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# Tackling unsafe e-bikes: APPGCW calls for urgent action

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## **Product Liability Consultation**

On 31 July 2025, the Law Commission launched a review of the law relating to <u>liability for defective</u> <u>products</u>, the first of its kind since the Consumer Protection Act 1987. In 40 years, there have been significant changes to the world of product liability and the current regime is simply not adequate to deal with the current position.

Artificial intelligence, mass global supply chains operated by online marketplaces and digital products that connect to the internet are simply not addressed by the current regime. The review will consider "what reform might be required to ensure the product liability regime is fit for purpose."

It is hoped that an initial report will be published at some point in 2026.



## **Product Regulation and Metrology Bill**

After following its progress the Product Regulation and Metrology Act ('the Act') finally received Royal Assent on 21 July 2025.

Whilst the Act is primarily an "enabler", the Government have produced a <u>Code of Practice</u> which outlines how the powers of the Act will be utilised. One thing that will be a focus will be the identification of new and emerging business models in the supply chain, i.e. online marketplaces, and making the responsibilities of each party involved clear.

During the parliamentary debates the Government identified other areas for potential reform and/or further which include:

- Regulation of higher risk products
- Digital labelling
- Information sharing
- Introducing civil monetary penalties.

Whilst it is not expected that there will be a raft of immediate changes, the Government has said that it will introduce new rules for online marketplaces at the "earliest opportunity."

## **Provisional Agreement on EU Toy Safety Measures**

The European Parliament and Council have reached a provisional agreement to update and strengthen the existing Toy Safety Directive (2009/48/EC) with new measures which aim to reduce the number of unsafe toys sold across the EU and address new risks, including those arising from digital technologies and online sales.

Alongside the existing prohibition on carcinogenic substances, the new measures extend the ban to the use of per-and polyfluorinated alkyl substances and endocrine disruptors, as well as substances which are harmful to the respiratory system, chemicals which can cause skin allergies and those which are toxic to specific organs. Allergenic fragrances will also be banned for toys which are designed for children under 3 years of age and for any toys which are intended to be placed in the mouth.

Measures have also been introduced which address the risks associated with digital and internet-connected toys for children, their mental health, and their cognitive development. Manufacturers of these types of toys must ensure that the digital features of these toys do not compromise children's privacy or safety and that they comply with EU rules on AI, cyber resilience, and data protection.

The updated measures also increase the responsibilities of manufacturers and online marketplace sellers. All toys will now be required to have a Digital Product Passport in the format of a data carrier, such as a QR code, which provide accessible safety and compliance information. It is hoped that these Digital Passports will enhance traceability and enable unsafe toys to be quickly identified and removed from the market.

For manufacturers and importers, these new measures will result in increased compliance obligations. As a result, companies will need to adapt their product design, labelling and supply chain processes to ensure that these new requirements are satisfied, particularly for toys which are being shipped from outside of the EU and sold on online marketplaces.

The agreement is currently awaiting formal adoption before entering into force. Once adopted, member states will need to implement the new rules, with a transitional period expected for manufacturers and toy sellers to be adapt their practices.

## Public Consultation on Cosmetic Products Regulation (EC) 1223/2009

The European Commission has launched a review of its Cosmetic Products Regulation (Regulation 1223/2009), which governs all cosmetic products sold across the EU. The Regulation was introduced to establish a singular legal framework which aimed to protect consumer health by ensuring that all cosmetics sold the European marketplace complied with strict safety requirements, but has been criticised for being too rigid and causing an administrative burden. The new consultation was introduced to identify whether the Regulation is operating as intended and the Commission has indicated that it intends to adopt any proposals resulting from the consultation in the second quarter of 2026.

#### Proposals include:

- Streamlining and clarifying the procedure to add substances such as colorants, preservatives or UV filters to the relevant annexes of the Regulation.
- Amending Article 15, which addresses carcinogenic, mutagenic and reprotoxic substantives ('CMRs') with an aim to continue to protect human health, but in a simplified manner aimed at reducing the burden to businesses. Several sub-proposals are made.
- Removing the pre-notification requirements for cosmetic products containing nanomaterials enshrined in Article 16, whilst maintaining consumer safety and enforcement procedures.
- Removing the obligations imposed by Article 33 to prepare and update a glossary of common ingredient names, with reliance to be redirected to other databases to streamline the procedure.
- Removing Article 22 and the surveillance and reporting obligations imposed following the creation of the Information and Communication System for Market Surveillance.

Whilst the proposals intend to streamline procedures, there is evidence elsewhere that consumer protection is still at the forefront of cosmetic regulation. This can be seen in the recent OPSS Call for Data on Cosmetic Ingredient Safety and similarly, since 1 September 2025, trimethylbenzoyl diphenylphosphine oxide ('TPO'), which is a key ingredient used in gel nail products, has been prohibited in the EU. It is expected that the UK will follow with similar restrictions by 2026–2027, prompting reformulation efforts across the nail industry and raising potential legacy liability and coverage queries.

With regulators becoming ever focused on consumer protection and ensuring safety and transparency as to what is in cosmetics, it's never been more important for insurers and insureds to closely monitor ingredient compliance and reformulation processes to mitigate regulatory and liability risks.

## **Delays in EU Batteries Regulations**

In May 2025, the European Commission published two new proposals which will impact the timeline and scope of the EU Battery Regulation (2023/1542) ("EUBR").

The EUBR entered into force in August 2023 and is being implemented in a phased approach, with the first set of obligations applying from February 2024. This Regulation aims to create a comprehensive framework for the lifecycle of all batteries and covers topics including battery sustainability, labelling, due diligence, and end-of-life management.

#### **Delay of Due Diligence Obligations**

One of the new obligations introduced by the EUBR is the compulsory adoption of battery due diligence policies for raw materials, including cobalt, lithium, and nickel, as well as the human rights and environmental risks associated with obtaining these materials.

However, the Commission has now proposed that the implementation of these obligations is postponed by two years until August 2027 to allow additional time for economic operators to prepare, with the publication of due diligence guidelines also being rescheduled until July 2026. The proposed delay to due diligence obligations will not affect the timescale for the implementation of the other EUBR obligations.

### **Small Mid-Cap Category Proposal**

The Commission has also proposed introducing a new category of companies to which certain exemptions, which are currently only applicable to small and medium enterprises, would apply. This new category, for the so-called "small mid-caps" will apply to companies with a yearly net turnover of below  $\leq 150$  million (an increase from the current exemption threshold, which encompasses entities with a revenue of less than  $\leq 40$  million). The "small mid-cap" exemptions will not apply to groups with a consolidated income exceeding this amount. Under this proposal, battery due diligence policies would not apply to small-mid caps.

These proposals will shortly be published in the EU's official journal, before entering into force the day after publication.

## **WEEE Regulations before Parliament**

The <u>Waste Electrical and Electronic Equipment (Amendment, etc.) Regulations 202</u>5 ('the Regulations') came into force on 12 August 2025. The Regulations will introduce significant changes to the existing WEEE framework, the <u>Waste Electrical and Electronic Equipment Regulations 2013</u>.

A key amendment arising from the Regulations is the inclusion of online marketplace operators ('OMPs') as "producers" when facilitating the sale of electrical and electronic equipment ('EEE') from non-UK suppliers to UK consumers. This change ensures that OMPs bear responsibility for compliance with WEEE obligations, such as record-keeping, reporting, and financing the collection and disposal of EEE.

Additionally, a new category (7.1) of EEE has been introduced to specifically extend the Regulations to cover devices like vapes, electronic cigarettes, and heated tobacco products (previously falling under the 'toys and leisure equipment' category). This means these products are now independently subject to WEEE Regulations. These amendments aim to enhance accountability and to ensure all entities involved in the supply chain sufficiently contribute to sustainable waste management.

The impact of the new Regulations increases the risk exposure for OMPs and non-UK suppliers, as they now face penalties for non-compliance. In addition, these regulations aim to increase scrutiny on product safety and traceability as they hold a greater burden to ensure products meeting the requisite safety standards and are appropriately labelled.

To ensure compliance, businesses will need to implement risk management strategies to mitigate the new risks imposed by these new obligations and to make sure all changes have been incorporated effectively. Businesses will also need to ensure these risks are adequately addressed in their existing insurance policies.

## Tackling unsafe e-bikes: APPGCW calls for urgent action

In February's product bulletin we reported on the fire risk and product safety of e-bikes and scooters. In particular, the number of fires being reported (mostly due to batteries) was considered by the London Fire Brigade as London's fastest growing fire risk in 2024.

The latest research from QBE, from May 2025, shows that every day, UK fire brigades attend over three lithium-ion battery fires, which is a 93% increase from 2022 to 2024. According to QBE, most reported fires occurred at people's homes and included fatalities, emphasising the risk to both property and life.

This is echoed by the All-Party Parliamentary Group for Cycling & Walking ('APPGCW'). In June 2002, the APPGCW published a report, "Unregulated and Unsafe: The Threat of Illegal E-Bikes" following an inquiry to understand the sharp rise in battery fires and an increasing number of illegally modified e-bikes on the roads (referred to as "fake bikes"). These bikes often use incompatible parts and uncertified batteries and chargers. The APPGCW refer to low paid delivery drivers, under pressure to speed up deliveries and therefore take safety risks in order to support themselves, as the dominating contributory factor.

Whilst it is often completely legal to sell these products, using them on public highways, is not. The law and regulations are not sufficiently clear and without clarity, the police and other enforcement authorities are not able to take action to remove them from circulation. The inquiry also looked at inadvertent side effects such as discriminating against disabled cyclists who rely on non-foldable e-bikes when these were banned from public transport due to fire safety concerns.

Whilst road legal e-bikes are good forms of transport, with low-powered vehicles cutting both emissions and congestion and improving transportation connectivity, poor quality/dangerous illegal e-bikes clearly increase risks to safety. Some insurers are also refusing to cover any e-bike and insurance premiums for retailers servicing or selling e-bikes have significantly increased. Key findings of the report include the sheer growth of the industry (sales multiplied by five between 2017 and 2022) which of course contributes to the economy with revenue and jobs.

Legal e-bike batteries have inbuilt failsafe measures to prevent "thermal runaway" (an increase in battery temperature triggering exothermic chemical reactions, increasing the temperature further) with research initiated by the Office for Product Safety and Standards (OPSS) showing it's very hard for legitimate products to go into thermal runaway unlike the unregulated products. Research shows the UK's biggest producers report no fires at all. In 2023, New York took measures to improve standards, including an e-bike amnesty, following an increase in fatalities from such fires and policies were implemented in 2024 to improve conditions for delivery drivers.

Whilst evidence shows legal e-bikes are playing a crucial role in improving air quality standards, the report calls for the Government to provide actionable guidance to make the quality better (following the likes of Germany and France). This includes:

- Asking online retailers to remove from sale non-certified batteries and chargers and kits to increase e-bikes' speed/power; and use the Product Regulation and Metrology Act 2025 to make online retailers liable for unsafe/non-compliant e-bikes.
- Use employment legislation to improve working conditions for delivery drivers; and allow companies to collect real-time data for e-bikes used to carry out their business.
- Ensure e-bikes are sold for legal purposes; and create a kitemark type of certification scheme.
- Provide authorities with the tools to remove illegal e-bikes from the roads and data collection in relation to collisions.
- o Introduce a national disposal programme to remove illegal e-bikes from the roads.

We await the secondary legislation under the Product Safety and Metrology Act 2025, expected later in the year, to address li-ion batteries and practices of online marketplaces. A Private Members' Bill, the Lithiumion Battery Safety Bill started on 29 July 2024, is at committee stage. It may well be obsolete once the secondary legislation is published.

