

EDA FORUM
10th September 2015

Joining Forces to Fight Counterfeit, Substandard and Non-Compliant Products

KEITH SMITH
Deputy Director
BEAMA Installation

PETER SMEETH
Director ACI
Sec Gen BCA



Presentation to EDA Regional Business Forum

10TH SEPTEMBER 2015



Approved Cables Initiative - where we are now

Industry-wide working group set up five years ago to address the issue of substandard, unsafe, non-approved and non-conforming cable entering the UK marketplace.



Why ACI's work is important

- To keep the UK public safe
- So that the UK is known for safe and trusted cable installations
- To avoid the Australian issue happening here in the UK



The challenges



- ACI exists as standards are not followed.
- Government has yet to take this issue seriously, but we have tried.
- ACI works with existing legislation, reporting examples of sub-standard cable to Health & Safety Executive and Trading Standards (TS).
- Government cuts (30%) has led to limited market surveillance resources - TS recently reported a 200 case back-log – deeming an investigation in faulty electrical circuit breakers “not a priority” for investigation.
- This has placed the onus on industry.
- ACI is a known entity to rogue distributors/wholesalers - presenting it with random testing issues.



Installer competence



Additional problems to these challenges include:

- Installers' ability to understand the specifications associated with the required cables (limited knowledge of standards)
- Installers' ability to differentiate between compliant and non-compliant cables
- Installers trust the wholesaler/distributor

Poor installer knowledge + inferior cable = a dangerous cable installation



Installer competence

BASEC focus group research has shown that electricians:

- Don't understand the products they buy
- Rely on wholesalers to provide the right advice
- Conversely, when supplied with non-approved cable from a trusted source, they wouldn't question the product.

Wholesalers have a great 'value-added' role to play to provide installers with information and with the right products to install

Our concerns



- The substandard cable problem won't go away on its own
- Substandard cable is now a worldwide issue
- No one area of the supply chain is singularly responsible – all are
- We need to respond effectively and forcefully
- Trade Associations also have a role to perform with and for their members
- Each sector needs to own the problem and take responsibility





ACI's principle objective

To promote the purchase, sale and installation of cable that complies with British Standards (or relevant and appropriate European and International Standards) and where applicable have independent third party approval to demonstrate this.

ACI calls for EDA's support in its work

ACI has led this initiative for 5 years; BCA member companies have supplied the lion's share of financial support.

ACI believes EDA embraces the ACI purposes (addressing the issue of substandard cable in the UK market), however the ACI does require the EDA to support the work with financial commitment and resources.

It is appreciated that some require the ACI to "name & shame." Where we can we will, but it is not that simple. There are laws about citing companies improperly; ACI could be drawn into protracted legal case.



Wholesaler Approval Scheme

ACI has spoken with EDA Board about a wholesaler/distributor approval scheme that will take the campaign against substandard cable in a new direction.

Opportunity for EDA to be the first to tackle the problem from within the supply chain.

Whilst the EDA Board has agreed an ACI Charter it has not been implemented.



Outline of Wholesaler Approval Scheme

- Membership based
- Following a strict membership Charter
- Initially starting with one trade association but could grow - not ruling out inviting other trade associations to join
- Designed and owned by EDA and ACI (having joint Board members)
- Opportunity to work together and beat the substandard cable issue
- A pledge by members of the scheme to only purchase and sell on cable that conforms to British, European or International Standards and complies with legislative requirements.



ACI Wholesaler/distributor agreement

ACI proposed that trouble free cable purchases and sales can exist if:

- All **PHASE 1** cable sold by Electrical wholesalers and distributors for UK installation conforms to British (or relevant European/International) standards
- All **PHASE 1** cable sold by Electrical wholesalers and distributors is independently third party approved
- All wholesalers and distributors supply certification/approval for all cable they supply and that this information is available upon request
- Provenance and traceability are key purchasing requirements for all imported, distributed, sold or installed cable in the UK
- A greater number of standards-led installations are championed in the UK.



PHASE 1 cable will include:

Generic name	Standard(s)	Comment
1 kV Armoured cable	BS 5467, BS 6724, BS 7846	
Conduit Wire	BS EN 50525-2-31 (PVC) BS EN 50525-3-41 (LSHF)	Typically 6491X Typically 6491B
Flat Twin & Earth	BS 6004, BS 7211	Not Arctic grade cables
Fire Alarm Cables	BS 7629-1	



Why these cables?

- Main British Standard cables used in bulk of BS 7671 installations
- Includes 'booklet' products commonly stocked by wholesalers
- Includes most common low smoke halogen free cables
- Includes most common fire resisting cables
- Excludes flexes – complex ranges and numerous types.



Distributor's tales

A MOMENT TO REFLECT ON THE SCALE OF THE PROBLEM



Background

- Enquiry for a selection of rubber and TQ flexible cords was sent to the LongZ Group in China
- Quotation received from the Wasung Electric Cable Company, a subsidiary of the LongZ Group
- Samples of two sizes of cables were received and tested in accordance with the British Standard - both were compliant with the standard
- Order for nine cables was placed, deposit paid with balance to be paid upon presentation of satisfactory shipping documents.



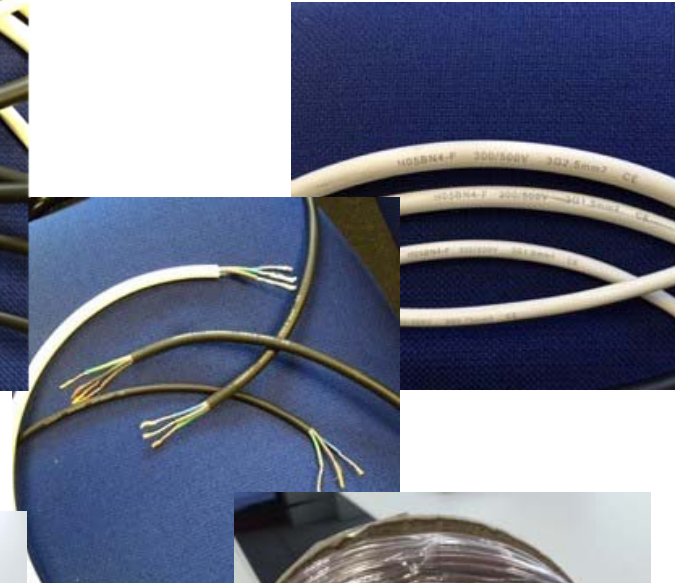
Order details

Order stated that:

- all products must be accompanied by certificates of conformity
- must fully comply with the relevant British or European Standards
- must carry the appropriate CE marking in accordance with the Low Voltage Directive
- The cables arrived in the UK, accompanying packing list and invoice clearly stated the H05RR-F reference numbers along with the specified conductor sizes
- No certificates of conformity were supplied with the goods and despite repeated requests for copies to be sent none have been received.



Details of test reports from two UK test laboratories were sent to the CEO of the LongZ Group. He expressed surprise at the findings and said that these cables were sold into the UK and throughout Europe on a regular basis without any problems.



In summary

- Samples received conformed to the required standards
- Ordered cables were outside the required standards with conductor resistances up to 17.23% higher than the recognised standard
- The cables also had issues re-stripping
- There was no manufacturers identification or country of origin on the cables or the labelling
- Any name could be marked on the cables, the CE mark is shown
- All cables received would be classed as ' RECALL ' when tested to BASEC criteria.



Points from this

- Chinese OEM will produce cable to any size, with any marking – including own brand, CE Marking and 3rd party approval
- Most distributors will not retest
- Most installers will not check standards or approvals on the cable
- ACI is taking up this case with OEM, BIS, Trading Standards, and will inform Insurers, Fire Authorities, Local Authority Building Control, Fake Britain and EU cable manufacturers.





Re-cast Low Voltage Directive, April 2016

Greater responsibilities for cable manufacturers and importers

Re-cast Low Voltage Directive

ACI believes the level of understanding of the new LVD Directive is low

Specific obligations will mean greater responsibility for cable importers/distributors

Failure to meet will result in penalties from April 2016

STATUTORY INSTRUMENTS

2016 No. 0000

CONSUMER PROTECTION

HEALTH AND SAFETY

The Electrical Equipment (Safety) Regulations 2016

Made - - - - - ***
Laid before Parliament - - - - - ***
Coming into force - - - - - 20th April 2016

The Secretary of State is a Minister designated^(a) for the purposes of section 2(2) of the European Communities Act 1972^(b) in relation to electrical equipment.

These Regulations make provision for a purpose mentioned in section 2(2) of the European Communities Act 1972 and it appears to the Secretary of State that it is expedient for certain references to provisions of EU instruments to be construed as references to those provisions as amended from time to time.

The Secretary of State makes these regulations in exercise of the powers conferred by section 2(2) of, and paragraph 1A of Schedule 2 to, the European Communities Act 1972:

PART 1
Preliminary

Citation and commencement

1. These Regulations may be cited as the Electrical Equipment (Safety) Regulations 2016 and come into force on 20th April 2016.

Interpretation [Art 2]

2.—(1) In these Regulations—

“the 1974 Act” means the Health and Safety at Work etc. Act 1974^(c);

“the 1978 Order” means the Health and Safety at Work (Northern Ireland) Order 1978^(d).

(a) S.I. 2009/2743.
(b) 1972 c.68.
(c) 1974 c.37.
(d) S.I. 1978/1039 (N.I. 9).



ACI has recently written an article about
the re-cast LVD



Re-cast Low Voltage Directive



From April 2016 importers must:

- Keep a copy of the EU Declaration of Conformity and ensure technical documentation can be obtained when requested by authorities
- Check that manufacturers outside the EU have applied the correct conformity assessment procedure
- Check that products bear the CE marking and are accompanied by the required documents (BCA point – sometimes CE Marking cannot be applied to the cable, but will be carried in the documentation)
- Ensure that the name and address of the manufacturer and importer is indicated on the products or packaging
- Carry out sample testing and product monitoring as it applies to manufacturers



Market surveillance



Surveillance



- ACI sees its role evolving
- Adopting a more aggressive stance
- Making checks on distributors' sites (the ACI Charter envisions this)
- Taking and testing of market samples
- Not losing site of its advisory and education role
- Supporting other industry initiatives to raise the substandard issue further



EMS



DOES IT COMPLY?

- Aims - to raise awareness and launch initiatives to combat the availability of potentially unsafe, unreliable or misleading products in the electrical and electronic supply chain
- In a joint initiative with Voltimum it will oversee the launch of the ***Does it Comply?*** this autumn
- Campaign which aims to educate and inform contractors, installers, and specifiers to the damaging consequences to the industry from the trade in non-compliant product and to wider stakeholders
- Campaign includes ***Does It Comply?*** Website -news, product recall information, training, videos and information on “Counterfeit Kills.”
- Site allows users to submit details of any products that they believe to be non-compliant.



ACI calls for EDA's support in its work

ACI has led this initiative for 5 years; BCA member companies have supplied the lion's share of financial support.

ACI believes EDA embraces the ACI purposes (addressing the issue of substandard cable in the UK market), however the ACI does require the EDA to support the work with financial commitment and resources.

It is appreciated that some require the ACI to "name & shame." Where we can we will, but it is not that simple. There are laws about citing companies improperly; ACI could be drawn into protracted legal case.



Conclusion

We all want safer cables and this can only be achieved with acceptance of the problem, better monitoring and enforcement at every level of the supply chain.

ACI will continue to be purposeful and intrusive in our checks, market sampling and testing.



Image courtesy of BASEC



Questions?



- ✧ What are the issues?
- ✧ Why should we bother ?
- ✧ What are we doing about it ?

- ✧ BEAMA actions

- ✧ ACI actions

- ✧ Call for action by all

Substandard

Non-approved

Unsafe

Non-conforming

Non-compliant

Counterfeit

Defective

FAKE

Faulty

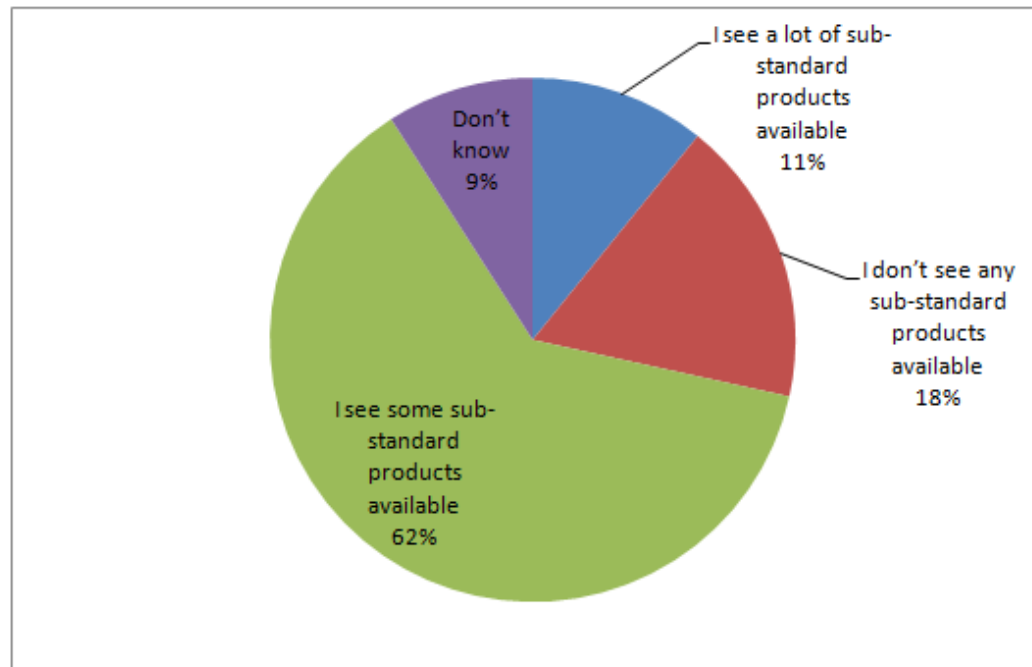
Non-certified

These terms will generally fall under the 2 definitions:

- The product carries false or misleading claims in respect of product performance, compliance with legislation or fitness for purpose
- The product infringes the Intellectual Property (IP) rights of the registered owner.

RECENT SURVEY

How conscious are you of there being sub-standard* electrical products available for sale in the UK? (* Sub-standard is defined as not meeting a published standard – BSI, CENELEC, IEC)



- Almost three quarters of respondents reporting availability of either 'a lot' or 'some' substandard products.
- There are potentially significant quantities of non-compliant and unsafe products circulating within the UK market
- Distributors, importers and contractors need to be more diligent as they are responsible for what is imported, sold and installed in the UK.

SELLING, INSTALLING OR USING THESE PRODUCTS OR SYSTEMS HAS CONSEQUENCES

- **INCONVENIENCE – DUE TO A LACK OF PERFORMANCE AND/OR RELIABILITY**
- **COST – OF REPLACING A PRODUCT WHEN IT FAILS (INSTALLATION COST!)**
- **DAMAGE TO REPUTATION – FOR SELLING OR INSTALLING A PRODUCT THAT HAS FAILED**
- **LOSS OF BUSINESS – EITHER AN INDIVIDUAL CUSTOMER OR EVEN AN ENTIRE BUSINESS**
- **DAMAGE TO PROPERTY**
- **INJURY OR DEATH**
- **CRIMINAL PROCEEDINGS – FINES OR IMPRISONMENT**



Cables



Most product areas have for some time:

- Experienced the same problems
- Worked to raise awareness of issues and risks
- Carried out some form of Market Surveillance
- Engaged with Government and Law enforcement authorities



Electronics



Lighting

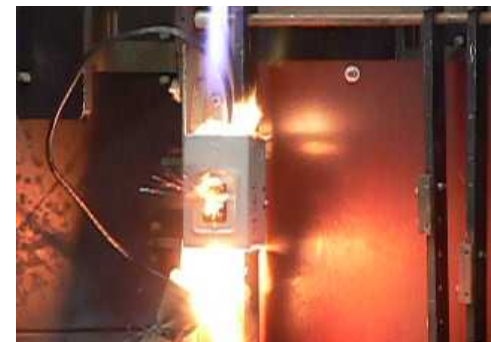


Automation, Instrumentation
& Control



- ✧ **Working together** as an Electrotechnical sector
- ✧ Common objectives for establishing a safe, reliable and trustworthy market
- ✧ Supporting Government strategy
- ✧ Lobbying for stronger surveillance, enforcement and deterrents
- ✧ Raising Awareness and engaging throughout the Supply Chain
- ✧ Sharing knowledge & intelligence with enforcement authorities
- ✧ Providing an open forum for action

- ✧ Raise awareness of issues, risks and responsibilities and seek involvement throughout the supply chain
- ✧ Launch initiatives to combat the availability of potentially unsafe, unreliable or misleading products throughout the supply chain
- ✧ Raise the profile of Electrical & Electronic products in Government circles and lobby for the strengthening of Market Surveillance, Enforcement and Deterrents.
- ✧ Create a communication platform for sharing information, intelligence, concerns and successes across the supply chain
- ✧ Strengthen support to law enforcement authorities



The Electrical Installation Industry Charter

To fight together against the 'trade' in counterfeit electrical products and the proliferation of products not complying with standards.

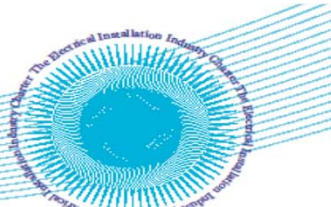
Counterfeit electrical products are a threat – they can kill. It is in everyone's best interest to fight against this insidious and fraudulent global industry.

- The 'trade' in counterfeit electrical products is a worldwide problem which leads to loss of:
 - Life
 - Revenue at all levels of the economic chain
 - Reputation of bona fide brands
 - Confidence in legitimate brands and businesses
 - Jobs and skill-base within businesses affected by counterfeiters.
- Counterfeit electrical products carry no guarantee of quality or safety for users because of the poor quality of materials used and lack of rigorous production controls – they often turn out to be dangerous, causing electrocution and fires.
- Manufacture, transport, acquisition, sale and installation of counterfeit electrical products are often carried out by criminal organisations.
- An accident caused by a counterfeit electrical product will tarnish the image of the bona fide manufacturer/distributor/installer. To avoid litigation, the reputable manufacturer is often forced to prove that the product in question was counterfeit.

The distribution of electrical products not complying with standards represents a very real danger to goods, property and people's safety.

- Products not conforming to European standards are more likely not to work, be dangerous and fail safety/health/environmental standards.
- The manufacture, sale and installation of dangerous and potentially dangerous electrical products are contrary to the Consumer Protection Act, as is the misuse of marks including the CE Marking.
- By not respecting a shared system of reference to standards, the presence in the marketplace of electrical products not meeting the required standards damages trade relationships and businesses.
- Because of their non-adherence to accepted safety and environmental norms, the distribution of electrical products not conforming to standards is a breach of trust at all levels within the supply chain including the end user.

For these reasons we all must take practical, effective, actions to counter the threat from counterfeit and non-compliant electrical products, and control the spread of those products not conforming to recognised standards in the marketplace. This Charter confirms the will and intention of all signatories to encourage the development of initiatives and actions in the battle against the 'trade' in counterfeit and non-compliant electrical products. Also to develop a surveillance and intelligence-led anti-counterfeiting network combating the distribution and installation of such products.




SIGNED BY 13 LEADING INDUSTRY BODIES REPRESENTING MANUFACTURERS, INSTALLERS, DISTRIBUTORS, CERTIFICATION, SAFETY AND LAW ENFORCEMENT



DOES IT COMPLY? An Initiative Of:

THE INITIATIVE NEWS WHO IS LIABLE? PARTNERS EXPERTS COUNTERFEIT KILLS WHAT SHOULD YOU DO?

The Initiative

Join the fight against non-compliant products! Sign up to receive regular updates and future training.

First Name *

 Enter First Name

Last Name *

 Enter Last Name

Company

 Enter Company name

Email *

 Enter E-mail

Region

Select a region from the list

Type of Business

Select a type of business from the list

Subscribe to receive the latest news from the electrical industry brought to you by Voltimum

About Us - Does it Comply?

Does it Comply? is an industry initiative led by BEAMA, LIA, GAMBICA, LIA, ACI, and ESCO, and supported by Voltimum. The mission is to educate and inform contractors, installers, and specifiers to the damaging consequences to the industry from the trade in non-compliant product, whilst raising the profile to the wider stakeholders of issues with non-compliant products.

Question - Does it Comply?

Our question is simple, and it's one we want everyone within the electrical value chain from home owners to suppliers to ask: "Does it Comply?" (to the UK Electrical Industry Standards). Asking this question each time you do business eliminates the risk that you could be potentially be inadvertently purchasing or installing non-compliant product.

Installing unsafe, non-compliant equipment in error can be a costly mistake. Aside from the cost to your business of repeating the work, any house fires or shocks arising out of the use of non-compliant product could cause loss of life or property and result in legal liabilities to electrical contractors who install these products, and the manufacturers or distributors who sell them.

In November 2014, Voltimum set out to establish how the UK electrical industry perceives compliance, and so partnered with the leading associations to survey over 300 installers and contractors. This generated some shocking results, with over 70% of respondents saying they believe they saw sub-standard products in the market place, whilst an alarming 30% revealed they would consider purchasing a device they weren't sure was compliant. As these findings highlight, there are clearly some urgent issues that the industry needs to address.

Training & Education

One of the key objectives of this campaign is training and education. Voltimum, BEAMA, LIA, GAMBICA, ACI, and ESCO will run online training programs throughout the year that will help users better understand the dangers, liabilities and implications of using non-compliant product, as well as assisting in identifying product which is non-compliant.

DOES IT COMPLY? An Initiative Of:

THE INITIATIVE NEWS WHO IS LIABLE? PARTNERS EXPERTS COUNTERFEIT KILLS WHAT SHOULD YOU DO?

News / Compliance News

Join the fight against non-compliant products! Sign up to receive regular updates and future training.

First Name *

 Enter First Name

Last Name *

 Enter Last Name

Company

 Enter Company name

Email *

 Enter E-mail

Region

Select a region from the list

Type of Business

Select a type of business from the list

Subscribe to receive the latest news from the electrical industry brought to you by Voltimum

Compliance News

ACI highlights UK electrical sector surveillance concerns

Jul 16, 2016

There are worries as to why UK dangerous product reports have fallen behind other EU countries, as the Approved Cables Initiative (ACI) reports.

[Read More](#)

Wylex - Regulations - NM Consumer Units for use in Domestic Household Premises - 2015

Jul 10, 2015

[Read More](#)

Product Compliance - ABB views compliance as a part of their core business

Jun 21, 2015

As a manufacturer of electrical equipment, ABB views

Search by brand

- ACI
- BASEC
- ICA
- BEAMA
- Electrical Safety First
- LIA
- Voltimum

Search by topic

- Lighting
- Amendment 3
- Cables
- Counterfeit Operations
- Regulations & Legislation

DOES IT COMPLY? An Initiative Of:

THE INITIATIVE NEWS WHO IS LIABLE? PARTNERS EXPERTS COUNTERFEIT KILLS WHAT SHOULD YOU DO?

DON'T RISK IT

Counterfeit & Non-compliant products

These days, there are many new channels to buy electrical products. However, are the new, cheap products really the same? Does the old adage 'you get what you pay for' still hold true?

News

Read the latest news regarding non-compliant products, product recalls and much more.

Report non-compliant product

Have you come across non-compliant product, report it to us and we will notify the relevant state regulator.

Counterfeit Kills

Read the latest news regarding Counterfeit Kills. Counterfeit kills is an industry-wide initiative for raising awareness and fighting the manufacture, distribution and use of counterfeit and non-

Join the fight against non-compliant products! Sign up to receive regular updates and future training.

First Name *

 Enter First Name

Last Name *

 Enter Last Name

Company

 Enter Company name

DOES IT COMPLY? An Initiative Of:

THE INITIATIVE NEWS WHO IS LIABLE? PARTNERS EXPERTS COUNTERFEIT KILLS WHAT SHOULD YOU DO?

Who is liable? / Wholesalers / Suppliers

Join the fight against non-compliant products! Sign up to receive regular updates and future training.

First Name *

 Enter First Name

Last Name *

 Enter Last Name

Company

 Enter Company name

Email *

 Enter E-mail

Region

Select a region from the list

Type of Business

Select a type of business from the list

Subscribe to receive the latest news from the electrical industry brought to you by Voltimum

Wholesalers / Suppliers

Every Responsible Supplier, be it a person, company or business, which manufactures or imports in scope electrical equipment in the UK must ensure that the equipment satisfies the established regulatory framework. This places the obligation of complying with the British Standards and liability for any damages caused by non-compliant product on you, the wholesaler or supplier/importer.

Importers and manufacturers must also ensure that their appliances meet all safety obligations. Failure to comply could result in significant penalties.

Warning and Advisories

A warning or improvement notice will outline:

- The offence observed;
- The remedial action to take.

This may be accompanied with advice to cease sale and a follow up audit may be made to monitor compliance and any remedial action required. If remedial action is not taken enforcement may be escalated to ensure protection of the public and their property.

Infringement Notices

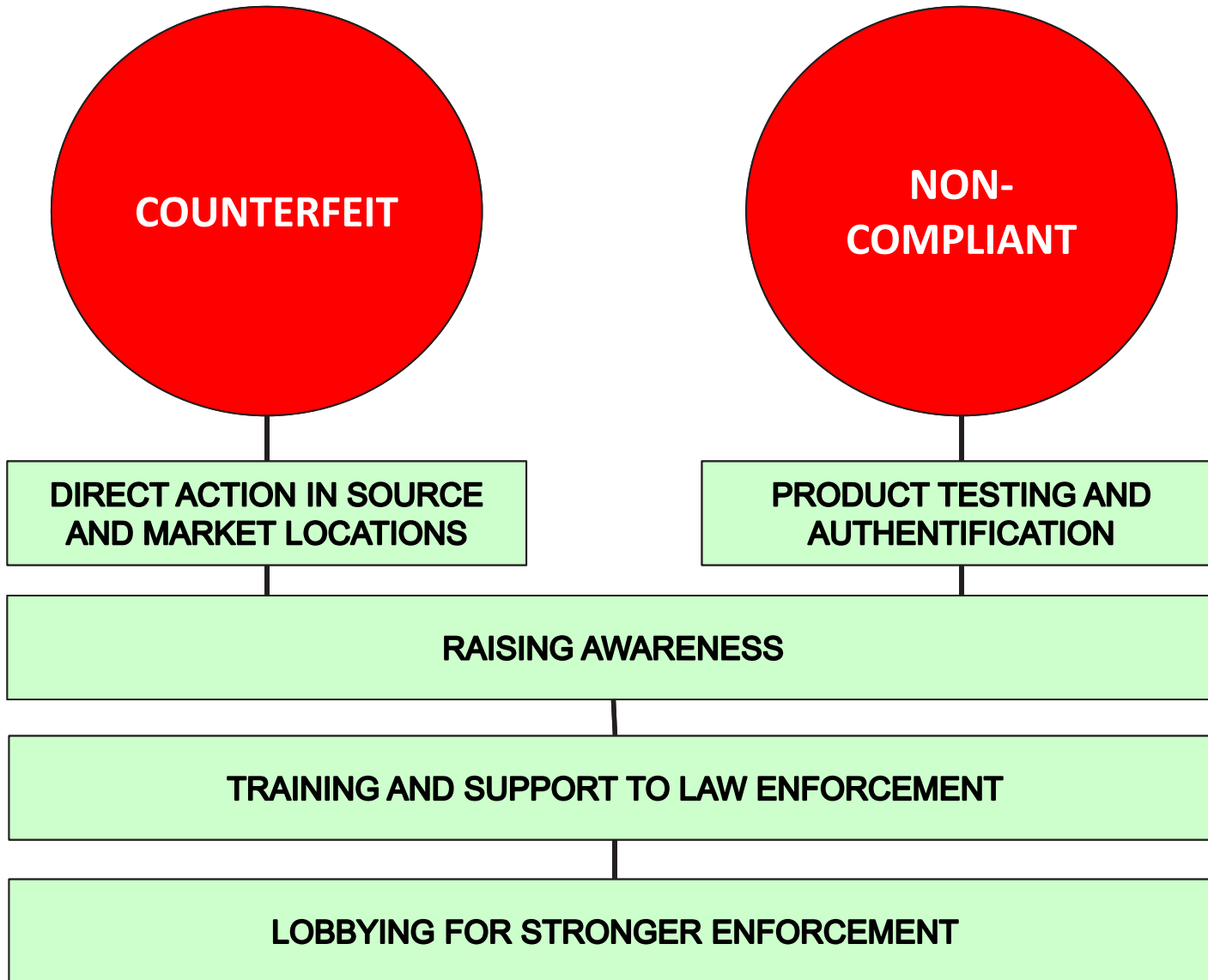
An infringement notice will outline:

- The relevant infringement offence;
- The Responsible Supplier's rights and obligations;
- The amount of the infringement penalty
- The address for payment of the penalty
- Any remedial action to take

About BEAMA

- **200 + member companies** from multi nationals to family owned SMEs
- Focus on current and future **Standards, Regulation and Legislation.**
- **Influence** on Safety, Environmental, Policy and Education.
- **Voice of the Industry** in decision making and information provision circles.
- **Manufacturing** a wide range of products and technologies:
 - Heating, hot water and air movement – all forms of heating and hot water products & controls, water treatment products, mechanical ventilation
 - Transmission and distribution – the electricity network equipment
 - Smart building energy management – smart, energy saving products for the home and non-domestic buildings
 - Electrical installation - products for the residential, commercial and industrial markets
- Representation on 200+ Standards Committees.

BEAMA ACTIVITIES



90% OF FAKE ELECTRICAL INSTALLATION PRODUCTS ARE MADE IN CHINA



OVER **750** CHINESE COMPANIES HAVE BEEN RAIDED AS PART OF BEAMA PROJECTS



OVER **2700 COMPANIES** ON BEAMA'S OFFENDERS DATABASE

-95% are in China

-Information shared with local and international enforcers

OVER **25000 ILLEGAL B2B WEBSITE LINKS** REMOVED IN 2014

-Alibaba

-Made in China

-Over 10,000 removed in first 2 months of 2015

OVER **17 MILLION PRODUCTS** SEIZED AND DESTROYED SINCE 2000

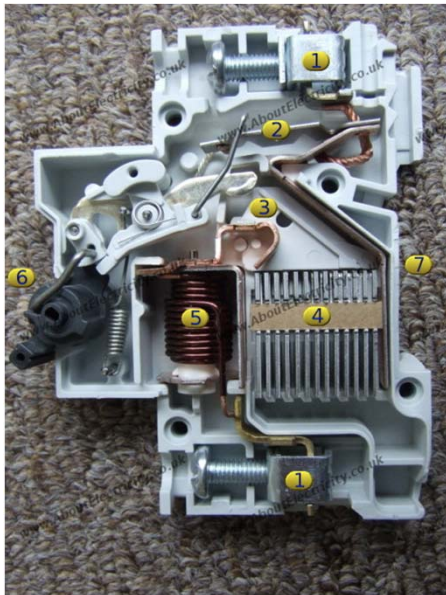


SOME OF THE VICTIMS!!





WHAT CAN LOOK PERFECTLY GOOD FROM THE OUTSIDE



CAN HIDE SOME HORROR STORIES WITHIN !!



- LABELS & PACKAGING
- IDENTIFICATION MARKS
- CATALOGUES
- HOLOGRAMS
- CERTIFICATION MARKS
- TEST CERTIFICATES
- TEST REPORTS
- CERTIFICATES of CONFORMITY





PRODUCTS ARE VERY OFTEN
TRADED UNLABELLED TO
AVOID ACTION, and then
“OEM BRANDED”
AT THE POINT OF SALE



“PASSING OFF” OF
FAMOUS BRANDS

LOOK AGAIN !

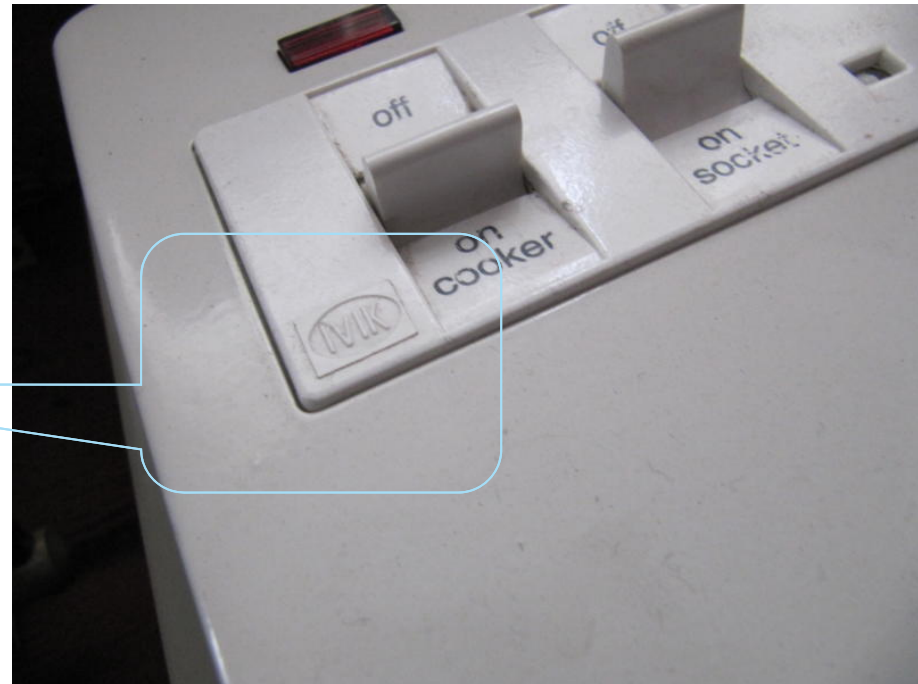


MK

LEGRAND
Hager
Crabtree
Tenby
MERLIN
Moeller
EATON

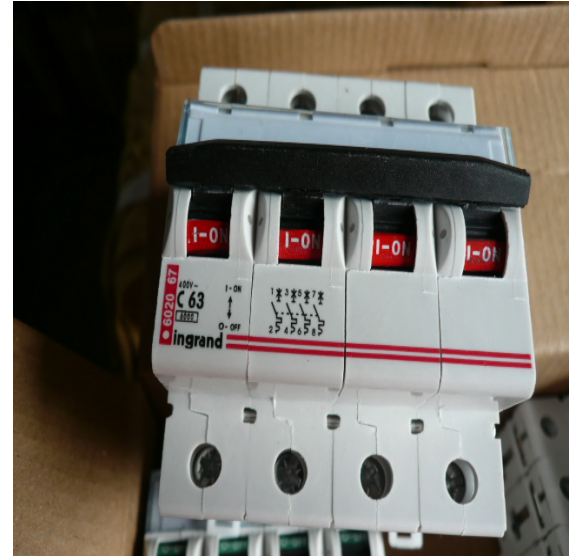
IVIK

LEGEND
Hoger
Crablice
Tonby
IVIERLIN
Moielleir
EATOIV

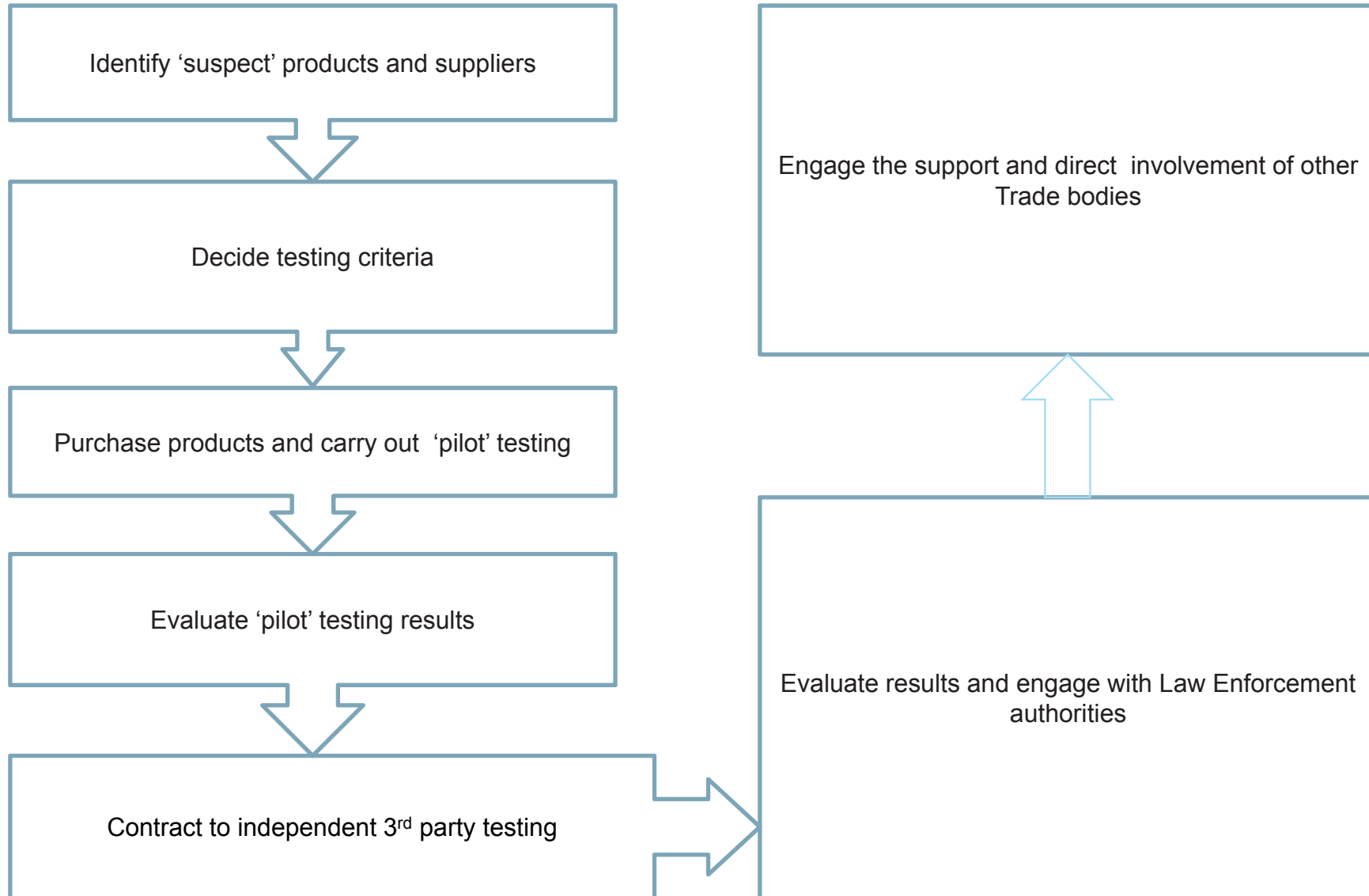


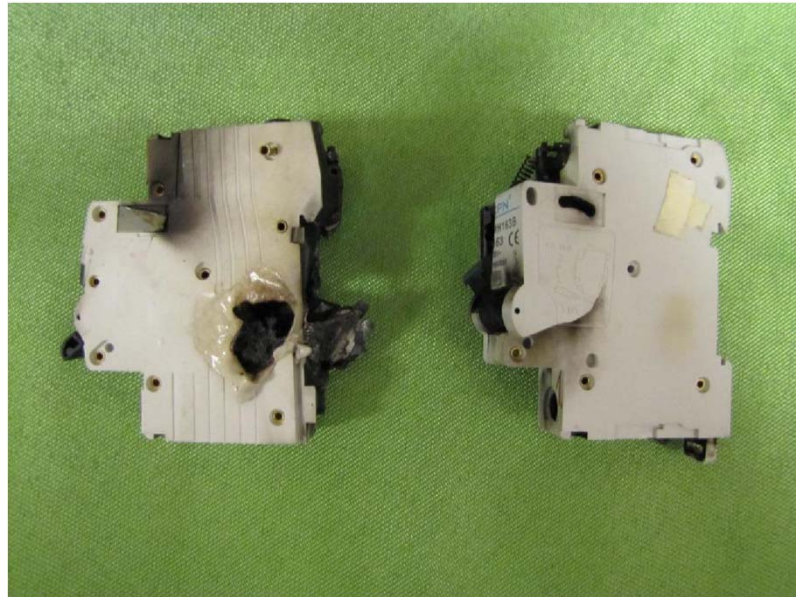
**LOOK-A-LIKES
COPY CATS
BAD FAITH MARKETING**

PASSING OFF



INVESTIGATION PROCESS





BEAMA initiative takes supposedly 10KA mcb's
from the market
and checks for compliance with Standards

2 Suspect brands of mcb literally 'explode'
on Short Circuit test



WATCH OUT!

To the buyer:

- Know the **Products** that you are buying
- Be confident in the **Person** that you are buying from
- Know the **Place** and be cautious about buying from non-authorized channels
- Be alert to bogus certification, look-a-likes and re-engineered products

To the distributor or importer:

- Be aware of your full responsibilities under UK & EU law

And just remember, if the **Price** looks too good to be true
It probable is!!