

UNCTAD Workshop on Consumer Product Recalls:

Recall Effectiveness

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ACCC PRODUCT
SAFETY

Product safety recalls: Recall effectiveness

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UNCTAD 4 May 2023



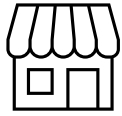
Australia's product safety system

- One legislation, many regulators
 - The Australian Consumer Law
 - ACCC
 - State and Territory regulators
- Specialist regulators
 - Different government agencies are responsible for regulating the safety of different products
 - Agricultural products, asbestos, building materials, chemicals, therapeutic medicines, medical devices and medical tests, electrical goods, gas products, food and products, road vehicles, smoking and tobacco, veterinary chemical products.
 - Products that are covered by a specialist regime may also be a consumer good covered by the Australian Consumer Law



The legal framework

Voluntary recall



- Supplier led
- Notify within 2 days of taking recall action
- If they supplied product overseas, they need to tell them in writing as soon as practical and give a copy of this notice to us within 10 days
- Recall notice is published on the internet by the ACCC

Compulsory recall



- Ordered by the Commonwealth Minister:
 - When a product will or may cause injury to a person, or does not meet a safety standard or ban under the Australian Consumer Law, and
 - When the Minister considers that one or more suppliers have not taken satisfactory action to prevent the goods from causing injury
- State and territory ministers can also issue a compulsory recall notice for products in their jurisdictions

Legislative powers



- Information gathering powers, enforcement action, safety warning notice



Challenges

Legislation

- No specific powers to monitor voluntary recalls
- Compulsory recall is a resource intensive process

Complex regulatory environment

- Interactions between general consumer goods and specialist safety regulatory regime
- Inconsistent approaches across jurisdictions

Resourcing

- Limit to the number of recalls that we can actively monitor

Suppliers

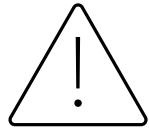
- Fear of negative publicity with a safety recall
- Delays due to suppliers' legal reps
- Resourcing – not wanting to spend time on recalls

Consumers

- Consumers not responding to recall messages
- Overcoming behavioural bias
- Not having direct contact details for consumers
- Low value products, or products sold a long time ago



Recall process



Alerted to safety issues, identify products and assess risk.



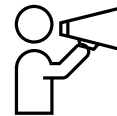
Tell the ACCC within 2 days of recall action



Assess the recall, remedy, plain language wording



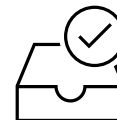
Publish: [ProductSafety.gov.au](https://www.productsafety.gov.au)



Advertise, provide remedies, adjust the strategy



Monitor progress, assess effectiveness, negotiate changes to strategy



Finalise the recall



Monitoring and escalating recalls

Assessing effectiveness

- Injuries/illness or death
- Complaints
- Progress
- Risk
- Defect and failure rate
- How the recall was advertised

Escalate the recall

- Meet with us to discuss strategy
- Add a message to the recall notice
- Issue a safety alert
- Media statement
- Compulsory information notice
- Enforcement action
- Safety warning notice
- Compulsory recall





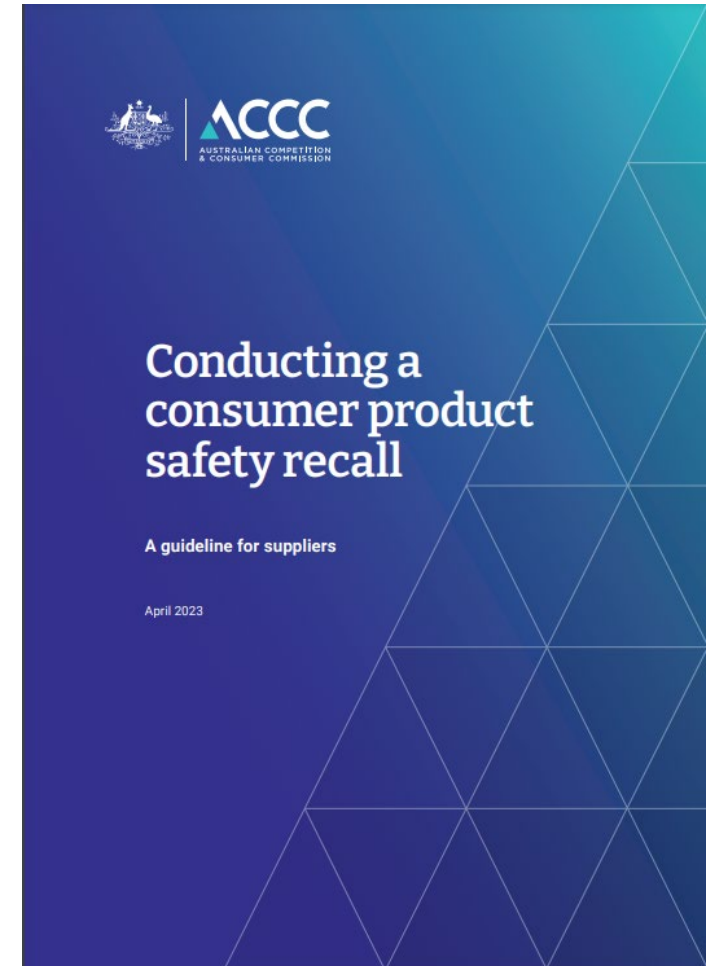
Guideline for suppliers

Guidance

- Our expectations of suppliers
- Legislative requirements
- Accessible
- Learnings from Takata compulsory recall
- Behavioural insights
- Australian and international research
- ACCC's role in assessing, monitoring and escalating recalls

Tools for suppliers

- Sample recall plan
- Advertising templates and sample wording
- Supplier checklist
- Risk assessment template





Improve recall effectiveness

Remedy

- Make it easy to receive a remedy
- Add incentives: gift vouchers, discounts for future purchases

Tell people about the recall

- Clear description of the defect and hazard
- Communicate directly: emails, letters, phone, SMS
- Advertise using different channels, including how the product was advertised
- Personalise and tailor the message
- Communicate early and often with the supply chain
- Advertise early and repeat the message

Track, review, report and adjust

- Establish a complaint process
- Monitor how many remedies you provide
- Adjust the strategy if consumers aren't responding
- Send us progress reports – we can help with the strategy



Sample recall messages

Known consumers

- Our records indicate that you purchased the product in [Month Year]

Ask consumer to check if they own the recalled product

- Do you have a [brand] baby capsule in the backseat of your car?
- Do you have a [product] in your kitchen?
- Check your garden shed for [product].

For consumer goods that have caused injury or death

- This product has caused injuries to people
- The defect has occurred and caused injuries to consumers
- This product has been known to kill or injure people.

Call to action statements

- Stop using the [product] immediately and return to the place of purchase for a full refund.
- Remove [product] from your child's toy box and return it to us for a replacement
- Visit our store and we'll fix the issue for you on the spot. No bookings necessary.

Follow up messages

- We sent you information about a recalled product you may still have in your home, but we haven't heard from you yet.
- Since the start of the recall we have given refunds to [insert amount] consumers. If you are unable to return the [product] , call or email us to arrange another way.
- XX% of consumer have already claimed their refund for the recalled product. Return yours so you too can claim your refund.

Sample recall advertisements


Subject: **Product safety recall** – [insert product name] [PRA No. XX/XXXX]
 Dear [consumer's name]



Product Safety Recall

Do you own this product?


"[Click to add: Product name]"
 "[Click to add: product identifiers]"
 Dates sold: "[Click to add: dates sold]"



Why the product is recalled: "[Click to add: Text]"
Hazard: "[Click to add: Text]"



1. "[Click to add call to action statement]"
 2. Send us an email or phone us if you are unable to return the product or have sold or gifted it to another person




Ask our staff to find out more about the recall.
 [email@email.com]
 "[Phone number]" Xam to Xpm Monday to Friday



Purchased from: "[Click to add: Text]"



Scan for information about this recall
 [Add your own QR Code or remove if not required]



Set yourself a reminder to check at home

- Take a photo of this notice
- Set a reminder on your phone

PRA [xxxxxx]

See productsafety.gov.au for
 Australian product recall information



Product Safety Recall

Do you own this product? (or) Our records show that you purchased this product in [Month Year].

Product name
 Product identifiers (barcode, model number)
 Purchased from: [Stores where product was sold]
 Dates sold



Why we are recalling the product
 [Insert defect information here here]
Hazard: [insert hazard information here]
 You are at risk of [death or injury] if you continue to use this product
 OR
 Your child is at risk of [death or injury] if they continue [play with / use] this product.



1. [Insert call to action statement]
 2. Contact us if you are unable to return the product or have sold it to another person.



[www.website.com/recall]
 [email@email.com]
 (0x) XXXX XXXX Xam to Xpm Monday to Friday



Contact the **Translating and Interpreting Service (TIS)**,
 131 450 or visit tisonline.gov.au to book a phone interpreter and provide our
 phone number 0x XXXX XXXX



If you have a hearing or speech impairment- contact us through the National
 Relay Service
1800 555 660 and ask for 0x XXXX XXXX or visit RelayService.gov.au

See productsafety.gov.au for
 Australian product recall information

Yours sincerely,
 [name]
 [position]



Product Safety Recall

Product description

ISSUE: Add text

PRODUCT SAFETY RECALL:
 You bought [product] from us in [MM YY].
 [insert call to action]
 More details: [web address].
 PRA No.[XX/XXXX]
 Unsub: reply STOP



Thank you



[ProductSafety.gov.au](https://www.productsafety.gov.au)