

MANAGING A RECALL

Ensuring your products are safe and consumers happy



There have been numerous high profile product scandals over the years – from horsemeat to car emissions to makeup – and many more which slip under the media radar. Each episode can be damaging for companies both in the time and money spent rectifying the problem or responding to criminal charges, but also in terms of reputational damage and lost custom.

- ▶ The number of **product recalls** undertaken each year in the UK has increased by 83% since 2005. When something goes wrong, clear thinking, effective processes and clear communication are vital to assess the situation, reach a decision and implement an action plan to ensure consumers are protected
- ▶ The increased **speed of information exchange** across the world means that a small hiccup can quickly escalate into a major crisis
- ▶ Producers are increasingly **in the firing line** for products that, almost overnight, are deemed suspect or 'unsafe'. They need to act quickly to retain and rebuild consumer trust
- ▶ The evolution of **global supply chains** has made it more important for companies to monitor quality, maintain safety, safeguard consumers and protect their brand at each stage
- ▶ Recalls are not just limited to faulty or defective products but include anything that could cause consumers to **lose trust in a product**. VW cars are not defective but the fallout from the emissions issue could be substantial
- ▶ The **thicket of rules and regulations** around products in terms of safety, labelling and content grows denser every year. Specific rules, standards and regulations are often introduced in response to emerging risks
- ▶ Keeping up with the evolving regime is challenging enough, but **breaching a regulation** might mean a criminal prosecution in addition to putting consumers at risk and causing brand damage
- ▶ **Personal injury firms** are increasingly waiting in the wings, searching for the next large group action under consumer protection legislation

AG is a well-regarded commercial firm handling high profile pharmaceutical and commercial product liability defence actions

How we can help

PRODUCT SAFETY

- ▶ Advising on criminal and civil consequences of potential breaches of safety legislation in relation to product marketing in the EU
- ▶ Advising on commercial disputes arising from product safety issues

PRODUCT LIABILITY

- ▶ Defence of unitary claims and large group actions
- ▶ Advice on follow on claims, arbitrations and alternative dispute resolution
- ▶ Advice on insurance coverage issues

PRODUCT RECALLS

- ▶ Safety risk assessments
- ▶ Claims under product recall insurance policies
- ▶ Representation in Trading Standard investigations

REDUCING COSTS

- ▶ Competitive fee proposals
- ▶ Embedded Transaction Services Team of paralegals
- ▶ Development of standard precedents and approaches
- ▶ Sharing industry know-how, market practice and horizon scanning updates

Who we have helped

We advised a **major drinks manufacturer** on recalls and safety risk assessments relating to packaging issues; we act for **GlaxoSmithKline** in the long running group action product liability claim relating to its antidepressant Seroxat; we advise a **leading US toy manufacturer** on all its European product safety issues; we have advised **manufacturers of a wide variety of products from sofas to electrical products** on product safety and regularly deliver product recall training.

Who to contact

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