Thank you for your letter dated 17 December 2018, to the Rt Hon Greg Clark MP, regarding the UCL and Lloyd's of London report on the Internet of Things. I am replying as this matter falls within my Ministerial portfolio.

Whilst this matter is a DCMS lead, I and my officials have noted and are considering its contents. The importance of IoT is recognised in the Industrial Strategy and cuts across all four of the Grand Challenges identified by my department as areas where Britain can lead the global technical revolution: healthier, happier lives; innovation AI and data; cleaner, greener UK; and cleaner, more efficient transport. The UCL report clearly demonstrates that smarter, IoT integrated products have the potential to create new business models and reshape existing ones.

Our recent Consumer Green Paper highlighted IoT as a case study bringing both opportunities and risks. At DCMS' request, BEIS policy leads on consumer, competition, product safety and liability policy and regulation have taken stock of potential risks and issues arising from IoT, are keeping a "watching brief", and are part of the cross-Whitehall IoT security working group.

The 'smart home' sector identified in the report is of particular interest to BEIS. The Office for Product Safety and Standards' Strategic Research Program has commissioned research to better aid and inform policymakers on future risks. A current project underway is a report on the safety of domestic appliances subject to third party control. This research includes the ramifications of increased connectivity of domestic appliances to the IoT, involving consultation with numerous stakeholders with an interest in the outcome.

I hope this gives you an insight into the work BEIS is doing to meet the opportunities and risks presented by this important growing sector.