

Greenwashing: CMA puts businesses on notice

- “Green Claims Code” is published today to help businesses comply with the law.
- CMA to carry out a full review of misleading green claims early next year and stands ready to take action against offending firms.

To help businesses understand how to communicate their green credentials while reducing the risk of misleading shoppers, the Competition and Markets Authority (CMA) has published the Green Claims Code. This focuses on 6 principles which are based on existing consumer law. It is clear that firms making green claims “must not omit or hide important information” and “must consider the full life cycle of the product”.

The Code is part of a wider [awareness campaign](#) which the CMA has launched today ahead of COP26.

The CMA is concerned about people being misled by environmental claims and also wants to ensure that businesses feel confident navigating the law in this area.

Following an initial bedding-in period, the CMA will carry out a full review of misleading green claims, both on and offline (e.g. claims made in store or on labelling), at the start of 2022.

The CMA will prioritise which sectors to review in the coming months, which could include industries where consumers appear most concerned about misleading claims – textiles and fashion, travel and transport, and fast-moving consumer goods (food and beverages, beauty products and cleaning products). However, any sector where the CMA finds significant concerns could become a priority.

Where there is clear evidence of breaches of consumer law, the CMA may also take action before the formal review begins.

Andrea Coscelli, Chief Executive of the CMA, said:

“More people than ever are considering the environmental impact of a product before parting with their hard-earned money. We’re concerned that too many businesses are falsely taking credit for being green, while genuinely eco-friendly firms don’t get the recognition they deserve.

“The Green Claims Code has been written for all businesses – from fashion giants and supermarket chains to local shops.

“Any business that fails to comply with the law risks damaging its reputation with customers and could face action from the CMA.”

Minister of State for Energy and Clean Growth, Greg Hands, said:

“Millions of UK households are rightly choosing to switch to green products as they look to reduce their carbon footprint. But it’s only right that this commitment is backed up by transparent claims from businesses.

“The competition regulator’s new code will help to ensure this with advice on how best to communicate and understand environmental claims.

“Government is also currently reviewing green energy tariffs to ensure consumers can be confident they are choosing companies that make a conscious choice to invest in renewable energy.”

Last year, the CMA announced that it was [investigating the impact of green marketing on consumers](#), in line with its annual plan commitment. Working alongside other global authorities, it found that [40% of green claims made online could be misleading](#) – suggesting that thousands of businesses could be breaking the law and risking their reputation.

The Green Claims Code has been published following [extensive consultation](#) with businesses of all sizes and consumer groups. Businesses should check their green claims against the Code and seek legal advice if they are unsure whether their claims comply with the law.

More information can be found on the [misleading environmental claims](#) case page.

Notes to editors

1. The key piece of consumer protection legislation relevant to the CMA’s guidance is the Consumer Protection from Unfair Trading Regulations 2008 (CPRs). The CPRs contain a general prohibition against unfair commercial practices and specific prohibitions against misleading actions and misleading omissions.
2. For relevant figures and statistics, please read the CMA’s [‘Making environmental claims: a literature review’](#).
3. Examples and case studies can be found in the CMA’s [The Green Claims Code: Environmental Claims on Goods and Services](#).
4. To read more about the CMA’s campaign, please visit: gov.uk/green-claims-code
5. Read more about how the CMA is supporting the transition to a low carbon economy in its [2021/22 Annual Plan](#).
6. Media enquiries should be directed to press@cma.gov.uk or 020 3738 6460.