information may quickly become out of date, and this would rely on the consumer updating these details. Some consumers may be concerned about their privacy and data security, particularly as information on their household appliances could be utilised by companies to send targeted marketing.

There are industry funded schemes, for example "*Register my Appliance*" which encourages consumers to register their products after purchasing, and covers most models of white goods from the last twelve years.

One suggestion from a recent working group report was to organise a promotional day to show the benefits of registering your products. Additionally, insurance companies could be involved in promoting the uptake of registration websites, by including reminders when sending out policy updates and payments. There is also scope for registration to be made easier for consumers in the future by using technological solutions such as mobile phone apps, making it quick and simple for consumers to update their information.

New technology may make it easier for manufacturers to trace their faulty products using developments such as the "*Internet of Things*" – essentially internet connected "*smart*" appliances, which allow real-time data to be brought to the attention of companies, and for warnings to be sent to consumers via connected apps, even if the product is not registered and the identity of the consumer is not known.

For several years many machines have been able to self-diagnose faults. Internet connected products of the future could remind consumers about the need for corrective action to be taken if a recall of the product has been made, or may be able to disable use of the product if the action is not taken within a certain period, making it unsafe. Further, they could monitor themselves and self-report issues such as over-heating or even identify hazardous misuse by the consumer.

As devices and homes get more connected, it may be possible for more intelligent devices to identify and warn of safety issues –internet connected smart electricity meters and thermostats could potentially warn a householder that every time they use their "*dumb*" tumble dryer, an unusually high level of current being drawn coincides with an increase in temperature in the room where the dryer is used.

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## How might this process be affected by future developments?

The introduction of GDPR may have an effect on how easy it is for retailers to collect personal data that can be used to improve the traceability process. As new limits will be imposed on how companies are able to store personal data this may affect companies' ability to track the contact details of consumers so that they can send out future product safety alerts. Given the devastation that can be caused from the effects of faulty products, and the costs of recalls, it is in everyone's interests to find GDPR compliant ways to improve response rates to recalls and corrective actions by enhancing the traceability of electrical products, particularly high risk white goods, and ensure that they or a related app deliver the relevant warning to the user, whoever that may be.

## Who to contact

### MARK CHESHER

Legal Director

+44 (0)20 7788 5146

+44 (0)7738 843664



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[addleshawgoddard.com](http://addleshawgoddard.com)

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