

# UK Regulators Show Unjustified Green Claims in Advertising the Red Light

Article By:

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“Green”, “organic”, “eco-friendly”, “recyclable”, “natural”. These are just a few ‘green claims’ that consumers are increasingly used to seeing on the products and services they buy. However, how accurate are these claims and are organisations using them correctly?

UK regulator, the Competition and Markets Authority (**CMA**), has now published the [Green Claims Code](#) to help businesses understand their obligations under consumer protection law. It contains key principles, which require that all green claims must be truthful, accurate, clear, unambiguous and substantiated. Further, the CMA prohibits claims that omit or hide important information, and requires advertisers to consider the whole life cycle of their products and services when making environmental claims.

The Code is a result of the CMA’s investigation and [consultation](#) on misleading environmental claims. The CMA (with others) conducted [analysis](#) which found that 40% of green claims could be considered misleading and potentially in breach of UK consumer law. Responding to consumer demand for products that have less adverse impact on the environment, the CMA and other regulators such as the UK’s Advertising Standards Authority (**ASA**) are concerned that businesses are engaging in ‘greenwashing.’ Greenwashing is the use of unsubstantiated / misleading green claims.

In publishing the new Code, the CMA has issued a stark [warning](#): from 2022 the regulator will examine environmental claims (online and offline) and take enforcement action against non-compliant organisations. The CMA will focus first on “*textiles and fashion, travel and transport, and fast-moving consumer goods (food and beverages, beauty products and cleaning products)*.” So organisations in these industries of key consumer focus should take note that they are first in the line of fire.

In tandem with the CMA investigation, the ASA launched the “Climate Change and the Environment” project to review their regulation of environmental claims. They too have very recently published a [statement](#) setting out their next steps. On the forecast is new green advertising guidance, research on consumer understanding of “Carbon Neutral” and “Net Zero” claims, and a series of enquiries into areas including aviation, cars, waste, animal-based foods and heating.

The message is clear – the environment is not only in the forefront of consumers' minds, it is what the regulators are considering too. Therefore, organisations should review their current communications in light of the Code and make adjustments where required. New marketing campaigns, especially those making a green claim, should be analysed through the lens of the Code and existing consumer protection law and ASA regulation. Finally, it is key that organisations keep abreast of the new developments in this important and fast-moving area.

*Co-authored by Danielle Jones*

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