



Lord Offord of Garvel CVO
Parliamentary Under Secretary of State
Department for Business and Trade
Old Admiralty Building
Admiralty Place
London
SW1A 2DY



Viscount Camrose
Parliamentary Under Secretary of State
Department for Science, Innovation & Technology
100 Parliament Street
London SW1A 2BQ

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House of Lords
London
SW1A 0PW

My Lords,

Thank you for your constructive engagement during the fourth Grand Committee session of the Digital Markets, Competition and Consumers Bill (the Bill) on Wednesday, 31 January.

During the session, we said we would write to you on the statutory duties on regulators and right to repair for electrical goods.

Statutory duties on regulators

We first want to respond to Lord Tyrie's proposal that the CMA should have a statutory duty to have regard to the principles of best regulatory practice.

As was outlined during the debate, the Government strongly agrees that best regulatory practice must sit at the heart of how the CMA exercises its digital markets powers. However, our view is that this is already embedded within the regime, both in the legislation and in the existing non-legislative mechanisms that direct the CMA's work.

The principles of transparency, accountability, proportionality and coherence¹ have informed the design of the Bill – such as the targeted and iterative nature of conduct requirements and

¹ As set out in the government's 2021 consultation on the pro-competition regime for digital markets: https://assets.publishing.service.gov.uk/media/60f59c938fa8f50c76838784/Digital_Competition_Consultation_v2.pdf

PCIs and the extensive requirements for consultation. The CMA has also publicly committed to implementing the regime in line with these principles².

The noble Lord rightly points out that most sector regulators have a duty to have regard to regulatory best practice. However, there are some regulators – such as the Environment Agency (EA) and Food Standards Agency (FSA) that have no such duty.

The remit and objectives of the new digital markets regime is not directly comparable to existing regulators. It will be a cross-economy regime designed to address the unique harms and barriers to competition in digital markets. The Government's view is that, in delivering the regime, the CMA benefits from a clear and exclusive focus on promoting competition for the benefit of consumers.

More generally, Government is continuing to ensure the regulatory landscape is transparent, coherent and works well for businesses and consumers – including the statutory duties placed on regulators through legislation³.

Right to repair – electrical goods

Regarding the question posed by Lord Fox on reviews that apply to updating electrical and electronic products, we are pleased to be able to elaborate further on the information we provided during Grand Committee.

The Department for the Environment, Food and Rural Affairs is currently consulting on reforms to the Waste Electrical and Electronic Equipment Regulations 2013, which are intended to drive up levels of separately collected waste electrical and electronic equipment for re-use and recycling. The reforms will support the drive towards a more circular economy by ensuring products are designed to have a lower environmental impact than those which we consume today. We want to ensure producers and distributors of electrical and electronic products finance the full net cost of collection and proper treatment of products that end up as waste, and to develop measures that will promote repair and reusability of electronic goods - more detailed proposals for this are set out in the linked call for evidence. The [consultation](#) and [call for evidence](#) are open for responses until 7 March 2024, and the Government would of course welcome your Lordships' contributions.

The Government also remains committed to consulting on the Waste Batteries Regulations and recognises the importance of making effective regulatory change that supports re-use and repurposing in a way that makes sense for businesses and individuals. The consultation on the batteries regulations is expected to be published in 2024 and covers both the Waste Batteries and Accumulators Regulations 2009 and the Batteries and Accumulators (Placing on the Market) Regulations 2008.

² As set out in the CMA's provisional approach to implement the new Digital Markets competition regime: <https://www.gov.uk/government/publications/overview-of-the-cmas-provisional-approach-to-implement-the-new-digital-markets-competition-regime>

³ Smarter Regulation and the regulatory landscape: <https://www.gov.uk/government/calls-for-evidence/smarter-regulation-and-the-regulatory-landscape>

We are looking to increase convenience for householders in disposing of portable batteries. In reviewing the existing producer responsibility arrangements, we are considering the case for extending the collection system for batteries to the household, similar to our proposals for small household electrical equipment. We also want to ensure that the future batteries system is compatible with our circular economy objectives, and we will gather views in the consultation as to how we can encourage better product design, more circular business models and increased levels of re-use through reform of the batteries regulations.

The Product Security Regulatory Regime applies to all UK consumer connectable products. A broad range of internet and network connectable products fall within scope of this regime, including smart toys and smart appliances. As you are aware, the Government has already committed to a post implementation review of the new measures, to understand their impact. If it is found that the market has not responded effectively, the Government has been clear that it will consider the case for further action.

In addition, the Government is reviewing the product safety framework to ensure that it is fit for the future and takes account of technological developments and new business models. This includes considering appropriate safety requirements across product lifecycles. Government is currently reviewing responses to a Product Safety Review consultation held late last year and will set out next steps in due course.

We hope this letter will address the points raised by the Noble Lords satisfactorily and that any changes on these matters are considered undesirable.

We will place a copy of this letter in the libraries of both Houses.

A handwritten signature in black ink, appearing to read 'M. Offord', with a horizontal line underneath.

Lord Offord of Garvel CVO

A stylized handwritten signature in black ink, appearing to read 'Camrose', with a horizontal line underneath.

Viscount Camrose