

Emailed to: [misleadinggreenclaims@cma.gov.uk](mailto:misleadinggreenclaims@cma.gov.uk)

16 July 2021

Dear Sir/Madam,

### **CMA Draft guidance on environmental claims on goods and services**

I write in response to the CMA consultation on draft guidance on environmental claims on goods and services. In our response to the CMA Misleading Environmental Claims: Call for Information last year, we mentioned that to achieve net zero, consumers and business will need to engage with new products and services and the importance of building consumer and business trust and confidence, with clear information that the products and services they buy are fulfilling their environmental intentions.

As we mentioned in our previous response and referenced in your Literature Review, our recent Consumer Action Monitor Survey in 2020 indicated that green credentials are important to consumers and businesses. So, we think this draft guidance will be timely and should help assist businesses in thinking how they position their environmental claims.

### **Answers to specific questions:**

#### **Scope**

#### **Does the draft guidance cover all the important consumer protection law issues relating to the making of environmental claims? If not, what else should this guidance include and why?**

The guidance seems comprehensive in its coverage of consumer protection law issues relating to the making of environmental claims.

#### **The draft guidance applies to business-to-consumer relationships, and to a more limited extent, to business-to-business relationships. Is it helpful to cover both?**

We think it would be helpful to cover both business-to-consumer and business-to-business relationships. Depending on the size and type of businesses, they may or may not have an understanding of environmental claims and it would seem sensible to provide the same guidance to business-to-business relationships to help build trust and confidence in this area.



**The draft guidance, and UK consumer protection law itself, applies across all sectors of the economy and to all businesses selling goods and services. Are there any sectors which require special treatment either in the draft guidance or separately? If so, which sectors and why?**

It may make sense to require business to provide more support or information around environmental green claims with products and services where consumers are less familiar with them or where they involve considerable cost and/or disruption to the consumer.

### **Principles for compliance**

**The guidance sets out six principles for business compliance with consumer protection law to avoid 'greenwashing'. Are these principles the right principles under consumer protection law? If not, what other principles would help businesses comply with consumer protection law.**

The principles that claims must be truthful and accurate, clear and unambiguous, not omit or hide relevant information, be fair and meaningful, consider the full lifecycle of the product, and that claims can be substantiated feel appropriate under consumer protection law to avoid 'greenwashing'.

### **Case studies**

**To help businesses engage with the principles, guidance and consumer protection law compliance more generally, we have included a range of case studies. Would further case studies be helpful? If so, please suggest topics for these case studies and, if possible, provide examples of when these issues would arise.**

We think that the case studies and examples included within the guidance are helpful, in particular, case study 3 (pages 36 – 37) which relates to the selling of energy tariffs. As businesses adapt to thinking about the full value chain of their products and services to ensure that these abide by the principles, there may be a need to provide additional case studies and sharing of best practice. This may be particularly useful in areas with new products, service or technology, which consumers or businesses may be less familiar with.

At the moment, we do not receive a large number of complaints relating to the mis-selling of energy tariffs on environmental grounds. However, this may be because if the mis-selling of tariffs exists it is difficult for consumers to become aware of this. We do think there is an opportunity for businesses to do more to demonstrate and communicate more effectively to their consumers the validity of their environmental claims. Again, the CMA's draft guidance is timely.

In a recent complaint we received, a consumer wanted more information about where their energy supplier sourced its energy from. So additional information above what was in the Renewable Energy Guarantee of Origin (REGO) Certificate provided. As you will know, the REGO certificates are provided to energy suppliers to demonstrate that they have purchased energy from renewable sources. While the supplier is able to point out their use of the REGO scheme, the question about the origin of the energy highlights the level of transparency and clarity of information that consumers may want in the future to provide them with trust and confidence around the green credentials of the products and services they are purchasing or using.

Please do not hesitate to contact us if you would like further information regarding our response. Our response is not confidential.

Your sincerely,  
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[Redacted signature]

**For more information regarding this consultation please contact:**

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