



Tackling the scourge of online WEEE freeriders

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Tackling the scourge of online WEEE freeriders

- Large and growing scale
- The problems this creates
- Other non-compliance?
- The fulfilment house model
- Suggested legislative and enforcement actions



The large scale of WEEE freeriders

- Search on “LED bulb”
- 91 of first 120 records (76%) were freeriders
- Of those 91 freeriders:
 - 15 EU
 - 2 US
 - 74 China/Hong Kong
- Of those 91 freeriders:
 - 65 available for next day delivery
 - 26 longer delivery
- Most were multi-packs with large number of recent English language reviews
- OECD estimates online WEEE freeriding at 5 -10%
 - Higher for smaller products





WEEE Scheme Forum (WSF) findings

Product category	Tablet PCs	Power tools (electric screwdriver)	Fitness watches	Display screens	LED lightbulbs	Electric hair care	Washing machines and dryers
Number of products checked	70	70	50	25	120	113	120
Available "next day"	70	45	50	0	65	89	
No of products potentially unregistered	28	38	44	3	91	57	9
% of products potentially unregistered	40%	54%	88%	12%	76%	50%	8%

The problems this creates

- Undermines the financial sustainability of EPR systems
 - Risk of unfunded/underfunded waste streams
- Legitimate operators are put at a competitive disadvantage
 - In some sectors, WEEE is big proportion (eg 10-20%) of total sale price
 - In some member states, legitimate operators pay more, because the freeriders pay nothing
 - “Why should I bother complying?”
 - Damage to high street retailers
- Risk of a “vicious spiral”
- Consumers do not understand the problem



Other non-compliance?

- Electrical safety?
UK Lighting Industry Association safety tests:
 - Bricks and mortar retailer: 6 products tested, 6 complied
 - Online retailer: 6 products tested, 5 failed
- VAT?
- Import duties?
- Other EPR avoidance (packaging and batteries)?
- Competition law?



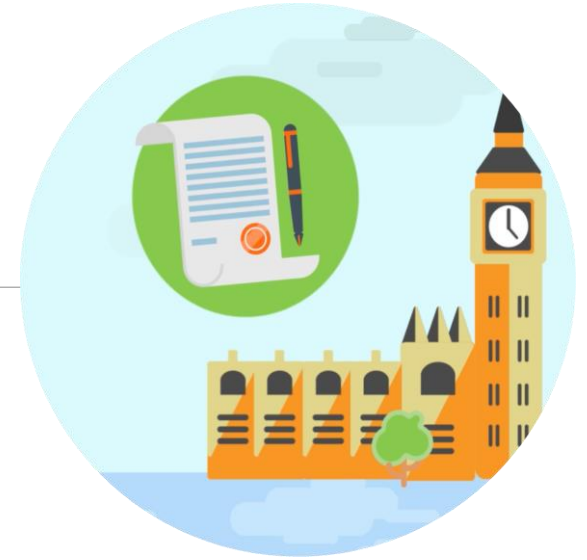
The fulfilment house model



Who is the importer?

Suggested legislative & enforcement actions

- Amend national legislation to require online marketplaces and fulfilment houses to take on legal responsibilities of producer for non-compliant product
- Amend national legislation to fine intermediaries that knowingly sell non-compliant product
- Take legal action against producers based outside the MS
- Seize and destroy non-compliant product at local warehouses





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