



Product Safety Bulletin for AFA Members businesses

## What you need to know about: How to conduct a successful recall

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A successful product safety recall has a clear message that reaches all affected people. By law you must notify the Australian Competition and Consumer Commission (ACCC) within two days of any product safety issues which may require a recall. This bulletin will give you some suggestions for how to conduct a recall successfully.

### **What is the purpose of a recall?**

If a consumer good is found to be hazardous it may need to be recalled by the supplier. The purpose of a recall is to prevent injury by removing the source of the hazard. This is achieved by stopping supply of the product, offering consumers a remedy in the form of repair, replacement or refund and warning consumers of the hazard.

### **How do I reach my consumers?**

A recall doesn't have to be an expensive process, especially if you know who your consumers are and where they are located: this means you can target them directly. Often it is best to use a variety of communication methods to maximise your reach. If you are unable to identify who your consumers are and where your products are most likely to be located, you will need to advertise more widely and on a broader scale to ensure a successful recall.

Details of a recall can be shared in numerous ways, including (but not limited to):

- issuing media releases
- advertising on television and radio
- displaying the recall notice in store
- posting the recall notice prominently on your website (e.g. homepage, news and alerts pages)
- emailing your distributor and supplier network
- announcing the recall on your social networking profiles such as Twitter and Facebook
- posting on industry blogs, forums or chat rooms

- releasing information via the same channel used to sell the product
- using word of mouth – including sales and service staff
- publishing notices in printed and online newspapers, magazines and newsletters
- contacting consumers via warranty and service programs
- contacting consumers via loyalty programs (yours and other suppliers selling the product).

## Reporting

Once you have begun recall action, by law you must notify the Australian Competition and Consumer Commission (ACCC) within two days. However, sooner is better so we can review and assist with your recall notice and strategy, and answer any questions you might have. We will also provide advice on what information to include in your progress reports and how often you need to send updates.

You can measure the effectiveness of your recall by counting the number of goods returned to you against those that were sold. We will closely monitor the progress of recalled products that pose a higher risk to consumers.

## Planning for a successful recall

There are some simple things you can do to reduce the impact of a recall on your business:

- Identify your consumers and the best ways to reach them. Use your sales and marketing databases and information from online product registrations and warranty cards.
- Keep details of all suppliers involved in the manufacture, supply and sale of each product.
- Ensure batch numbers are recorded and tracked on products (not just the packaging). This can help you and your distributors and retailers identify affected products and limit the scope of the recall.
- Record details of key components of your products, including batch numbers and supplier details.
- Decide how each product, if recalled, would be collected, repaired or destroyed.
- Considering incentives for consumers to participate in the recall beyond standard repair, replacement or refund remedies (e.g. gift vouchers).
- Consider obtaining recall insurance and/or expert crisis management advice.
- Establish clear delegations of who is responsible for specific recall tasks in the organisation.

## Example case

A parent complained to a kitchenware supplier that a part of their food processor broke off during use and became mixed with their child's food, creating a choking hazard. Thankfully, the fault was detected before the food was served to the child. The supplier tested other units and confirmed the problem. The supplier had

engaged a new manufacturer who changed the material used in this part, making it prone to come loose during use. The supplier immediately halted supply and production until a safer design could be developed.

The supplier also decided that because of the potential choking hazard the affected product should be recalled to provide consumers with a replacement safer product. There were accurate records to show that the new material was not used in any other product lines. The supplier also had specific details of the model, batches and number affected. The supplier notified all businesses in the supply chain and learnt that all of the affected stock had been sold to consumers. He discussed the recall strategy with the ACCC and completed the online ACCC recall notification form.

Many of the affected consumers participated in the supplier's loyalty program so they were contacted directly about the recall. Consumers who bought the product on the supplier's online store were also contacted directly and the supplier wrote to affected consumers who had registered for warranty. The supplier posted a prominent recall notice on its website and Facebook page and tweeted the recall to their followers on Twitter. The recall notice was also published in the supplier's regular sales catalogue.

As the recall progressed, the ACCC requested regular reports that showed a high proportion of returned product.

## Further guidance

It's important to get the recall right the first time—it can be costly and time consuming to revisit it. Recall information is available from [www.recalls.gov.au](http://www.recalls.gov.au)

For more information, you can also refer to the ACCC *Consumer Product Safety Recall Guidelines* by visiting [www.recalls.gov.au](http://www.recalls.gov.au) and clicking through the following links—For suppliers conducting product safety recalls—Consumer Product Safety Recall Guidelines.

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[www.productsafety.gov.au](http://www.productsafety.gov.au)  
[www.recalls.gov.au](http://www.recalls.gov.au)

### *Call us*

ACCC Infocentre: 1300 302 502

Callers who are deaf or who have a hearing or speech impairment can contact us through the National Relay Service: [www.relayservice.com.au](http://www.relayservice.com.au)

Voice-only (speak and listen) users phone 1300 555 727 and ask for 1300 302 502.

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Australian Competition and Consumer Commission  
23 Marcus Clarke Street, Canberra, Australian Capital Territory 2601

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