PRODUCT SAFETY ON ONLINE MARKETPLACES

TACD POLICY RECOMMENDATIONS



Online marketplaces have become a primary channel through which consumers buy everyday products. However, unsafe, non-compliant, recalled, or counterfeit goods can still reach their homes. Consumers should be able to trust that every product sold online meets the same safety standards and enforcement measures as products bought in a physical store, and that, when something goes wrong, they can obtain a remedy.

The Transatlantic Consumer Dialogue calls on the EU, UK, and the U.S. to ensure that unsafe products never reach consumers, that unsafe products already in the market are detected and quickly removed, and that online platforms and sellers are held accountable for the products they list and sell.

For this to happen, policymakers should establish:

- Clear product safety accountability and liability for online marketplaces
- Stronger enforcement mechanisms
- Compliance by design in laws and standards
- Empowered regulatory agencies and authorities
- Enhanced cooperation between authorities
- Injury surveillance systems
- Collaboration with consumer organizations

Clear product safety accountability and liability for online marketplaces

Online marketplaces must be accountable for regulatory compliance, liable to injured consumers, and responsible for corrective action. Laws should impose clear, non-delegable statutory duties on online marketplaces, backed by penalties and effective enforcement tools.

Civil liability should apply when an online marketplace's acts or omissions contribute to consumer harm and where the manufacturer or seller is unavailable to provide redress. Consumers must have access to effective remedies, including refunds, repair, replacements, compensation, and individual and collective redress where appropriate. The legal definition of an online marketplace should be future proof so that new business models cannot be used to avoid accountability. It is only through strong legal responsibilities and effective deterrents that online marketplaces will give consumer safety the priority that it needs.

European Union

Use the forthcoming European Product Act and the revision of the Market Surveillance Regulation to define online marketplaces as economic operators to ensure that there is always someone in the EU that is liable for illegal and non-compliant products sold to European consumers. For direct imports, online marketplaces should verify seller information against the EU database of authorized representatives.

United Kingdom

Use powers under the Product Regulation and Metrology Act of 2025, to impose a clear legal duty on online marketplaces to ensure that they take responsibility for ensuring product safety. This must be supported by seller verification, regular monitoring, proactive recall database checks, rapid removal of unsafe products, and clear notifications to consumers who may be affected.

United States

Define online marketplaces and ensure the Consumer Product Safety Act, the Consumer Product Safety Improvement Act, and related statutes apply to them. Additionally, the U.S. must ensure that online marketplaces are accountable for non-compliant, recalled, banned products, or otherwise dangerous products listed or sold through their services. States should also ensure consumers can bring product liability claims for online purchases.

Stronger enforcement mechanisms

Clear legal responsibilities must be matched by strong oversight and effective enforcement. Independent testing and auditing continue to identify unsafe products on online marketplaces, showing that voluntary commitments are insufficient. Enforcement tools should include higher penalties, accessible consumer reporting channels, and stronger surveillance of online marketplaces by authorities.

European Union

Review the Consumer Protection Cooperation Regulation to enable greater centralization of consumer law enforcement and clearer cooperation with UK and U.S. authorities. An ambitious EU Product Act establishing an EU market-surveillance authority would support more uniform enforcement. Online marketplaces should be considered economic operators under the market surveillance regulation, so authorities can enforce EU law more effectively rather than pursuing foreign sellers.

United Kingdom

Ensure marketplace duties are legally enforceable, with meaningful fining powers, including fines calculated as a percentage of global turnover and powers to block repeatedly non-compliant sellers or platforms. The Office for Product Safety and Standards should be an independent regulator with a duty to prioritize consumer interests.

United States

Expand the Consumer Product Safety Commission's authority and resources, ensuring any legal responsibilities placed on online marketplaces are enforceable, including criminal referrals where appropriate. This includes legislation to remove the cap on civil penalties for series of violations, raise individual-violation caps, clarify punishable offenses, and improve annual inflation adjustments.

Compliance by design in laws and standards

Online marketplaces must prevent unsafe products from being listed, rather than acting only after harm occurs. At a minimum, they should be required to:

- Verify sellers before onboarding, including identity, location, and responsible person or economic operator.
- Conduct proactive compliance checks before product listing, including validating product identifiers, required warnings, safety information, and compliance documentation
- Monitor listings continuously and actively cross-check against domestic and international recall and enforcement systems.
- Notify consumers directly of recalls and corrective actions and effectively prevent unsafe or recalled products from being relisted.
- Preserve and provide seller and listing information to regulators and enforcement authorities when non-compliant or dangerous products are identified.

Prescriptive requirements are necessary to give consumers, sellers, online marketplaces, and authorities clear legal expectations. Policymakers should use prescriptive requirements, as well as outcome-based requirements, which allow flexibility for online marketplaces. Standards are a useful complement but cannot replace enforceable rights.

Empowered regulatory agencies and authorities

Regulators need the mandate, resources, technical capacity, and investigative tools to address the scale and complexity of e-commerce. Online marketplaces should have a legally enforceable duty imposed on online marketplaces to cooperate with agencies and authorities.

European Union

In the EU, the reform of the Customs Union is an important first step to improve the authorities' resources to better detect unsafe products and protect consumers against non-compliant and dangerous products imported in the EU. Customs and market surveillance authorities, and other relevant authorities, need to be better equipped to protect consumers against non-compliant and dangerous products imported into the EU.

United States

The CPSC must remain independent and evidence-based, receive increased funding, and have a clear remit over online marketplaces that list or facilitate sales of unsafe products.

Enhanced cooperation between authorities

Because online marketplaces operate across borders, unsafe and non-compliant products can easily be sold to consumers in multiple jurisdictions, undermining national enforcement efforts. The EU, UK and U.S. should strengthen cooperation through formal agreements for data exchange, coordinated investigations, mystery shopping, coordinated recalls, and shared surveillance tools.

The Transatlantic Consumer Dialogue urgently calls for increased cooperation between the EU, UK, and U.S. to address the global nature of this issue. Cross-border cooperation allows for a more efficient and strategic approach to monitor these platforms, enabling regulators, customs authorities, and market surveillance authorities to address the complexity and scale of global e-commerce. This includes setting up formal cross-border cooperation agreements to facilitate the formal exchange of data about non-compliant and dangerous products and coordinated investigations, including mystery shopping activities and coordinated corrective actions and recall communications of unsafe products

from the market. The EU, UK and U.S. should build on the positive experience of the Canada-EU cooperation on market surveillance.

Effective cross-border enforcement also requires interoperable data across regulators, customs authorities, marketplaces, and recall databases helping prevent unsafe products from being relisted across platforms or areas.

Injury surveillance systems

Regulators cannot identify emerging product-harm patterns or design effective interventions without reliable injury data. The EU, UK, and U.S. should establish permanent, adequately and durably funded consumer product injury surveillance systems, compliant with all privacy and data-protection laws. These systems should not rely solely on voluntary reporting or recall databases and should include cross-border arrangements for sharing data on unsafe products.

Collaboration with consumer organizations

Consumer organizations should have a formal role in developing and enforcing product safety policies. They bring practical insight into risks, gaps, and the real-world impact of unsafe products.

They must have recognized channels to submit notices; be able to conduct and publish mystery shopping and independent testing; participate meaningfully in standards development; active consultation in the development of regulation and legislation; access to relevant marketplace transparency information; and, where permitted, the ability to bring representative or collective actions. By involving consumer advocacy groups in the decision-making process, policymakers can ensure that regulations are more thorough and focused on safeguarding consumer interests. This collaboration will also promote transparency, trust, and ensure that consumer voices are heard in the creation of laws that impact their safety and well-being in the online marketplace.

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