



e-Commerce

LEAD OFFICER

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David is the Trading Standards Manager for Highland Council in Scotland, with 27 years' experience in the profession.

The UK has been at the forefront of the development of e-commerce, especially in the European context. If our consumers and businesses are to continue to successfully utilise the internet, we need provisions that are in harmony with the key markets of the EU and the US (where similar provisions apply).

87% 

OF UK SHOPPERS ARE ESTIMATED TO HAVE BOUGHT GOODS OR SERVICES ONLINE*

An agreement with the EU on the mutual recognition of goods and standards would ensure a digital market that is as frictionless as possible. It is vital that the government provides clarity on the post-EU Exit responsibilities and legal rules that will apply to importers of EU goods into the UK market, and vice versa.

CTSI believes that ease of access to the EU market for UK e-sellers and e-buyers is crucial, not only to promote business growth but also to maintain consumer choice. The UK is a European leader on e-commerce, and barriers to the EU market will threaten jobs and prosperity and worsen the consumer experience.

£5.3bn 

THE INCREASE IN UK ECOMMERCE SALES EXPECTED FROM THE COVID-19 PANDEMIC SURGE*

The COVID-19 pandemic has accelerated the trend of increasing online sales, making satisfactory progress on e-commerce in the handling of EU Exit even more important.

Threats

The e-Commerce Directive (ECD) has been implemented in UK law and the retention of its provisions is vital. Of particular importance are the information requirements that mean digital sellers must let consumers know who they are, where they are located, and how they can be contacted.

It is the consumer confidence created by the information requirements under the ECD and other statutory protections such as cancellation rights and remedies for faulty goods and digital content that will help maintain the boom in online sales which has boosted the UK economy.

It is crucial for the wellbeing of UK e-commerce that these protections are maintained. There is longer-term risk that diverging from the EU's Digital Single Market strategy will dent consumer confidence.

COVID-19 has intensified these threats, with e-commerce becoming even more fundamental to the UK economy. Further, e-commerce is likely to play a central role in economic recovery from the pandemic, and the geographically close and culturally similar countries of the EU are likely to be the key potential export market.

£688bn

TOTAL VALUE OF E-COMMERCE SALES IN THE UK IN 2018

The total jumped from £514bn, just four years earlier and is accelerating.
SOURCE: Office for National Statistics



For more information about how EU Exit could affect trading standards, and to take the EU Exit training course, visit www.tradingstandards.uk/euexit



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Opportunities

The ECD is not perfect; it would benefit from modernisation to spell out its application to modern situations, and extra provisions could be added.

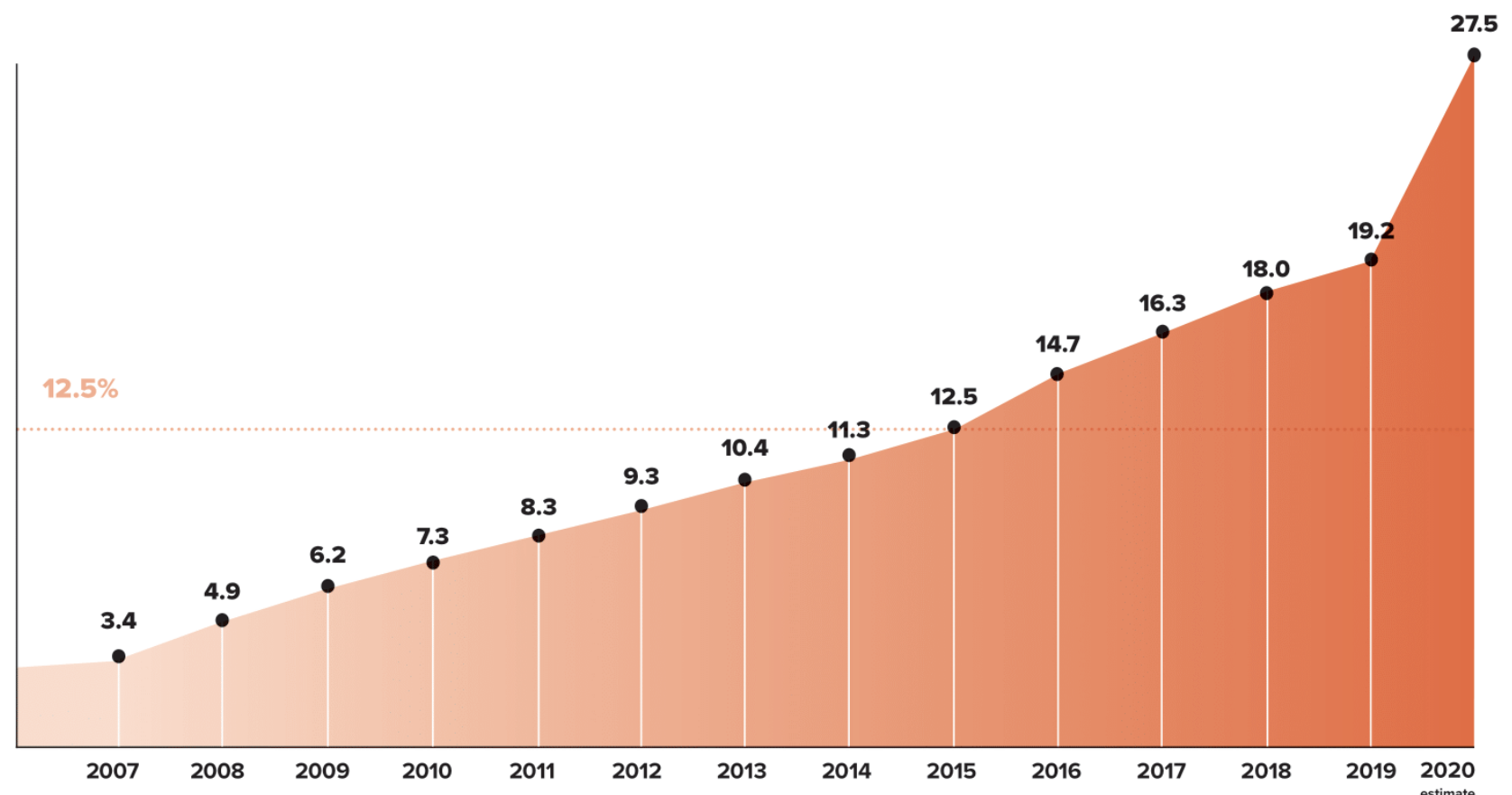
COVID-19 has seen online sales boosted across the world, including in countries beyond Europe where consumers had previously not been prolific users of e-commerce. Many have implemented improvements in internet infrastructure that could make these changes permanent.

Free from the EU customs union, the UK may be able to use its expertise in e-commerce to boost trade with such countries and take advantage of their new appetite and capacity for e-commerce.

Internet sales as a percentage of all retail sales

Internet sales are expected to reach 27.5% of all retail sales in the UK in 2020, with Europe an important and growing market for UK e-retailers.

SOURCE: Office for National Statistics



Crucial cooperation

Consumer confidence is key. In order for it to continue in e-commerce, it will be necessary for the UK to maintain appropriate and reciprocal cross-border enforcement powers after EU Exit. Ideally, the UK should retain the Consumer Protection Cooperation (CPC) model that allows the Competition and Markets Authority (CMA) to tackle issues on behalf of UK and EU consumers through reciprocal enforcement. Without the CPC there is no guarantee that rogue practices affecting UK consumers – but originating from the EU – will be tackled effectively by the remaining 27.

It is crucial that specific powers are retained to investigate and enforce e-commerce breaches, including the power to close down rogue websites, the power to gather information about intermediaries and explicit powers to undertake covert test purchases. Finally, many UK e-retailers source goods from across the EU. Post-EU Exit these acquisitions may mean the trader becomes an importer with all the various obligations that entails. This could be a serious burden on businesses and potentially a major burden on trading standards services.



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