# London Boroughs of Brent & Harrow Trading Standards Joint Advisory Board 6 November 2024 Report from the Senior Service Manager

## FOR INFORMATION

**Update on Consumer Bills and New Law** 

### 1.0 Purpose of the Report

1.1 This report provides Members with information regarding current Parliamentary Bills and new pieces of legislation that the local authority has responsibility to enforce which will be undertaken by Trading Standards.

#### 2.0 Recommendations

2.1 That Joint Advisory Board Members note the additional duties.

#### 3.0 Details

3.1 On the 5 July 2024, the country saw a change in government, and with these changes in priorities for the country. The King's Speech on 17 July 2024 set out upcoming legislation and policy which it is hoped will improve protections for consumers and legitimate businesses. These include areas such as renters' rights, product safety, and sales of tobacco and vapes.

Below is an overview of proposals which will impact on consumers, businesses and the work of Trading Standards:

#### **Product Safety and Metrology Bill**

- 3.2 The Bill was introduced to Parliament in September 2024, with the objective of maintaining the UK's global leadership in product regulation. It is intended to ensure product development, including safety, environmental standards and information for consumers remains up to date and, where appropriate, aligned with EU legislation. The Bill sets out proposals to cover measurement and weighing of goods, the regulation of sales through online marketplaces and to address issues including the fire risks posed by e-bikes and lithium-ion batteries.
- 3.3 The Bill, which will cover almost all manufactured goods and affect an estimated 220,000 UK businesses, will also include mechanisms to identify new and emerging issues in the supply chain and will enable more effective sharing of data between regulators and market surveillance authorities, a function carried out by Trading Standards.

- 3.4 The Bill sets out powers will be provided to the Secretary of State to introduce secondary legislation to cover these issues. It is the detailed, secondary legislation which will impact on retail operations and supply chains. It is expected the Bill will be enacted during Spring 2025, followed by secondary legislation by Summer 2025. One priority will be ensuring alignment, where appropriate, with EU product safety legislation such as the new General Product Safety Regulations which come into force in December 2024 to ensure the sale of safe products to buyers in the European Union (EU) and Northern Ireland (NI). The other priority will be regulating online marketplaces.
- 3.5 It is also hoped that this will result in clearer responsibilities for online sellers, providing stability and certainty for UK businesses around things like CE marking and international safety standards. The Bill outlines comprehensive steps to support growth and protect consumers by clarifying responsibilities within the supply chain, especially for online marketplaces. This is crucial for better consumer protection against fire risks for example.
- 3.6 To ensure effective regulation of high-risk products, the Bill proposes updates to compliance and enforcement measures. It aims to tackle non-compliance and enhance data sharing between regulators and market surveillance authorities. These updates are essential for managing the challenges posed by modern, digital borders.
- 3.7 The Bill also updates the legal metrology framework, crucial for ensuring accuracy in weights and measures for purchased goods.
- 3.8 The Bill will give local authorities extra power to investigate and act against businesses that sell unsafe or mislabeled products.

### Renters' Rights Bill

- 3.9 The Renters' Rights Bill was introduced in the House of Commons on 11 September 2024. It will abolish Section 21 'no fault evictions', and strengthen tenants' protections, including new rights to challenge rent increases and to request a pet. It will be illegal to refuse a tenancy purely because a prospective tenant has children or receives benefits. It will also apply a Decent Homes Standard to the private rented sector and bolster local authorities' enforcement powers to clamp down on unscrupulous landlords and rogue elements in the sector.
- 3.10 Landlords will have to join a new Ombudsman service which will provide complaint resolution services for tenants and have the power to compel landlords to issue apologies, provide information, carry out remedial action, and pay compensation. Agents who advertise properties where the landlord is not registered could face enforcement action from local councils, ranging from civil penalties of up to £7,000 to criminal prosecution or fines of as much as £40,000 for repeated breaches. These penalties will also apply to the landlords themselves, and tenants will have the right to seek Rent Repayment Orders if their landlord persistently fails to register with the Ombudsman.
- 3.11 The Trading Standards profession has long been calling for better protections for

tenants and a more joined-up approach between housing legislation and enforcement which this Bill, should it achieve if it receives Royal assent.

#### **Tobacco and Vapes Bill**

- 3.12 The Government announced in the 2024 King's Speech that it would bring forward a tobacco and vapes Bill to restrict the sale and marketing of e-cigarettes to children. The Bill would also prevent people born on or after 1 January 2009 from ever being sold tobacco cigarettes, creating a 'smokefree generation'.
- 3.13 The sale of vape with flavours that are child appealing such as bubble gum and candy floss will be reformed to reduce their appeal and we could see restrictions on the display and packaging of products, similar to that of tobacco.
- 3.14 At the time of writing this report, the Bill had not been published but a previous Bill was the subject of a Joint Advisory Board paper dated 6 June 2024.

#### **Digital Markets Competition and Consumer Act 2024**

- 3.15 The Digital Markets, Competition and Consumers Act 2024 (DMCC Act) was introduced to the UK parliament on 25 April 2023. The government said that one of its primary purposes is to protect consumers by strengthening the enforcement of consumer protection law. The changes introduced by the DMCC Act are significant and will result in both increased consumer rights protection, and a strengthened enforcement process which seeks to crack down on unfair practices.
- 3.16 This legislation will also impact significantly on our Trading Standards staff as it is expected that it will become a primary piece of consumer protection legislation and the source of their most regularly used powers.
- 3.17 Although the DMCC Act revokes the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) which is currently one of the Trading Standards key pieces of legislation, it largely reinstates them with some changes. The Act amends and supplements the list of commercial practices that are always considered unfair to reflect the fact that consumers and traders increasingly interact online. In addition, it amends some the definitions in the CPRs, such as "average consumer" "commercial practice" and "transactional decision". Although the changes are minor in themselves, cumulatively they enhance consumer protection.
- 3.18 Schedule 1 of the CPRs contains a list of 'blacklisted practices' these are practices that are considered unfair in all circumstances, without the need to show they affect a consumer's purchasing decision. Many of these have been largely replicated in the Act, but in some cases the wording has been slightly tweaked, resulting in a wider application.
- 3.19 For example, the banned practice of "falsely stating that a product will only be available for a very limited time, or that it will only be available on particular terms for a very limited time, in order to elicit an immediate decision and deprive consumers of sufficient opportunity or time to make an informed choice" has been amended to remove the words "very", making this unfair practice wider in scope. This change aligns with the broader regulatory movement to crackdown on "Online"

Choice Architecture" or "Dark Patterns".

- 3.20 The Secretary of State has the power to add to the current list of automatically unfair practices using secondary legislation. This aims to allow consumer laws to adapt more quickly than has been possible under previous legislation to changes in the market, consumer practices, and technology. As the banned practices are treated as strict liability offences, without the need to prove consumer harm, any new additions will need to be carefully assessed by the Secretary of State to ensure there isn't room for misapplication.
- 3.21 However, important changes to the list of banned practices were made during the legislative process. The government consulted on, and agreed to create, the following new banned practices:
  - submitting a fake review, or commissioning or incentivising any person to write and/or submit a fake review of products or traders;
  - offering or advertising to submit, commission or facilitate a fake review; and
  - misrepresenting reviews, or publishing or providing access to reviews of products and/or traders without:
    - o taking reasonable and proportionate steps to remove and prevent consumers from encountering fake reviews.
    - making reasonable and proportionate steps to prevent any other information presented on the platform that is determined or influenced by reviews from being false or in any way capable of misleading consumers.
- 3.22 These additions bring the UK position closer to that of the EU where the Enforcement and Modernisation Directive (also known as the "Omnibus Directive") brought in similar prohibitions on fake reviews and endorsements. Although most of the existing banned practices constitute criminal offences, the new banned practices on fake reviews will not, so the main risks for businesses will be civil liability, including potentially large fines.
- 3.23 The Act also deals with so-called "drip pricing" practices. Drip pricing is where only part of an item's price is shown during the early part of the consumer journey, for example tickets for air travel and the total amount to be paid is revealed at or near the end of the buying process, by which time the consumer may feel committed to the purchase. This is a practice the CMA has already declared potentially harmful as part of its investigations into online choice architecture. However, the Act does not cover optional fees.
- 3.24 These changes aren't in the banned practices, but are dealt with by the provisions about "material information" that must be considered when assessing whether there has been a misleading action or omission.
- 3.25 For some time, regulators have been concerned about so-called subscription traps, and estimate that they cost consumers over £1.6 billion<sup>1</sup> a year. Therefore,

<sup>&</sup>lt;sup>1</sup> Internal Department for Business & Trade analysis, based on subscriptions regulations impact assessment, <u>Enhancing Consumer</u>
<u>Rights; Policy Summary Briefing</u>, May 2023

- the Act includes new rules for subscription contracts with consumers which are similar to the more general rules in the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs).
- 3.26 Whilst precise timings have not yet been confirmed by the Government, the main consumer law provisions of the DMCC Act are expected to come into force in April 2025 with the new subscription contracts regime following about a year later in Spring 2026.
- 3.27 Trading Standards officers will get an extension of powers enabling them to apply through the courts for Online Interface Orders (OIOs) against traders that mislead consumers. An online interface can be defined as 'any software, including a website, part of a website or an application, that is operated by or on behalf of a trader, and which serves to give consumers access to the trader's goods and services'.
- 3.28 OIOs are important to Trading Standards because they will make it easier to carry out investigative and enforcement action online. Up until now, only the CMA had the ability to apply for an OIO. They are now part of Trading Standards' toolkit which should help disrupt persistent problem traders, including giant online marketplace platforms as well as the small third-party sellers that operate on them.

#### 4.0 Financial Considerations

4.1 There will be staff training costs associated with this new legislation, but we are expecting some of this to be provided without cost, by government. Otherwise, there no significant financial considerations arising from this report.

#### 5.0 Legal Considerations

- 5.1 The legal implications in regards to the Digital Markets Competition and Consumer Act 2024 are set out in the body of this report, notably there will be a new set of powers available to our Trading Standards Officers.
- 5.2 Section 151 will make every local weights and measures authority (Trading Standards), a designated enforcer whilst Section 231 will place a duty on every local weights and measures authority to enforce prohibitions unfair commercial practices.

#### 6.0 Equity, Diversity and Inclusion Considerations

6.1 The proposals in this report have been screened to assess their relevance to equality and were found to have no equality implications.

#### 7.0 Consultation with Ward Members and Stakeholders

7.1 There is no requirement to specifically consult Ward Members about this report and any changes in the law will be applicable throughout the country.

#### 8.0 Human Resources Implications

## 8.1 Not applicable.

## **Contact Officer**

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