

Dr Andrea Coscelli
Competition and Markets Authority
The Cabot
25 Cabot Square
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10th November 2021

Dear Andrea Coscelli,

Environmental sustainability advice to government: Call for inputs

Energy Saving Trust is an independent organisation dedicated to promoting energy efficiency, low carbon transport and sustainable energy use. We aim to address the climate emergency and deliver the wider benefits of clean energy as we transition to net zero. We empower householders to make better choices, deliver transformative programmes for governments and support businesses with strategy, research and assurance – enabling everyone to play their part in building a sustainable future.

We welcome the ways in which the CMA suggests that the UK consumer protection framework could be strengthened further to support sustainable consumption and our journey to net zero. In response to the call for input, we have provided commentary on the three areas under consumer protection: environmental information requirements, obsolescence and over-consumption.

For environment information requirements, we have focused on the impact that standards and regulations can have on improving the efficiency of products on the market, as well as the importance of consumer engagement and education so that consumers can make more informed purchasing decisions. We have also explored measures that would ensure the repairability and durability of products is accounted for in consumer protection law to rescue products from obsolescence. Finally, we believe the extended producer responsibility principle is crucial to prevent over-consumption.

Overall, we would welcome a conversation about the issues raised in the consumer protection area based on our experience and expertise in the sector which we have highlighted below.



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a) Environmental information requirements

▪ **Standards and regulation**

- Designing policies that ensure we remain within planetary boundaries means reducing the impacts of the products we produce – such as regulations and standards to improve the efficiency of everyday products, reducing their environmental impact and cutting electricity bills for consumers.
- Eco or energy standards would move inefficient products off the market by setting minimum energy performance levels of products, thus mandating energy efficiency requirements of products within certain timeframes. This raises the efficiency level of products, reduces energy costs, reduces carbon emissions, protects consumers, and increases market efficacy and competition – encouraging manufacturers to reduce the energy consumption and other environmental impacts of products at the design stage. The EU have ecodesign standards which set mandatory environmental requirements for many energy-using and energy-related products but with scope to add more products to this legislation. There is then the ecolabel but it currently only voluntary .
- Eco or energy design regulations would set obligations for transparency of a product's resource efficiency, at any point in the product lifecycle from product manufacture to end-of-life (cradle-to-grave). These requirements are set to regulate the product's consumption, emissions, pollution and waste generation. They can also set design regulations for the product's durability, repairability, recyclability and ease of material recovery, thus helping to reduce the carbon footprint of the regulated product. As suggested, disclosure of such information could also be achieved by amending the definition of material information that people must be given under consumer protection law, to include specified aspects of environmental information.
- Introducing these standards and regulations into consumer protection law would improve the comparability of products and enable consumers to make better decisions on which products to choose, and would also create a level playing field for businesses
- To highlight refrigerants as a specific example, there is an excellent opportunity for the UK to go beyond the existing EU regulations on high global warming potential (GWP) refrigerants with significant potential to reduce/avoid CO₂ emissions by incentivising the uptake of existing alternatives in the market. Current EU regulation sets out a manufacturer bonus for those who reduce the GWP refrigerant content of their devices. The uptake of this bonus has been minimal. Much of the regulation regarding these compounds looks set to be covered in the EU

by the provision for F-Gases. We believe that eco-design measures in this product class could complement similar F-Gas regulation in the UK. Uptake of alternative refrigerants has been slow for both fixed and portable air conditioning, illustrating that the mix of incentives and regulation is not currently effective. In practice this means that the GWP of AC units is higher than it needs to be given that suitable alternatives already exist. Not taking measures to address this and encourage an early transition to alternatives will mean high levels of high GWP refrigerants will persist in the market, negatively impacting consumers who will face high maintenance costs due to their increasing scarcity – this may encourage consumers to dispose of otherwise functional units earlier than necessary, contributing to poor resource efficiency. These issues will only grow in prominence as more households and businesses opt to install AC units as the climate warms. We suggest that the manufacturer bonus be enhanced with a sliding scale of bonus so that those manufacturers who show ambition and take the lead are rewarded more. It should also be made clear to consumers which products are using natural refrigerants and/or low GWP (<150 GWP) refrigerant via a pictogram on an energy label.

- Furthermore, this will be particularly relevant seeing as heat pumps also use refrigerants and have recently been announced as central to the government's Heat and Buildings strategy. Heat pumps are one of the key technologies that will support the UK housing stock to decarbonise, as they capture heat from outside and move it into homes. As a heat pump captures heat that is already present in the environment, the system itself emits no carbon dioxide emissions. As the heat pump market is now expected to take off as they start to be installed in most UK homes, measures should be implemented now to avoid denting confidence in them as they begin to be rolled out.
- As well as being more ambitious in our desire to include the suggested elements of sustainability above, we should also look to include a label or mark that identifies when products or materials are made from recycled content as well as being recyclable themselves. Many producers market their products by referring to this information but there is no universal system for verifying these claims.
- **Consumer information and engagement**
 - More and more consumers are motivated to do more and play their part, with Within the, 91% of participants in the UK [Citizen's Climate Assembly](#) being in favour of greater resource efficiency and standards. Furthermore, [Which?](#) found that nine in ten wanted clear information on how long a product is likely to last (90%) and clear energy labelling of products online and in store

(87%), eight in ten think more information on repairability of products (83%), recyclability (84%) or having a trademark/badge to show a product had been manufactured in a sustainable way (82%) would be beneficial.

- However other studies show that consumers do not understand all the elements of the energy label when making an investment in an energy efficient product. As a consequence, consumers are left confused by the current consumer information provision and fail to make cost-effective investments in energy-efficiency when purchasing a product. Clearer labelling on products they buy, and an overall communications campaign would positively influence consumer choices.
- Eco or energy labels display the environmental benefits and ratings of technologies, including metrics for efficient products that are reusable and recyclable, allowing consumers to make informed decisions on the most energy and resource efficient products. Labels also encourage and influence manufacturers to produce more efficient products. Many producers market their products by referring to this information but there is no universal system for verifying these claims – an established mechanism where labels recognise the most efficient products in terms of performance and quality would drive competition and innovation, giving more sustainable options to consumers.
- Information requirements would also to give consumers more information on what they are using and purchasing and could include additional voluntary labelling for positive product features and digital labels, which allow a consumer to scan a QR code to learn more – Energy Saving Trust led the EU consortium that developed and tested the digital label as part of the [Digi-Label programme](#). Such information could also include the expected lifetime and reparability.
- An effective campaign for consumers is also important to increase awareness and trust, and ultimately prompt more informed decision-making among the public. It may be beneficial to roll this out through local authorities, so the information is specific to a local area and what services are available there. For example, the EU has decided to have only 'A to G' energy labels in order to make it easier for consumers to understand and compare products. To prevent confusion amongst consumers, the EU have rolled out a specific EU-wide information campaign to ensure they understand the energy use of products they are buying. A new element to the labels is also a QR code so consumers can use their smartphones to scan the codes and get additional information, showing how digital tool scan be one way of effectively engaging with consumers.

- Energy Saving Trust has extensive experience of using consumer and industry-focused campaigns to increase awareness of programmes. We administered the Energy Saving Recommended (ESR) Scheme and the associated consumer information and awareness raising efforts for a 10-year period spanning 2000–2010. The ESR was a UK energy-efficiency product certification scheme, designed to improve energy efficiency standards in home products by showcasing the best performing products. The scheme was promoted through national marketing and communications campaign in partnership with retailers and manufacturers (online, in-store, at consumer and trade events like the Ideal Home Show and Lighting Show, national TV, radio & print advertising “look for the logo”) and supported by telephone advice and information services – national hotline and network of local advice centres). We found that taking this comprehensive approach to consumer engagement paid dividends.
- We are also a member of the British Standards Institution (BSi) and, over the past three years, have been an active member of the BSi Consumer and Public Interest Strategic Advisory Committee, the BSi Consumer and Public Interest Network and the BSi Consumer Forum.
- Today, we continue to self-fund provision of consumer facing information (online) and have either led consortiums of EU partners or been partners in a number of EU funded (Intelligent Energy Europe (IEE) followed by Horizon 2020) projects – we would be open to sharing and discussing our experiences with these projects.

b) Obsolescence

- Although some obsolescence occurs with innovation, most consumers in the UK want more durable and repairable products – using products for longer increases resource efficiency and helps offset embodied carbon emissions associated with production.
- We agree that there are further opportunities to modify consumer protection legislation to ensure that consumers can make informed decisions about the likely life of a product they want to purchase. Without information on expected lifetimes consumers are generally unwilling to repair an item if the cost will exceed the purchase price. We welcome the suggestion that clarifying that the repairability and durability of a product is ‘material information’ for the purposes of consumer protection law.
- **Repairability**
 - To create a functional and resilient market, consumers must also be incentivised to repair their products rather than buying new. This means addressing the financial aspect of this choice as

well as the considerable 'hassle factor' that comes with repairing particularly large items or items that aren't commonly repaired currently. Without considering these issues many consumers may opt to buy new rather than repair, particularly if the cost of a new product is comparable to repairing their existing one.

- Creating an effective market will also mean preventing any perverse incentive to produce products that need to repeatedly be repaired – a kind of adapted engineered obsolescence. This could involve creating warranties for individual new and replacement parts, as well as entire products, encouraging repair as an option rather than always replacement.
- We are concerned that for products where compatible parts can only come from the brand itself or can only be repaired by the brand itself as this can limit consumers' ability to repair products and extend their use. This could be resolved by ensuring some parts are made to be generic for a certain product regardless of the brand, eg a mobile phone
- We also recommend something around courtesy products for 'essential' items, such as washing machines, fridge freezers etc. as a guarantee when the product is under warranty or insurance – this would be akin to the current model of repair for cars and remove some of the hassle factor for the consumer of having to be without the product whilst it is being repaired.
- When considering repairability and how to engage consumers in this concept lessons could be learned from the existing mandatory French repairability index label which covers washing machines, TVs, laptops and electric lawnmowers. [DG Justice's behavioral study on consumer engagement in the circular economy](#) describes how effective resource efficiency labelling could be in shifting purchasing decisions towards products with greater durability and reparability. Creating a webpage where consumers can search for repair services in their area could be a useful edition to a wider campaign such as the government-funded scheme [Resource Efficiency Wales](#) which operates an online repair directory that offers a good model for such an approach.
- Around the issue of tackling obsolescence, this should include component parts as well as whole products so that a perverse incentive is not created to manufacture products that need frequent repair. Consumers or independent repairers should be able to disassemble, repair and replace component parts without permanent damage to products. The ability for consumers or independent retailers to repair products more easily could be enhanced by implementing the following:
 - Improving the availability of spare parts, including:

- Duration of supply – all spare parts should be available during the average product lifetime, i.e. 12 years after the last unit is supplied.
 - Maximum delivery time – A maximum delivery time of one week for spare parts should also be specified.
 - Prevent bundling of spare parts
- Ensuring that spare parts can be replaced, and appliances dismantled with commonly available tools
- Making repair and maintenance information freely available – repairing and not buying will require a culture shift
- **Durability**
 - Products which are most often thrown away and end up in landfill often also have the shortest shelf life and should be prioritised for action and regulation alongside those products which take the longest to breakdown or cannot be recycled at all.
 - We should safeguard the finite resources required to manufacture our renewable generation and battery storage assets by preventing these resources from going to landfill. For example, it should become common practice for EV batteries nearing the end of their life to be repurposed to store electricity generated by small solar arrays or to be used in smaller vehicles. To assist this, some universal design principles for batteries would be beneficial so that they can be easily transferred to new machines.
 - As well as taking a stand against the premature obsolescence of physical products, it is our view that this should encompass software-prompted obsolescence. Currently, many electronics become hard-to-use or completely obsolete because the company no longer provides software updates for older models (see: <https://www.ft.com/content/40496fb7-73c9-47fa-8fce-56f6b03cc6ca>). Considering software products in terms of energy and resource efficiency may seem counter-intuitive, but the energy requirements of different software packages, especially after upgrades, can be a significant determinant of how long a consumer will retain a given related hardware product – impacting on durability and resource efficiency. This approach has been considered under the 'Blue Angel' programme which seeks to minimise the energy requirements of software and provides a blue angel label for high-achieving software. There is also a strong public engagement angle as personal electronics are the most expensive thing that consumers regularly replace and there is already a real awareness of the premature obsolescence issue – an ambitious pilot study in this area is likely to engage the public to a greater degree than elsewhere.

c) Over-consumption

To tackle the nature and climate crises, we must all think about the products we consume, their likely lifetimes, embedded carbon and how efficient they are in terms of resources and energy efficiency. However, this does not fall on consumers alone, producers have much more to answer for so that consumers can use their purchasing power to choose environmentally friendly goods. As mentioned above, we believe modifications to consumer protection law are necessary, and agree that by going further and examining UK marketing practices would also help to tackle misleading information or practices which leads to the over-consumption of products.

We also support the 'extended producer responsibility' as a key policy tool that gives producers responsibility for the impacts their products will have at the end of their life. By making producers responsible (rather than consumers), this feeds back into the supply chain and creates a circular approach to a product's life. This would contribute to establishing a circular economy and could have a significant impact towards preventing packaging pollution, leading to reduced unnecessary packaging, increased innovation, and recirculating the packaging we do use.

We would be very happy to discuss the contents of this response with you further.

Yours sincerely