



Australian Product Safety Pledge

Annual report 2023

January 2024

Acknowledgment of country

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

Australian Competition and Consumer Commission
Land of the Ngunnawal people
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Executive summary

The online shopping trends accelerated by the pandemic are here to stay. In 2022, 82% of Australian households made at least one online purchase and 60% of households shopped online at least every month, on average.¹

While consumers may assume that everything sold online is safe, the volume of products available on online marketplaces, and the rapid evolution of the digital economy, comes with the risk of consumers buying unsafe products. Some challenges associated with online shopping include consumers having direct access to products manufactured overseas, which may not comply with Australia's safety regulations, and the information asymmetry experienced when consumers are unable to inspect products prior to purchase.

Strengthening consumer product safety online is a [product safety priority](#) of the Australian Competition and Consumer Commission (ACCC). In step with similar initiatives overseas, the ACCC launched the [Australian Product Safety Pledge](#) (the pledge) in 2020. Under the pledge, signatories voluntarily commit to safety related obligations measured against key performance indicators (KPIs), to ensure that platforms are informed and responsive (KPI 1), empowering and trustworthy (KPI 2), and proactive and innovative (KPI 3).

Pledge signatories are: AliExpress, Amazon AU, Catch.com.au, eBay AU and MyDeal, all of whom facilitate marketplace services, engaging in business-to-consumer or consumer-to-consumer transactions online. The signatories self-assess their performance in relation to the KPIs and associated product safety-related actions, and these are reported on annually by the ACCC.

This is the second full-year annual report since the pledge's launch and signatories continue to report comparable high levels of compliance with quantitative KPIs in 2022–23, with over **99.5%** of self-detected unsafe listings being removed within 2 business days, and over **97.9%** of regulator-initiated take-down requests being actioned within 2 business days.

This year, signatories developed new technology, policy and education initiatives to improve online seller compliance. New measures introduced by signatories to prevent or delist unsafe high-risk products highlight the processing advantage of artificial intelligence and machine learning when compared to manual processes. In relation to measures to support consumer awareness of unsafe products, most signatories indicated that they had continued to rely on existing measures in the reporting period, while one established a portal to inform and encourage consumers to apply for a refund.

Despite signatories continuing to perform well against measures of responsiveness once listings of unsafe products are identified, the ACCC remains concerned at the volume of unsafe products where listing is not prevented and/or listings reappear after removal from online marketplaces. The ACCC expects marketplaces to do more to mitigate the risks to consumers from unsafe products available on online marketplaces, and this view is increasingly shared by regulators internationally.

¹ <https://auspost.com.au/business/marketing-and-communications/access-data-and-insights/ecommerce-trends/annual-report>, p 4.

Given the business model and many millions of listings online marketplaces have been built to host, the effective use of sophisticated technology employable by online marketplaces as part of their business operations is critical to mitigate product safety risks to consumers. This is especially important where risks are serious, persistent, and/or affect particularly vulnerable groups including babies and children.

The ACCC will continue to work with online marketplaces and encourage marketplace investment in the greater adoption and effective utilisation and refinement of technology, and other initiatives including effective sanctions for non-compliance, to meet these challenges.

Annual reporting

The ACCC releases the Australian product safety pledge annual report to record pledge signatories' self-assessment in relation to their pledge commitments, and to reflect on the outcomes they have achieved during the financial year (1 July 2022 to 30 June 2023).

The 3 KPIs ask signatories to demonstrate how, through the adherence to pledge commitments, they are contributing to reducing product safety risks for Australian consumers shopping online.

The quantitative KPIs provide an indication which allows for comparative analysis of past and current performance. The qualitative KPIs provide information on initiatives, processes, and policies that signatories have in place to fulfil their pledge commitments.

In this report, data submitted by signatories is aggregated and de-identified. The report outlines signatories' overall performance against the pledge commitments and focuses on new and enhanced measures taken by signatories during the reporting period.

KPI 1 – Informed and responsive

This KPI addresses pledge commitments one to 6 using both quantitative and qualitative measures. These commitments expect signatories to take proactive measures to find and respond to reports of potentially hazardous consumer products.



1. Regularly consult the Product Safety Australia website and other relevant sources for information on recalled/unsafe products. Take appropriate action on these products once they are identified.



2. Provide a dedicated contact point(s) for Australian regulatory authorities to notify and request take-downs of recalled/unsafe products.



3. Remove identified unsafe product listings within 2 business days of the dedicated contact point(s) receiving a take-down request from Australian regulatory authorities. Inform authorities on the action that has been taken and any relevant outcomes.



4. Cooperate with Australian regulatory authorities in identifying, as far as possible, the supply chain of unsafe products by responding to data/information requests within ten business days should relevant information not be publicly available.



5. Have an internal mechanism for processing data/information requests and take-downs of unsafe products.

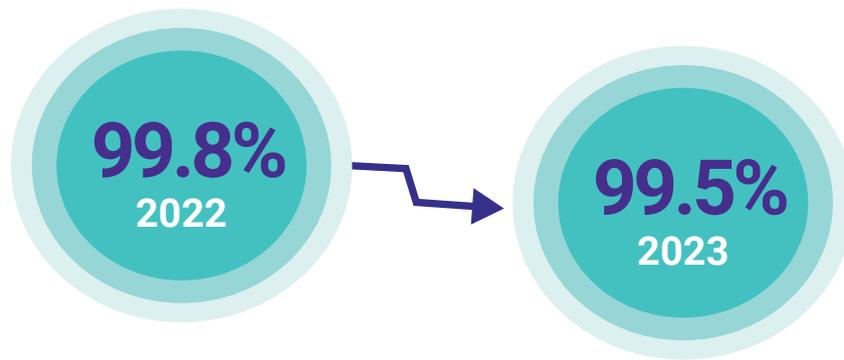


6. Provide a clear pathway for consumers to notify the pledge signatory directly of unsafe product listings. Such notifications are treated according to signatory's processes and where responses to consumers are appropriate, they are given within 5 business days.

This KPI requires signatories to report on:

- Percentage of listings removed within 2 business days as a result of consulting a variety of information sources such as the [Product Safety Australia website](#).
- Percentage of listings removed within 2 business days resulting from take-down requests made by Australian regulatory authorities.

Figure 1: Percentage of listings removed from consulting various sources



Percentage of listings removed within **2 business days**, from **consulting various sources**.

Combined, signatories reported that over 22,000 potentially unsafe product listings² were removed in the period 1 July 2022 to 30 June 2023 as a result of consulting a variety of information sources. Of those listings, combined, **99.5%** were removed within 2 business days by the signatories. Information sources consulted to detect recalled products and product safety issues include the Product Safety Australia and other regulatory authority websites. In comparison, for the previous reporting period over 15,000 listings were removed with **99.8%**, combined, being actioned by signatories within 2 business days.

Figure 2: Percentage of listings removed from regulators' take-down requests

Percentage of listings removed within **2 business days**, from **regulators take-down requests**.

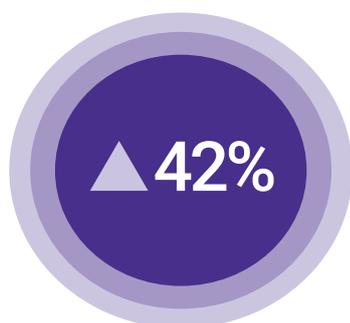


² Listings refers to those products that are actively available for sale to a consumer located in Australia.

Combined, signatories responded to over 44 take-down requests received from Australian regulatory authorities,³ resulting in the removal of over 1,000 listings. This is a significant increase on the previous year's result, where a total of 39 take down requests resulted in over 400 listings being removed. Of the listings removed this year, **97.9%**⁴ were actioned within 2 business days, a marginal improvement from the **97.8%** actioned within 2 business days in the previous reporting period.

Most signatories did not report any difficulties in removing the listings within the expected 2 business days. However, one signatory noted challenges with identifying recalled products based on the information provided, as well as staff shortages, which impacted their capacity to meet this KPI within the prescribed timeframe.

All signatories reported a significant increase in the total number of listings removed this year, resulting in a combined figure of **42%** more listings being removed as a result of consulting various information sources than in the previous reporting period. The combined total number of listings that were removed in response to take-down requests increased this year by **146%** on last year's figures.



More listings being removed as a result of **consulting various information sources** than the previous period.



Combined number of listings removed in response to **take-down requests** increased in 2023.

▶ Looking ahead (1)

The ACCC supports the measures taken by signatories to remove unsafe product listings. However, we note that the current pledge reporting requirements do not provide a complete picture as the effectiveness of prevention initiatives is not captured, nor are important influences such as the growth in total number of listings. We will work with signatories to introduce reporting refinements to provide more information about the operating context and market conditions within which these measures operate.

3 'Australian regulatory authorities' refers to the ACCC and Australian Consumer Law state and territory regulators. This KPI reports against take-down requests made to the signatories' direct contact point.

4 The 2 figures for percentage of listings removed in 2022-23 have been calculated as a weighted average, aggregating absolute figures provided by signatories. We took the same approach in the 2021-22 report.

KPI 2 – Empowering and trustworthy

Signatories were asked to report on ways in which they promote product safety information to sellers and consumers, as well as how they support consumers in accessing remedies for unsafe or recalled products. This KPI addresses pledge commitments 7 and 8 using qualitative measures.



7. Implement measures to facilitate sellers' compliance with Australian product safety laws. Share information with sellers on compliance training/guidance, including a link to the ACCC's 'Selling online' page on the Product Safety Australia website.
-



8. Cooperate with Australian regulatory authorities and sellers to inform consumers about relevant recalls or corrective actions on unsafe products.
-

Approaches to promoting seller compliance

As reported in previous years, signatories use various processes and procedures to promote seller compliance with Australian safety regulation, including listing policies, seller agreements and the provision of seller education. Several signatories use seller portals as a central information repository, and provide sellers with links to the Product Safety Australia and Your First Steps websites and other relevant compliance resources.

Most signatories require confirmation of compliance with safety regulation for sellers to list high-risk products and/or certain products subject to mandatory product safety requirements. In some cases, this includes a requirement to provide evidence such as certificates of compliance or test reports. Signatories also conduct product safety sweeps and regular updates of filters and gating rules to promote seller compliance and to prevent unsafe products from being listed. Signatories manage seller non-compliance in various ways, ranging from the provision of information and warnings, through to restrictions, suspensions and bans.

This year, signatories reported new approaches to promote seller compliance, which included the following individual initiatives:

- The introduction of new technology rules to create compliance hurdles based on key words, before products are listed.
- Strengthening listing requirements for certain high-risk consumer products and introducing compliance service providers to help sellers understand their obligations.
- Creation of a new risk management role, supported by a new team, to review sellers prior to onboarding, and to conduct seller and product audits.
- New guidance materials for overseas sellers to check Australian product safety regulation.
- Education campaigns for sellers about new consumer product safety standards, providing guidance around compliance requirements.
- Alerting sellers of similar products to a relevant recall, which may lead to a request for evidence to confirm products are compliant. Products may be deactivated as a precautionary measure until compliance is demonstrated.

In addition to these new initiatives, some signatories reported on the provision of new information and guidance to enhance existing compliance measures. One signatory advised they no longer on-board new international sellers from high-risk locations. This signatory also noted that reports or allegations of serious compliance breaches or policy violations may trigger a seller's account to be suspended for 30 days while a more detailed review is conducted, which may result in permanent termination of the seller's account.

Approaches to inform and support consumers

This year, most signatories maintained their approach to supporting consumers regarding recalls and/or unsafe products. Signatories have systems in place to notify sellers about unsafe products and recalls and to advise them of the required corrective actions. As reported last year, the onus is largely on sellers to notify consumers who have purchased a recalled, banned or unsafe product, although most signatories also have processes to alert customers directly about these products, including advice on redress and remedies.

One signatory advised they have established a refund portal where customers are informed about recalled products and are encouraged to apply for a refund.

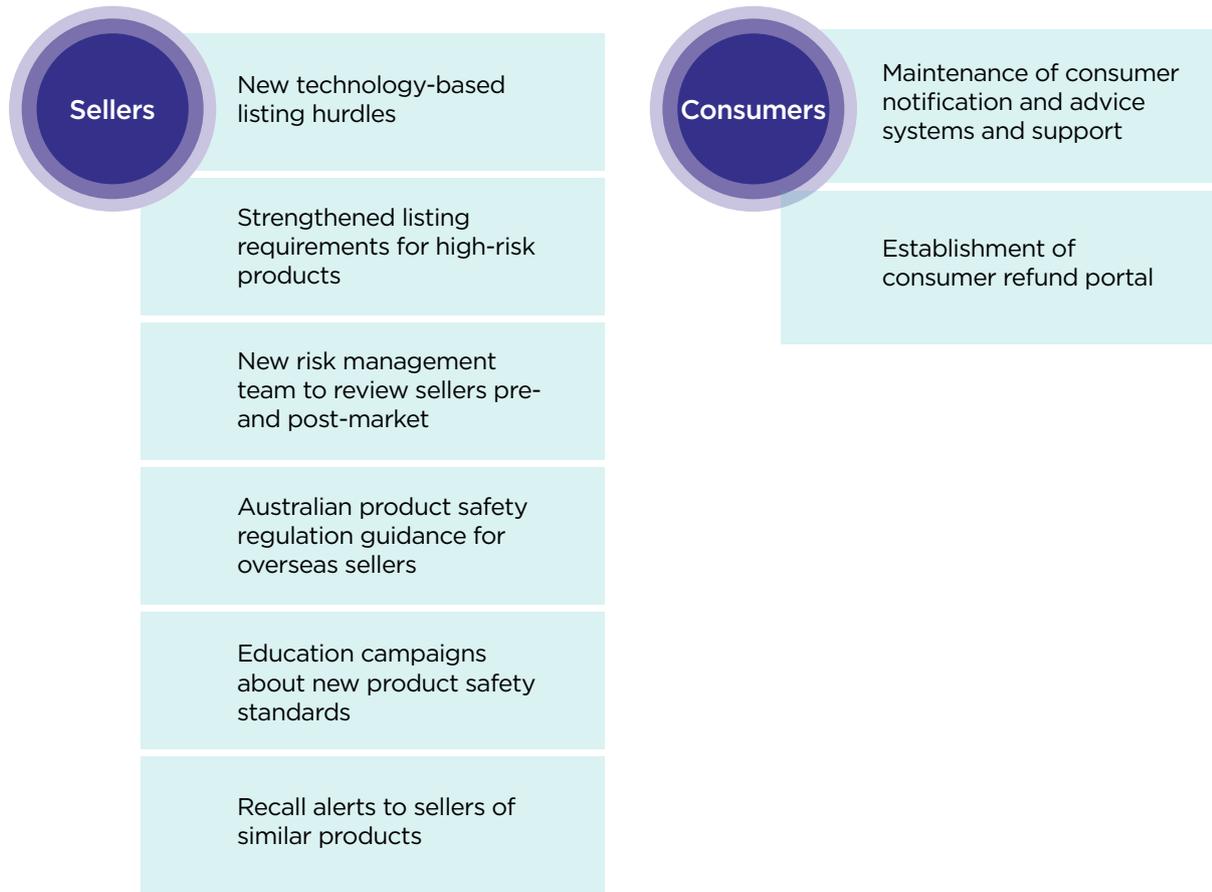
▶ Looking ahead (2)

The ACCC considers the implementation and strengthening of unsafe product listing prevention measures, particularly technological initiatives by online marketplaces, to be critical to mitigating product safety risks effectively, given existing business models and regulatory context.

However, we recognise that some sellers may actively attempt to circumvent these mechanisms and recommend that marketplaces take a multipronged approach to tackle this problem. The effectiveness of seller compliance measures, coupled with strong sanctions for repeated non-compliance is considered critical in this regard.

We strongly encourage all online marketplaces to have systems in place to ensure that they can quickly contact customers directly about unsafe products and provide them with appropriate redress and remedy instructions.

Figure 3: Some of the new initiatives introduced by various signatories to sellers and consumers in this reporting period.



KPI 3 – Proactive and innovative

Signatories were asked to report on how they prevent, detect, and remove unsafe products, deter non-compliance, and innovate to improve product safety processes and initiatives. This KPI addresses pledge commitments 9 to 12, using a range of qualitative measures to ensure the signatory delivers proactive and innovative product safety mitigation strategies.



9. Set up processes aimed at preventing or restricting the sale of banned, non-compliant and recalled products as appropriate.



10. Put in place reasonable measures to act against repeat offenders selling unsafe products, including in cooperation with Australian regulatory authorities.



11. Take measures aimed at preventing the reappearance of unsafe product listings already removed.



12. Explore the potential use of new technologies and innovation to improve the detection and removal of unsafe products.
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Approaches to prevent, detect and remove unsafe products

Signatories maintain a range of processes to prevent, detect and remove unsafe product listings, which include seller education and onboarding commitments, gating mechanisms, manual and automated audit processes to review product listings, and actioning customer feedback about safety concerns. During the reporting period, most signatories enhanced existing processes using various procedures including certification controls, block filters, and, in one case, the expansion of a product safety team. Measures outlined earlier in this report also contribute to the prevention and detection of unsafe product listings.

This year, some signatories reported new technological initiatives in response to this KPI.

One signatory developed an image algorithm to identify the re-listing of unsafe products, to complement existing gating rules to block listings of high-risk products. Another signatory introduced technology to enhance their ability to address suspicious or harmful seller behaviour. Reported enhancements include the ability to automatically receive new Australian product safety recall alerts, image detection which leverages artificial intelligence, and the ability for authorities to request specific actions when listings are taken down. Such actions may include customised messaging to sellers and buyers and requesting a sweep for similar listings be conducted.

Enhanced measures added by signatories this year include regular updates to keyword search terms and gating rules, proactive block filter rules for hazardous products, and increasing the number of staff engaged in product safety teams.

Recognising the importance of the prevention – as distinct from the take-down – of unsafe listings to protect the safety of consumers, the ACCC requested information from signatories regarding the number of attempted listings of unsafe products which had been prevented prior to going 'live'. While some signatories provided an indication of the amount of attempted listings which were prevented, there is currently no consistent or agreed approach to collecting and reporting these figures. For this reason, these figures are not contained in this annual report; however, the ACCC considers that the prevention of attempted listings of unsafe products is an important measure of the effectiveness of actions to protect the safety of consumers, and so will seek to work with signatories to achieve greater transparency to inform future reporting on this measure.

▶ Looking ahead (3)

The ACCC strongly encourages online marketplaces to commit to enhancing and adapting the technologies they use to oversee and manage listings, such as artificial intelligence and system analytics, to effectively prevent unsafe products from being listed, and to continue to tackle the problem of detection and removal of unsafe products.

We will seek to work with signatories to refine the reporting measures to improve visibility of the effectiveness of detection and prevention of unsafe product listing initiatives.

Approaches to deter repeated unsafe product listings

All signatories have measures in place to deter the repeated listing of unsafe products, ranging from filters and gating mechanisms to manual and automated review and sweep systems. Likewise, all signatories have policies and processes in place to respond to the re-listing of unsafe products that have previously been removed. Sanctions range from issuing warnings to suspending, delisting or blocking sellers that commit repeated compliance offences. These measures complement the various compliance initiatives targeting sellers outlined earlier in this report, which seek to prevent unsafe products from being listed.

In this reporting period, one signatory reported on the introduction of a third-party service provider to help sellers understand their product compliance requirements. Another signatory introduced a compliance reference tool on their seller portal, which allows sellers to search for products that may not be sold by keywords, identifies which products require compliance documentation, and which also provides information about third-party testing providers.

▶ Looking ahead (4)

The ACCC is concerned about the number of unsafe product re-listings that continue to appear on online marketplaces. We urge online marketplaces to commit to technological solutions to prevent and/or detect and remove these occurrences quickly.

We recommend that online marketplaces implement adequate supplier identification and vetting measures during onboarding and ensure that sanctions are appropriately robust for sellers exhibiting repeated non-compliance, to reduce the risks to consumers from unsafe products. Further, the ACCC considers that, for sellers with a history of non-compliance, online marketplaces should adopt an active posture in overseeing the compliance of listings, particularly for products which are banned, must meet specific safety requirements and/or are in high-risk product categories.

We will work with signatories to explore refinements to reporting to measure the effectiveness of signatories' efforts in preventing repeat offences.

Innovations to improve product safety online

We asked signatories to outline new technologies or other innovations they used to improve product safety across their business and compliance with the pledge more broadly. The relevance of these initiatives has been explained earlier in this report, and they are summarised here:

Figure 4: Innovations to improve product safety online

Technology initiatives	<ul style="list-style-type: none"> ▪ Artificial intelligence-based measures and machine learning to detect and prevent the sale of unsafe and recalled products, including improved image detection ▪ Software to monitor suspicious seller behaviour to prevent the sale of unsafe products ▪ Introduction of new technology rules to create compliance hurdles before products are listed
Compliance initiatives	<ul style="list-style-type: none"> ▪ Proof of compliance to consumer product safety standards for high-risk products and/or products subject to a mandatory safety standard ▪ Seller reference tool using keywords to find their product and obtain relevant compliance rules ▪ Third-party compliance service providers to assist sellers ▪ Risk management team to review sellers prior to onboarding, and to conduct seller and product audits ▪ New education and guidance materials for local and overseas sellers to check Australian product safety regulation ▪ Alerting sellers of similar products to a relevant recall, which may lead to a request for evidence to confirm similar products are compliant
Process changes	<ul style="list-style-type: none"> ▪ Regulatory portal to enable authorities to report listings of unsafe products for removal ▪ Refund portal where consumers are informed about recalled products and encouraged to apply for a refund ▪ Policies backed by enforcement processes in the event seller breaches. ▪ Enhanced on-boarding of sellers

Looking ahead

The ACCC values the commitment to protect Australian consumers from unsafe products online shown by signatories to the pledge. We recognise the ongoing, enhanced and new initiatives that they have identified in 2022–23.

While, overall, signatories continue to perform well against measures of responsiveness when listings of unsafe products are identified, the ACCC remains concerned about the volume of unsafe products that are not prevented from being listed, continue to be available for sale online and/or are relisted after removal from online marketplaces. This includes products that the ACCC is concerned do not meet mandatory safety standards, have been recalled, banned, or otherwise identified as unsafe in Australia or elsewhere. These concerns are increasingly being shared by product safety regulators internationally.

The ACCC continues to work with online platforms, including signatories, in relation to measures to address persistent and high-risk unsafe product listings. The ACCC encourages online marketplaces to actively, and continuously, assess the effectiveness of measures to mitigate the risks to consumers of such products. As signalled throughout this report, the ACCC considers that there are opportunities for improvement in this regard.

The ACCC will explore signatory reporting refinements to provide more information about the operating context and market conditions within which measures operate, including the effectiveness of prevention initiatives and clarity around influences such as the growth in total listings.

All online marketplaces are strongly encouraged to have systems in place to ensure that they can quickly contact customers directly about unsafe products and provide them with appropriate redress and remedy instructions.

The ACCC is concerned about the number of unsafe product re-listings that continue to appear on online marketplaces.

Online marketplaces should commit to enhancing and adapting the technologies they use to oversee and manage listings, such as artificial intelligence and system analytics, to effectively prevent unsafe products from being listed, to detect attempted and 'live' listings, and to remove unsafe products effectively and promptly.

To overcome active attempts by sellers to circumvent risk mitigation mechanisms, online marketplaces should take a multipronged approach.

Effective seller compliance measures should be coupled with sanctions which are appropriately robust for sellers exhibiting repeated non-compliance. For sellers with a history of non-compliance, online marketplaces should adopt an active, behavioural- and risk-informed posture in overseeing the compliance of listings, particularly for products which are banned, must meet specific safety requirements and/or are in high-risk product categories.

Strengthening product safety online continues to be an ACCC product safety priority in 2023–24 and, in the context of this ongoing priority area, the ACCC recognises the importance of the use of technology by online marketplaces to detect and prevent unsafe product listings.

As technology continues to evolve, we expect online marketplaces' approach to risk mitigation to also evolve. Given the many millions of listings across their websites, the effective use of the sophisticated technology employed by online marketplaces as part of their business operations is critical to mitigate product safety risks to consumers. This is especially important where risks are serious, persistent, and/or affect particularly vulnerable groups including babies and children. The ACCC will continue to work with online marketplaces to encourage the effective utilisation and refinement of technology to meet these challenges.

We will continue to monitor the overall effectiveness of the pledge in strengthening product safety online and protecting consumers from unsafe products.

We will also continue to engage with non-signatories to encourage them to take active steps to adhere to the principles for ensuring the safety of products sold online, including demonstrating suitability for onboarding as a pledge signatory, where appropriate.

