

## E-commerce: stronger accountability as a driver to combat illegal sales

**Brussels, 5 February 2025** – The EU Commission is publishing today its strategy to address the challenges posed by e-commerce platforms to promote fair trade practices and compliance with EU laws. APPLiA, The European Home Appliance Manufacturers Association, calls on the EU to adopt stronger accountability measures for online marketplaces and address existing legislative loopholes which allow non-compliant and unsafe products to enter the European market. This also includes ensuring that online marketplaces comply with EU waste management obligations.

When it comes to home appliances, small products such as coffee machines, kitchen blenders and irons are the most affected by the issue of illegal online sales. In 2024, more than 400 electrical appliances from outside the EU were listed in the EU's Safety Gate system, with over 200 deemed high-risk. These recurring issues present a significant risk to consumer safety, undermine the competitiveness of European businesses, and erode consumer trust in the European market.

**Paolo Falcioni, APPLiA Director General, said:** *"As Europe drives forward with its economic strategy, illegal online sales pose an additional threat to European competitiveness. While EU manufacturers uphold strict safety and environmental standards, third-country traders often bypass these, putting European businesses at a disadvantage. The lack of oversight allows substandard products to flood the market, compromising both consumer safety and fair competition. Now is the time to act and ensure accountability for the safety, sustainability, and compliance of products sold to EU consumers."*

### Our Action Plan for EU policymakers:



**Strengthen marketplace accountability and enforcement:** Online marketplaces should be recognised as economic operators under EU law



**Ensure fair contributions to e-waste management:** Online sellers should be legally required to take on the duties of "producer" under the WEEE Directive



**Establish a level playing field for sustainable products:** Requirements for sustainable products must apply fairly and consistently across the entire EU market, *both online and offline*

## Strengthen marketplace accountability and enforcement

The current cascading effect of responsibility within the supply chain leads to a lack of accountability for non-compliant products. To close existing regulatory gaps, online marketplaces should be recognised as economic operators under EU law. Today, large volumes of products are sold directly to EU consumers by non-EU traders through online platforms, often without a legal entity within the EU to ensure compliance with EU obligations. This absence makes enforcement difficult, as national authorities can only act within their own borders, hindering effective accountability and undermining safety, environmental, and consumer protection laws.

To address this issue, accountability for online marketplaces must be strengthened. Without clear responsibility for ensuring compliance, unsafe and substandard products will continue to reach consumers, exposing them to unnecessary risks. **Michał Zakrzewski, APPLiA Senior Digital & Competitiveness Policy Director said:** "While existing regulations provide legal tools to take action against non-compliant products, authorities' capacity is stretched thin due to the sheer volume of imports from online retailers. As a result, only a small fraction of these products are tested, even when high risks are identified. To improve consumer protection in the EU and prevent market distortions, better market surveillance structures, increased coordination among European authorities, and closer cooperation with customs are essential."

The current legislative framework fails to adequately address the enforcement challenges posed by online marketplaces. The EU aims to enforce the Digital Services Act (DSA) and the Digital Markets Act (DMA) to ensure online platforms comply with safety requirements and protect consumers. This includes obligations for marketplaces to remove illegal products, ensure transparency, and provide information about traders. However, significant loopholes remain. Under the DSA, online marketplaces face mainly soft requirements, with manufacturers being given the option to provide requested information rather than being bound by strict obligations.

Additionally, the Market Surveillance Regulation and the General Product Safety Regulation (GPSR) lay the legal foundation for market surveillance in both physical and online trade. Specifically, the GPSR provides the framework for tracking online offers and ensuring that products without a responsible economic operator do not enter the EU market. In practice, however, this is difficult to trace and enforce due to insufficient controls by the relevant authorities (customs and market surveillance) and their limited resources. As a result, the absence of a legal entity address in the EU is not effectively addressed.

## Ensure fair contributions to waste management

Another important area of non-compliance extends beyond product safety to include adherence to EU obligations related to Producer Responsibility, specifically concerning the recycling of electrical and electronic waste (WEEE). Failure to meet these obligations not only harms the environment but also distorts fair competition among businesses operating in the EU market.

Effective waste management is a cornerstone of the EU's sustainability goals, with Extended Producer Responsibility (EPR) playing a central role in ensuring that producers take responsibility for the environmental impact of their products at the end of their lifecycle. EPR is a policy approach that holds producers accountable for the end-of-life management of their products, helping to boost WEEE recovery and recycling rates, reduce environmental harm, and fairly distribute the financial and operational responsibilities of waste management.

**Korrina Hegarty, APPLiA Senior Environment Policy Director said:** "While companies based in the EU comply with EPR requirements by paying fees to support WEEE management systems, the rise of online sales, particularly from cross-border and third-party sellers, has led to a growing challenge. Many of these sellers evade EPR obligations shifting the financial burden onto compliant businesses and undermining fair competition. While some good practices have already been introduced through national laws, EU-wide harmonisation of EPR requirements is critical to reduce administrative complexity and enhance enforcement."

EU policymakers should prioritise closing legal loopholes in the regulation and enforcement of online trade via online marketplaces. Online sellers should be legally required to take on the duties of "producer" under the WEEE Directive, a more harmonised producer registration tool should be introduced and online marketplaces should have an obligation to inform the sellers about the EPR scheme fees and ensure compliance.

## Establish a level playing field for sustainable products

Sustainable lifestyles and environmental protection will also be enhanced through the Ecodesign for Sustainable Products Regulation (ESPR), a crucial step towards a more sustainable and circular economy. The home appliance industry recognises that this regulation has the potential to benefit both the environment and manufacturers. However, to achieve the ESPR's goals, it is imperative that the requirements for sustainable products are applied fairly and consistently across the entire EU market, *both online and offline*. This will ensure a level playing field for all businesses while upholding consumer protection and environmental standards.

Key elements to ensure fair application include:

- Harmonisation of standards and regulations: Avoiding conflicting national regulations and ensuring consistent rules across the EU for both physical and online marketplaces is essential.
- Effective market surveillance and enforcement: Both online and offline markets need robust monitoring and enforcement mechanisms to ensure that all products comply with ESPR requirements.
- Clear and accessible product information by all actors: The Digital Product Passport (DPP) will only be successful if all parties, both online and offline, accurately implement it to provide consumers with transparent and accurate information about product sustainability.