



European product recalls decline by 9% but regulators and businesses rush to adapt to technological advances

Sedgwick brand protection releases latest European product recall index report

LONDON, 5 December 2022 – [Sedgwick brand protection](#) has released the latest report into European product safety and recall, which reveals the rising impact of technological developments and regulatory oversight across the five sectors surveyed.

According to findings in the recall index report, industries are grappling with changing regulations which reflect new technology, new channels of commerce and more stringent sustainability criteria. The rapid development and implementation of Artificial Intelligence (AI) is evidence of this, with the UK and EU both advancing rules around the use of the technology, but each jurisdiction is adopting a slightly different approach. In addition, supply chain issues continue to impact businesses. Recent updates to the European Union's Product Liability Directive (PLD) mean that more stakeholders in the supply chain, including retailers and distributors, are now being held accountable (and subject to losses) instead of the manufacturer shouldering all the responsibility.

The index reveals that the overall number of recall events fell by nearly 9% compared to the previous quarter, however the quarterly averages for consumer goods and automotive remain higher than in 2021. In contrast, the quarterly averages for recalls in the food, medical devices and pharmaceutical industries are lower.

The recall index report takes an in-depth look at recall data and regulatory developments in the EU and UK, as well as product safety trends, insights and analysis to help business leaders mitigate risk to their operations and reputation.

To download the latest report, visit [European product recall index report](#).

Q3 2022 recall highlights:

- European food and beverage recalls fell 10.0% to 1,040, compared to Q2. The leading cause was contamination 'other', accounting for 370 events, followed by bacterial contamination and unauthorised substance.
- In the pharmaceutical sector, there was a 25.0% fall in recall events to 60, compared to Q2. As with the previous six quarters, safety was the most common cause, accounting for 20 recalls. Failed specifications were the second most common cause, cited in 12 recalls.
- There were 646 recalls in the medical device sector, a 10.2% decrease compared to Q2. For the fifth quarter in a row, software issues were the most common reason for

recalls, cited in 110 cases, a 35.8% increase on last quarter. Device failure and false results were the next two leading causes.

- The number of automotive recalls across Europe increased slightly to 167 events, compared to 163 in Q2. As it has been for the past five years, injuries were the leading risk associated with automotive recalls, with 135 events, or 80.8% of notifications. Fires were the next most common risk, cited in 23 recalls.
- Electronics recalls decreased by 23.5% to 62 events. This is also a slight decrease from the same quarter last year, where there were 71 recalls. The most common cause of recalls was cuts, which were linked to 20 recalls. Electric shock came in close second with 19 events.
- Toy recalls declined by 17.2% to 101 in Q3. Whilst it is a decrease on the previous quarter, it is still significantly higher than the 81 recalls in Q3 of 2021. Choking risk was the most common reason for recalls, with 33 events, and plastic dolls the leading category, with 15 recalls.
- The number of clothing recalls continued to fall this quarter, dropping 35.2% to 35. Children's apparel was responsible for 80.0% of clothing recalls. Injuries were the most common reason for clothing recalls, cited in nine events.

"Recalls across the five sectors assessed varied greatly during the last quarter. Businesses now face a tough economic climate and also need to adapt and innovate in response to technological advancements, as well as improve their approach to sustainability," said Mark Buckingham, Sedgwick's international product recall consultant.

"Regulations in a number of sectors are being revised in response to these developments and there is an awareness of the need for legislation to keep up with rapidly developing technology, with big changes on the horizon around product liability, cybersecurity, AI and the regulation of online platforms. Meanwhile, particularly in the clothing and electronics sectors, there is an increasing focus on sustainability and corporate due diligence, evidenced by the European Commission's (EC's) adoption of its Sustainable Products Initiative."

Looking ahead further in 2023:

- **Food & beverage** – Government's across Europe are implementing comprehensive new regulations to improve food safety. We can perhaps expect different approaches and timeframes between regulators in the UK and EU Member States in approving new additives, novel foods or health claims for food products. For example, in June, the UK's Food Standards Agency (FSA) launched a consultation on six novel foods that had already been evaluated by the European Food Safety Authority (EFSA).
- **Pharmaceutical** – The EU's general pharmaceuticals legislation is undergoing a comprehensive revision, with a new legislative proposal expected at the end of the year. Both regulators and businesses agree on the importance of future-proofing legislation to address emerging technological trends, so that consumers remain safe without stifling growth and innovation.

- **Medical devices** – The UK currently lags behind the EU in terms of updating its medical device regulations. In June, the Medicines and Healthcare products Regulatory Agency (MHRA) published a response, giving insights into likely changes to medical device regulations. In it, it stated that the UK intends to align with international best practices, suggesting that the revised UK regime will be strikingly similar to the EU regulations. That should mitigate the burden on manufacturers and others in the supply chain who wish to sell into both the EU and the UK.
- **Automotive** – Automakers, suppliers and consumers across the UK and EU can expect to see significant new proposed vehicle safety regulations, with remote driving, the use of intelligent speed assistance and the roadworthiness of certain vehicle components coming under increasing scrutiny. It will be a real challenge for regulators to keep up with rapidly developing technology.
- **Electronics** – Consumer electronics businesses face heavier regulatory burdens than most other industries. There has been a clear increase in legislation around general corporate due diligence and sustainability. The European Commission’s (EC’s) adoption of its Sustainable Products Initiative (SPI) in March 2022 seemed to open the floodgates for new legislation. The new Eco design and energy labelling working plan 2022-24 indicate that revisions to the regulation will seek to increase energy savings and strengthen minimum efficiency requirements.
- **Toys** – Regulators and consumers are continually pushing to strengthen the legal provisions surrounding toy safety. The EU launched a consultation regarding updating the Toy Safety Directive in March 2022 and will shape any future EU proposals and provide insights into what new obligations toy manufacturers, suppliers and retailers may face when selling in the EU. Lawmakers are expected to have a new legislative proposal in the fourth quarter of 2022.
- **Clothing** – Sustainability will continue to be a key focus for the clothing industry, based on new regulations and consumer concerns around the sector’s environmental impact. Meanwhile, companies will need to stay ahead of the latest technological trends and apply technology in novel ways, including “wearables”. Companies will need to be well-versed in the extremely stringent requirements implemented under EU privacy laws, such as the General Data Protection Regulation.

Buckingham added: “Supply chain issues, as a result of Brexit, the pandemic and the war in Ukraine are still ever present. Whilst work is being done to ease the pressure on manufacturers and shift accountability on other parts of the supply chain, it is crucial that businesses take steps in response and ensure they have a recall plan in place. Working alongside a partner with the relevant expertise who can honour the business’ commitments to customers, supply chain partners, industry groups and regulators not only saves a significant amount in regulatory and litigation costs, but also mitigates the impact of a recall on a businesses’ brand and wider reputation.”

For more information on Sedgwick brand protection, visit <https://www.sedgwick.com/brandprotection>

To download the latest report, visit [European product recall index report](#).

About Sedgwick

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