



Consumer Product Recalls

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African Consumer Protection Dialogue Conference

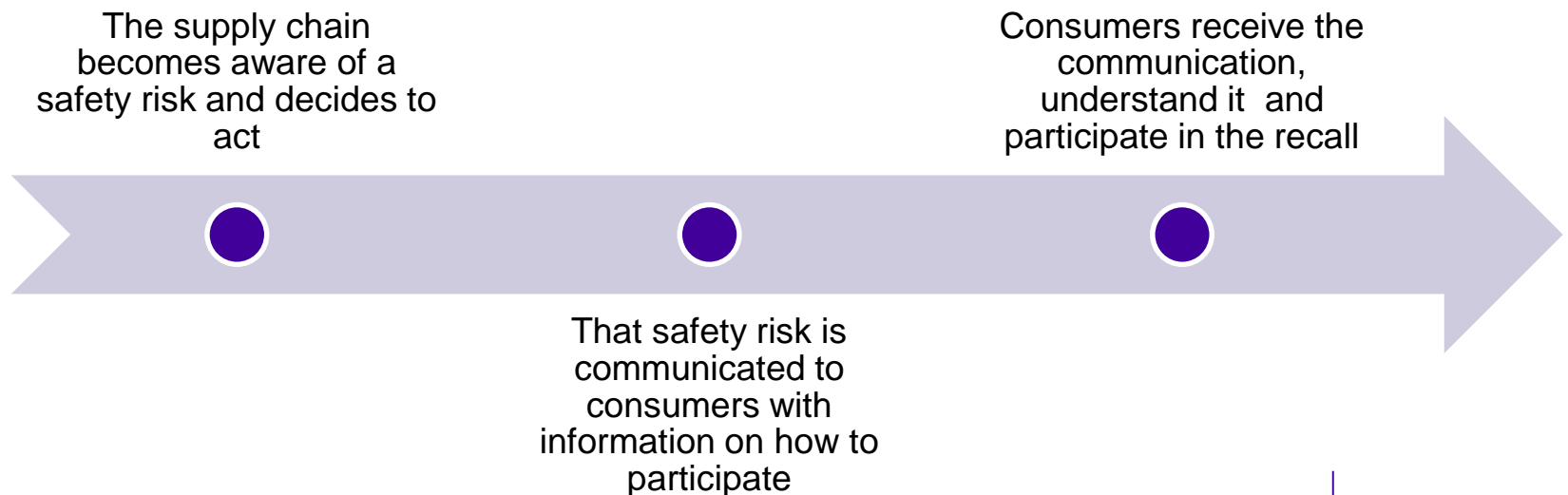
October 13-14, 2020

acc.gov.au

The traditional recall model

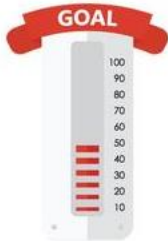
A product safety recall:

- Triggered by discovery of safety issues or product defects that will or may harm consumers
- Includes a call to action from the supplier to consumers to avoid harm and obtain a remedy



Addressing recall effectiveness

Draft OECD policy guidance: Focus areas



Measuring recall effectiveness



Identifying and managing recalls



Strengthening global and multi-stakeholder collaboration

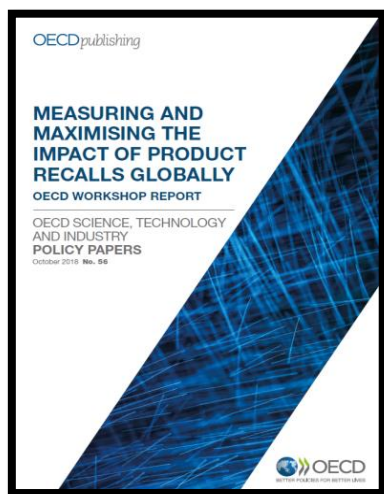


Improving communication with consumers



Enhancing business and consumer awareness of recalls

What impacts recalls effectiveness?



- Product traceability
- Product lifespan and recall timing
- Product price
- Consumer awareness and understanding
- Ease of participation
- Level of risk

Final policy guidance will be published soon!

OECD Recommendation July 2020 – Consumer product safety policy frameworks

Adherents frameworks should include measures so businesses:

- a) Place safe products on the market and consider and manage risks to the safety of such products throughout their lifetime
- b) Do not supply to consumers unsafe products that pose an unreasonable risk to the health or safety of consumers in reasonably normal or foreseeable use or misuse;
- c) Implement, without delay, appropriate corrective measures (including product withdrawals and recalls), and take all the necessary steps to notify the relevant government bodies and consumers in instances where businesses should have known, or where they become aware, that the products they placed on the market are unsafe.

Businesses should have the primary responsibility to conduct effective recalls

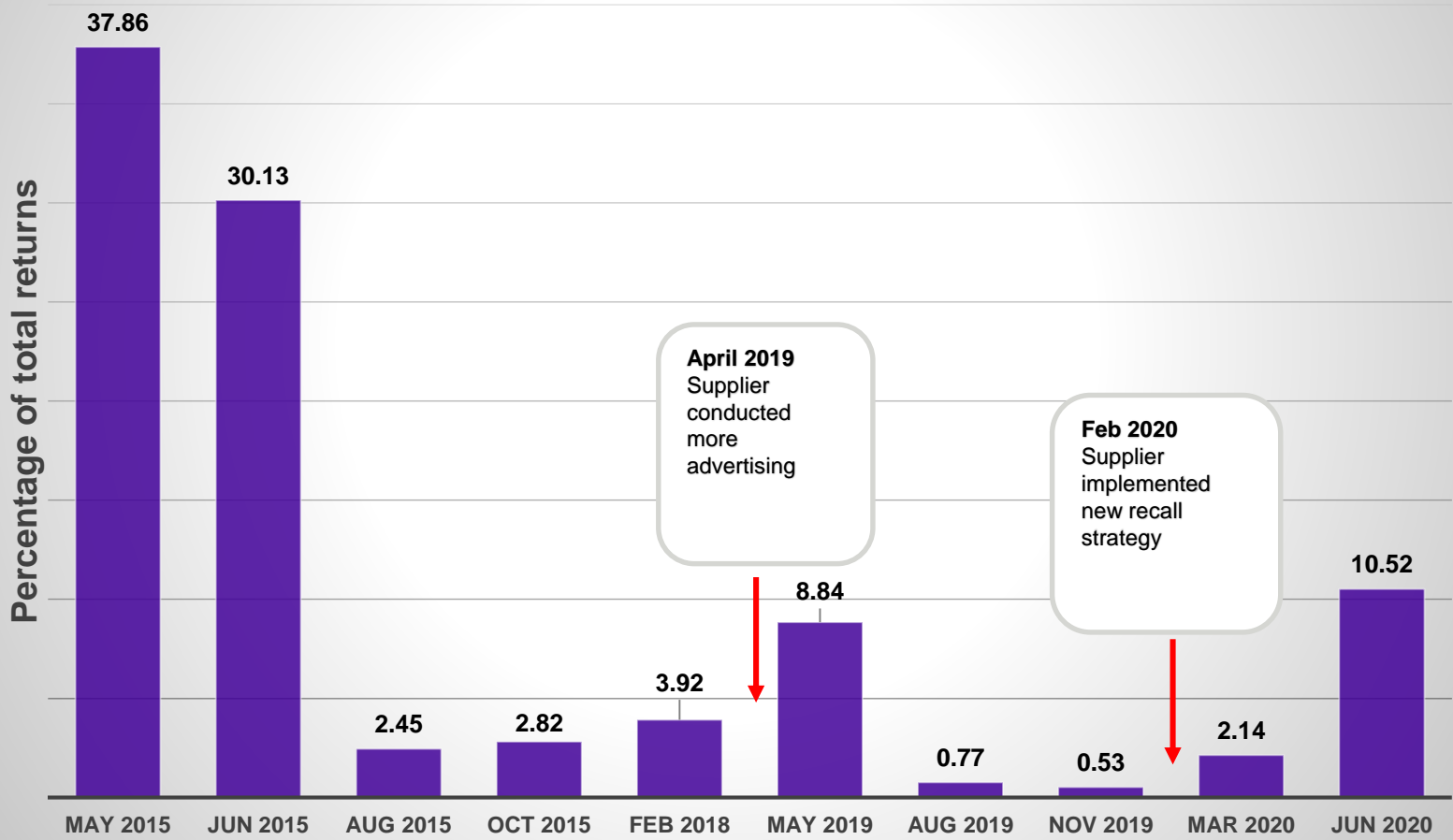
Recalls in Australia

- *“Faulty products continue to cause serious injury and harm to thousands of Australians, with more than 4.5 million items recalled by suppliers in 2017–18”*

ACCC Annual Report

- During 2018-19, the ACCC published **683** voluntary recalls, of which:
 - 359 were for consumer products
 - 215 were for motor vehicles
 - 87 were for foods and beverages
 - 22 were for consumer level therapeutic products.

Ozito Portable Electric Blower



Human factors that might influence recall effectiveness

Information overload



Endowment effect



Over-optimism



Inertia



Time inconsistency



Framing effects

But what about technology?

Specific issues seen during Covid 19

- Initial slow down of recall notifications during lockdown
- Surge when businesses re-opened
- Suppliers reported difficulties with remediating recalls and reporting on recall performance
- Some businesses may fail to recover – orphan recalls
- Increased website use of retailer website - consumers are researching products and pricing
- Future recalls in certain product types may be skewed due to consumer panic buying over Covid period e.g. whitegoods, IT, kitchen appliances



Thank you!

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