

3rd PROGRESS REPORT ON THE IMPLEMENTATION OF THE PRODUCT SAFETY PLEDGE

Introduction

In June 2018, four online marketplaces (AliExpress, Amazon, eBay and Rakuten France), signed the Product Safety Pledge¹. The conclusion of the Pledge was facilitated by the European Commission with the objective of increasing the safety of products sold online by third-party sellers through online marketplaces. This initiative, which is the first of its kind in the product safety area, sets out specific voluntary actions in 12 different areas by online marketplaces that go beyond what is already established in EU legislation.

As part of the Pledge, signatory online marketplaces have committed to report to the European Commission every six months on the actions taken to implement the Product Safety Pledge, with the inclusion of key performance indicators. A first progress report covering the period from 1 October 2018 to 31 March 2019 was published in July 2019 and a second progress report covering the period from 1 April 2019 to 30 September 2019 was published in January 2020.

This third progress report covers the period from 1 October 2019 to 31 May 2020².

The information included in this document was reported by the four signatory marketplaces. A third party combined their inputs.

Quantitative Report: Key Performance Indicators (KPIs) on the removal of listings of dangerous products

For this reporting period, some divergences became apparent in the way that signatories calculated the number of notifications and the corresponding KPIs:

- A. Some signatories have calculated them including only the number of notifications received and the number of Safety Gate/RAPEX alerts identified
- B. Other signatories have calculated them including the number of all listings removed (also for example similar listings) following a notification and following the number of Safety Gate/RAPEX alerts

Nevertheless, KPIs are presented below, with the caveat that the way they have been calculated renders difficult to establish conclusions and comparisons:

KPI 1: 99.75% of identified product listings removed within two working days, based on governmental notices provided to the established single contact points.

KPI 2: 97.23% of identified product listings removed within two working days found through the monitoring of public recall websites, such as the EU Safety Gate.

¹ https://ec.europa.eu/info/sites/info/files/voluntary_commitment_document_4signatures3-web.pdf

² Three other companies, Allegro, C-Discount, and Wish, have also recently signed the Pledge. As the adhesion of those companies took place in the middle of the reporting period, this report does not contain information from them.

For next reporting periods, all signatories have committed to provide absolute numbers with a methodology that is harmonised among all signatories.

Qualitative Report on the actions taken on the 12 points contained in the Pledge

During the monitoring period, the following progress and new actions were reported by the signatories:

- The marketplaces have continued to consult the information available on the Safety Gate and other sources on a regular basis. All the signatories have continued reacting to notifications from EU Member State authorities.
- Some marketplaces have taken a variety of measures in relation with COVID-19 related products. For instance, one of the marketplaces has established that for specific types of epidemic prevention products originating from China, only products from manufacturers approved by the Chinese government are now approved for sale on their platform. Additionally, they have been carrying out extra checks on the registration/ certification qualifications of the products. Another marketplace has implemented special processes for all COVID-19 products, involving: (i) a daily review of all customer contacts, public recalls and authority contacts, with results shared across its global business (and, likewise, its global teams provide similar information to the EU business so that immediate action can be taken on unsafe COVID-19 products identified in others region); (ii) proactive engagement with national regulators to discuss trends in COVID-19 products, in order to contact sellers who do not respond to regulators' requests for information; and (iii) to protect customers from uninformed or unsafe purchase decisions, has prioritised its systems for identifying and eradicating misleading claims to focus on COVID-19 terminology, which has led to the removal of a substantial quantity of potentially misleading claims and a significant weekly decrease in the number of new product listings that attempt to make COVID-19 related claims.
- One of the companies is currently developing a new system to collect and review the background license/certification for high-risk product categories.

No further progress has been reported in the remaining areas. In particular, online marketplaces seem to have not taken further specific steps, beyond the advances previously implemented and reported, concerning:

- Cooperation with market surveillance authorities, in particular related to the identification of the supply chain of dangerous products.
- Treatment of customer notices. Some of the marketplaces claim that it takes them more than 5 working days to process some of those notifications, but no further information or more details have been provided.
- Training to sellers on product safety legislation.
- Actions related to the reappearance of dangerous products as well as repeat offenders.
- The use of new technologies and innovation to improve the detection of unsafe products.