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## Consultation Response

**Which? response to the Department for Science, Innovation and Technology (DSIT) consultation on the proposed AI Growth Lab**

**Submission date: 23/12/2025**

### Summary

Which? welcomes this opportunity to respond to the Department for Science, Innovation and Technology's [call for evidence](#) on its proposal for an AI Growth Lab. The AI Growth Lab is proposed as a pioneering cross-economy sandbox for supervising the deployment of AI-enabled products and services that current regulation hinders. The Lab would enable businesses and regulators to trial novel AI products and generate real-world evidence of their impact, which could speed-up regulatory approvals. The AI Growth Lab would use dynamic regulation to pilot and test AI products, by enabling controlled deployment of cutting-edge AI systems within live market environments, with targeted regulatory modifications where necessary.

In our response, we endorse the value of the proposed cross-economy approach over single regulator sandboxes; but we also highlight risks around lack of consistent definitions of consumer vulnerability across sectors; and risks around consumer rights and redress mechanisms across multiple sectors becoming onerous or overly complex for consumers. We also argue that the sandbox should be utilized to identify regulatory gaps where new protections may be required to ensure innovations truly benefit UK consumers and do not impose unmanageable risks on them.

We are pleased that the proposed list of types of rules and obligations that could never be modified or dis-applied during a pilot include human rights and consumer rights and redress mechanisms; but we believe the list should be expanded to include data protection and privacy rights; and protections against discrimination.

Finally, we argue that the institutional model used to operate the proposed Lab must ensure consistent and robust cross-economy co-ordination; clarity on roles, responsibilities, and governance; and transparency and accountability. Consumer outcomes must also be monitored, across both the intended consumer benefits and any possible consumer harms.

## Full response

### Q7. What advantages do you see in establishing a cross-economy AI Growth Lab, particularly in comparison with single regulator sandboxes?

The experience of Open Banking shows how in the digital economy, measures that might initially be designed for a narrow purpose can unlock much broader value through enabling innovation in digital products and services, attracting investment and creating jobs. Similarly, [sector-specific data can catalyse innovation in other sectors](#) - for example, data about consumers' retail habits can be relevant to products and services in the health sector.

For this reason, we welcome the proposed cross-sector approach to exploring AI innovation and use-cases - recognising that these use-cases may draw on data from diverse sectors, or may introduce new kinds of digital products and services that work across more than one sector.

### Q8. What disadvantages do you see in establishing a cross-economy AI Growth Lab, particularly in comparison with single regulator sandboxes?

Q15 indicates a proposed list of types of rules and obligations that could never be modified or dis-applied during a pilot, or eligible for temporary modification or disapplication within the Lab, that includes consumer rights and redress. However some aspects of consumer rights or consumer redress mechanisms can vary across sectors. And so for cross-sector use-cases, it is vital that there is clarity for consumers about the relevant rights and redress mechanisms, and that redress claims do not become onerous because of the cross-sector complexity (cf our response to Q21 on consumer harms).

There is no consistent definition or criteria of consumer vulnerability across sectors, because each sector regulator has its own approach tailored for sector-specific risks and harms. This means that consumers in positions of vulnerability cannot be confident of this being recognised across sectors, or being able to access consistent protections or support for it across sectors.

Additional challenges to cross-sector join-up around consumer vulnerability are that positions of vulnerability are not binary ([as noted by the CMA in 2019](#)); and positions of vulnerability can be contextual and change over time ([as noted by UK Regulators Network in 2020](#)). This means that even if a cross-sector definition for consumer vulnerability was established, a consumers' status in relation to it could be fluid.

As the intent of the proposed cross-economy AI Growth Lab is exploring cross-regulator AI use-cases without diminishing public trust in AI, it is vital that these cross-sector considerations around consumer redress and consumer vulnerability are proactively addressed in the Lab design.

## **Q13. What lessons from past sandboxes should inform the design of the AI Growth Lab?**

In designing the AI Growth Lab, we consider these elements to be good practice in sandbox design and delivery:

- Having a “sandbox plan” with clear operational information and parameters such as the participation objectives and scope of the sandbox activities; information about the applicant and the AI system in use; risk management safeguards; plans for future testing in real world conditions.
- Liability to third parties is not prejudiced, even if participants have some assurances on whether or not regulators might target them.
- The power to extend sandboxes to strengthen early insights; or to suspend sandboxes if early results are harmful.
- When a sandbox ends, rigorous but accessible exit reports are freely available for transparency and for wider learning from the outcomes of the sandbox activities.
- Post-sandbox evaluation of the effectiveness and impact of the sandbox.

These design elements should also be aligned with our responses to Q8, Q18 and Q21 on monitoring for consumer outcomes and mitigating consumer harms.

## **Q15. We propose that certain types of rules and obligations, such as those relating to human rights, consumer rights and redress mechanisms, and workers’ protection and intellectual property rights, could never be modified or dis-applied during a pilot. What types of regulation (particularly legislative provisions) should not be eligible for temporary modification or disapplication within the Lab (e.g. to maintain public trust)?**

We believe the proposed list of types of rules and obligations that could never be modified or dis-applied during a pilot, or eligible for temporary modification or disapplication within the Lab (to maintain public trust), should be expanded to include data protection and privacy rights; and protections against discrimination.

In addition, the sandbox has been positioned as a way to identify opportunities for streamlining specific rules and speed-up regulatory approvals. While identifying regulatory barriers is important for some innovation, focusing solely on deregulation is a missed opportunity. The sandbox should also be utilized to identify regulatory gaps where new protections may be required to ensure those innovations truly benefit UK citizens and do not impose unmanageable risks on them.

## **Q16. What oversight do you think is needed for the Lab?**

- Parliamentary scrutiny when modifying or disapplying regulations within the Lab

- A Statutory Oversight Committee made up of sectoral regulators and independent experts
- Public transparency and reporting

## **Q18. What criteria should determine which organisations or projects are eligible to participate in the Lab?**

Your innovation will benefit consumers

## **Q20. What is your reason for selecting this institutional model?**

Whether the AI Growth Lab is run by central government or by a lead regulator, it is vital that it is operated in the following way:

- There must be consistent and robust cross-economy co-ordination - minimising fragmentation in the landscape, and/or imbalances or blindspots around in information or expertise from different sectors
- There must be clarity on roles and responsibilities for all actors involved in the Lab and the sandbox.
- The governance of the Lab must be clear, and it must be run with transparency and accountability

## **Q21. What supervision, monitoring and controls should there be on companies taking part in the Lab?**

Consumer outcomes should be monitored, across both the intended consumer benefits and any possible consumer harms. Harms to consumers can present in a wide range of ways, including time harm through lost or wasted time for a consumer; financial harm through monetary loss for a consumer; psychological harm through negative impacts on a consumer's emotional well-being, mental health or relationships; and physical harm through negative impacts on a consumer's physical well-being or the physical safety of their environment.

When monitoring consumer outcomes, particular attention should be paid to:

- (1) Existing areas of consumer detriment in the relevant markets;
- (2) Possible differences in the distribution of detriment across different consumer groups;
- (3) Ways in which cross-sector innovation can be a source of new kinds of risks for consumers (see response to Q7 and Q8);
- (4) Ways in which harms can be cumulative over time or compounded across sectors
- (5) AI as a technology that might amplify existing consumer detriment or exacerbate existing distributional differences; and AI as a technology that might create new kinds of harms.

**Q22. Do you think a successful pilot in the AI Growth Lab would justify streamlined powers for making changes permanent, as opposed to following existing legislative processes which would take considerably longer?**

No

## **About Which?**

Which? is the UK's consumer champion, here to make life simpler, fairer and safer for everyone. Our research gets to the heart of consumer issues, our advice is impartial, and our rigorous product tests lead to expert recommendations. We're the independent consumer voice that works with politicians and lawmakers, investigates, holds businesses to account and makes change happen. As an organisation we're not for profit and all for making consumers more powerful.

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