Dear Norman,

Thank you for your letter of 18 December to the Secretary of State for Digital, Culture, Media and Sport regarding the recent report from University College London and Lloyd’s of London on ‘Internet of Things’. I am responding as the minister responsible for this policy.

The Government is building a world-leading digital economy. We want the UK to be the most secure place in the world to do business online. This includes internet-connected products.

The Government is supporting innovation, including through IoT UK, a three year research and innovation programme, to help advance the UK’s development of the Internet of Things for economic and social benefit. The aim of the programme includes enhancing the UK’s attractiveness for investment, improving the economic viability of IoT applications, products and services, and increasing the participation of SMEs. A number of successful projects have stemmed from the programme, including the Cityerve smart city demonstrator in Manchester, a health and social care project in Surrey focusing on dementia, and the PETRAS academic research hub.

The ‘Internet of Things’ sector is expected to grow significantly, with the average home expected to contain fifteen internet connected products by 2020. Currently, many of these devices sold to consumers lack basic cyber security provisions. This situation is untenable - people’s privacy and safety could be compromised as the wider economy faces the increasing threat of cyber attacks.

The Government published the Secure by Design report on the 7th March 2018 which set out how it will work with industry to move the burden away from consumers having to secure their devices by ensuring that strong cyber security is built into consumer IoT products by design. The report included a draft Code of Practice for industry containing thirteen practical steps to improve the cyber security of internet-connected consumer devices and services. This project stems from the Government’s National Cyber Security Strategy objective that ‘the UK is more secure as a result of technology, products and services having cyber security designed into them by default’. The Government has engaged with the insurance industry to highlight the Code of Practice and to understand what insurance products are currently offered to consumers.

In October 2018, the Government published the finalised Code of Practice for Consumer IoT and an update on other proposals, such as work to create a European standard and a labelling scheme. Additionally, the Government set out that they were conducting work to explore how appropriate aspects of the Code of Practice could be put on a regulatory footing and the Government will be providing an update on this work in due course.
A number of manufacturers made new pledges to implement this Code and the Government are now calling on industry to make a voluntary pledge to implement the Code of Practice for consumer IoT products and devices produced. Pledges are welcome from any organisation no matter how large or small.

The Government will be working with retailers to embed the consumer guidance within their organisation to help ensure that customers have access to up-to-date guidance on setting-up, managing and improving the cyber security of their consumer devices.

Yours ever

Best wishes

MARGOT JAMES MP
Minister for Digital and the Creative Industries