

Making repair the most attractive option for consumers and retailers

Key messages

- 1 EuroCommerce supports the establishment of a **culture of repair and reuse** in Europe.
- 2 **Make the right to repair the most economically feasible, sustainable and attractive option** to consumers, retailers, repair service providers and producers. For businesses it makes sense to offer repair if this covers the costs of repair with a proportionate margin.
- 3 EuroCommerce supports **extending the scope of the Ecodesign Directive**.
- 4 A right to repair should be a **self-standing initiative**. Extension of the legal guarantee is not appropriate as this is much wider.
- 5 **A repair necessary for a defect falling outside the non-conformity legal guarantee should not be for free**, this should encourage consumers to properly use the products they have purchased.
- 6 The **trader is best placed to assess what is the most sustainable remedy** in case of a product defect. Repair is often but not always the most sustainable option.
- 7 **Information to consumers should be meaningful and effective in order to help them make sustainable choices**. Harmonised rules at EU level should also make it easier for businesses to provide information in a coherent and structured way.
- 8 **Retailers are dependent on producers to provide them with product (sustainability) information**.
- 9 Retailers often provide consumers with an additional **commercial guarantee** on top of the legal guarantee when they purchase a product or service. We urge the EU institutions to take this business model into account.
- 10 To be able to provide efficient, effective and high-quality repair one needs to have sufficient **data about the product and its defect**.

Introduction

EuroCommerce welcomes the European Commission initiative on repair and reuse and we are committed to establish a circular economy. Retail and wholesale play an important role in the circular economy as the interlocuter between the consumer and the manufacturer. We provide our customers with a wide choice of products and services, all relevant and legally required information for affordable prices. Especially retail is a consumer driven industry, where consumer demand will shape retailers' offer. In this sense, we wholeheartedly welcome the support and promotion of a more sustainable lifestyle, as this will allow retailers to provide more and better sustainable products to consumers.

Our sector is usually not the producer of products, but resells products from producers to consumers (retail) and to other businesses (wholesale). Some of our members assume the responsibility of the producer when they import products from outside the EU or sell them under their own brand. We check whether all the legally required information is on the product, but we depend on the producer¹ to provide us with that information (e.g. composition, safety, traceability, sustainability, etc.). Retailers and wholesalers may facilitate repairs for consumers, may repair products themselves, also after expiration of the legal guarantee.

For consumers, the retailer (trader) is often the first point of call when a consumer has questions or when something is wrong with the product. Retailers provide them with remedies (replacement, repair, reimbursement) and advice. Information labels on products are instrumental to provide consumers with more information, but at the same time, there are already so many labels that consumers may be overloaded with information. It is important to ensure that the information on a label is meaningful and effective. Consumers will likely just read a few labels before making a decision. So far price is still the main point of reference for the majority of consumers.

Establish a culture of repair and reuse

Lawmakers, industry and consumers should focus on establishing a culture of repair and reuse. Meaning that consumers, traders and producers view repair as the best option, when it is the most responsible choice from a sustainable and cost perspective and discarded products get a second life. Introducing a legal right to repair is just one instrument of promoting a more circular economy. Nevertheless, by itself will not change consumer behaviour. Consumers may opt for a new product because it is affordable, a newer design, more sustainable, etc. The EU institutions and stakeholders need to work together to create the right and positive incentives that will make repair the default option to consider when a product is defect, a right to repair will only complement that.

Retailers and producers already regularly offer commercial guarantees to consumers that go beyond the legal guarantee. However, repair still has a cost e.g. for labour, logistics, repair itself, etc.). Labour costs are an important element of a repair and this differs per country, this also means above a certain repair cost compared to the purchase price, repair is not economically the most logical option. For this reason, the need to apply a principle of proportionality to a defective product, must continue to be upheld. Financial incentives for consumers and businesses to make repairs more attractive and increasing and building a more competitive market for repair are necessary.

At this stage, we call upon the Commission to assess what the best approach would be to encourage repair, whether this should be a legal initiative or perhaps first a broad communication or action plan that would focus more on establishing a culture of repair and reuse.

Right to repair part of the bigger picture

We welcome the debate about the right to repair for consumers but a number of issues needs to be resolved first to make such a right economically feasible, the most sustainable option possible and attractive to consumers, retailers, repair service providers and producers. If we want to create a circular economy, the right to repair is a useful instrument. But it needs to be complimented by other measures.

¹ For own brands, the producer manufacturing the products for the retailer or wholesaler would provide that information. For imported products, the non-EU manufacturer or its authorised representative would provide that information.

First of all, the right to repair is probably most appropriate as a self-standing initiative that would address all elements attached to it e.g,

- [Which products should be covered and for how long](#)
- [Consumer choice and preference](#)
- [Information to consumers at the point of sale](#)
- [Product information to traders by the supplier / producer](#)
- [Availability and costs of spare parts](#)
- [Costs for repair](#)
- [Access to repair information](#)

Below you will find a more elaborate explanation of our points.

Which products should be available and for how long?

Extend scope of Eco-design Directive to more products

Retailers and wholesalers share the goals of the Green Deal and welcome the review of the Eco-design Directive as a key initiative to implement the Circular Economy Action Plan. It will contribute to providing the necessary policy instruments to address the overall challenge to make products more sustainable. We support that the Eco-design Directive would include more products, also non-energy related products. Up to 80% of product's environmental impacts are determined at the design phase.² This will make products more sustainable by increasing durability and reparability. We recommend following an evidence-based methodology similar to the working process laid down in the Eco-design Directive and the Energy Labelling Framework Regulation, looking at scientific data to set clear requirements per product category. We support a product-specific approach to find solution on a product-by-product basis, bringing together needs from a circular, safety and quality perspectives.

Durability and reparability of products differs greatly

Consumers have a wide choice of products, and between product categories reparability and durability differs greatly e.g. washing machines, smart phones, a chair, a t-shirt, curtains, a coffee machine. It will be impossible to have a one-size-fits all approach³ and this may already be challenging between products within the same product category. A cheaper and expensive version of a product may be equally repairable and durable, but from an economical perspective replacement of the cheaper version may be more logical than repair. The product-by-product approach in the Eco-design Directive is well-fit to deal with this.

Consumers may also have other reasons than a defect to discard a product and opt for a new one e.g. the current product is out of fashion, there are more sustainable versions on the market that are more energy and water efficient, new materials improve performance, etc. In addition, for example for textiles, *reuse* is often considered the most sustainable option and not repair.

In this context, the expertise of the trader and the producer will be instrumental to decide what is the most sustainable option when a consumer has a defect product. Traders have the overview of the different remedies available, know comparable products on the market and those that will soon come in place, know what the most sustainable and cost-efficient solution is and can adapt to new market innovations.

The durability of a product will also heavily depend on the use of the product by the consumer. The more frequent or intense a product will be used, the more likely it will wear down sooner. It is important to take this into account when assessing the right to repair.

Consumer choice and preference instrumental

The Commission is considering removing consumers' existing right to choose between a repair and a replacement. Instead, it is being considered that repair should be the primary remedy and that

² Circular Economy Action Plan, European Commission,

³ In line with EP IMCO study, Promoting product longevity, April 2020

replacement should only be considered if repair is not possible. This will not be sufficient to establish a culture of repair and reuse. **The choices and preferences of the consumers at the moment of purchase, the use and end of use of the product will be instrumental.** In this context, it is important to make repair the most attractive option for consumers and depend on the expertise of the trader but not force overly costly or less sustainable repair.

Especially the way products are used influences their durability. According to [Special Eurobarometer 503](#), “attitudes towards the impact of digitalisation on daily lives”, the most common reason for buying a new electronic device is damage to the old one by the consumer himself. Unfortunately, consumers do not always follow the operational instructions of products leading to defects at an early stage. Therefore, we should be mindful about introducing a right to repair. This should lead to longer and proper use of products and not lead to abuse where some may feel damages will always be repaired for free. In other words, **a repair necessary for a defect falling outside the non-conformity legal guarantee should not be for free, this should encourage consumers to properly use the products they have purchased.**

Also, research conducted by the Swedish Retail Research Institution during December 2021 and January 2022 about when consumers want to replace a broken product says:

- 41% buy a new one
- 31% used the legal guarantee
- 16% repaired the product
- 11% bought a new one or second hand
- **Only 1 out of 5 wanted to repair the products themselves.**
- More than 50% of consumers are not willing to pay more than 10% of the price of the products for the service of repair.

Furthermore, a [study of the German Environment Agency](#) revealed that one third of products are discarded by consumers while still working.

Obviously, there are many studies which may have diverging results, which is no doubt also influenced by local preferences and still diverging consumer rights across the EU. Therefore, we would call upon the EU institutions and stakeholders to establish EU and national campaigns that will encourage and empower consumers towards more sustainable behaviour. This could be accompanied by an instrument as a right to repair, but such a right should be designed in such a way that it will not lead to abuse and it is also the most attractive option for the trader or producer to offer.

Information to consumers at the point of sale

There are already many EU and national consumer information requirements, often overlapping and sometimes even contradicting. See for example the problematic national marking requirements on packaging recyclability in France, Italy and Spain at this moment. This is only confusing the consumer, and there are already so many other labels on products that only pushing for transparency will likely only lead or increase the information overload of which consumers are already suffering. Therefore information to consumers should be meaningful and effective in order to help them make sustainable choices. Harmonised rules at EU level should also make it easier for businesses to provide information in a coherent and structured way.

In this regard, we also welcome the idea of a digital product passport. It has the potential to empower companies and consumers to make greener and more sustainable choices and investments but only if open and global product data standards already in use by companies will be referenced. As such, it can allow green product data management, efficient product data sharing along global supply chains and accessible and portable high quality product data. As such, it can allow green product data management, efficient product data sharing along global supply chains and accessible and portable high quality product data. The consumers should be able to access the DPP for free through open carriers or in store.

Information to traders by the supplier / producer

At the start of this paper we already explained that retailers and wholesalers are mainly reseller of products manufactured by others. This also means that we do not know how the product is made, what its composition is, what type of compliance test have been done, etc. We have the responsibility to ensure in so far our role in the supply chain allows us to have control that the product is safe and compliant. Therefore, we check whether the producer has provided all the information legally required. In principle, the producer who placed the product on the Union market has the full responsibility for the product.⁴ This also means that for us to be able to provide information about the sustainability aspects of the product we are dependent on the information the producer provides. Therefore, if there is an obligation for retailers to provide at the point of sale certain information to consumers, producers need to be obliged to share that information with retailers. Otherwise, retailers will not be able to fulfil such obligation.

How to deal with availability and costs of spare parts?

A legal right to repair that would match the lifespan of a product may entail significant costs. It would mean that a trader or manufacturer would need to have access to or would need themselves to have in store spare parts stored and to be able to handle the cost of logistics (delivery, transport costs etc.) apart from the actual cost of the repair. The spare parts need to be stored and stocked properly and costs will only increase the longer they are kept. And what should be done with spare parts that have not been used or are out of date according to the current fashion? Taking into account the wide range of products already one retailer may sell, it would be overly burdensome to have spare parts in stock for all those products based on a legal obligation. It may be more logical that the producer keeps spare parts in stock but he would encounter similar problems.

Also, labour costs also vary across countries and could affect the extent to which a product can be repaired or discarded. If repairing the defect product costs more than a new product, this is economically not feasible. These costs will ultimately be born by the consumer and may only provide limited benefits.

It may be worthwhile to define an exact period for the right to repair from the moment of purchase, also to prevent that a traders would have to remain for a long time in a possibly undesirable agreement with an producer.

Costs of repair

Another element is legal certainty. A trader or a producer will have to invest heavily in the necessary infrastructure in order to make sure the consumer can exercise its right to repair. But when and how often this right will be exercised is unclear. In addition, the price of repair varies depending on the product in question, complexity of repair, operational needs, and costs associated with the repair. Meaning that it is very difficult to estimate what the future costs will be of the right to repair, and there is no one-size-fits all approach. Therefore, it seems logical that a repair (that does not fall within the scope of the minimum legal guarantee period of 2 years) cannot be for free. However, decision-makers should do their utmost to make repair attractive to consumers and businesses. For businesses it makes sense to offer repair if this covers the costs of repair with a proportionate margin. This will make it interesting to invest in repair services and will make it more appealing to offer such a service to consumers.

If the right to repair was free of charge after the legal guarantee period, there would be very little incentive for manufacturers or traders to develop repair services for their customers, not only cut the profits of (existing) repair services as referred to in the consultation.

For example, in furniture there is already a large infrastructure for repairs on a voluntary basis, and there are many retailers that offer second hand furniture, or offer furniture for rent. However, most furniture retailers or wholesalers do not have the facilities to stock spare parts.

⁴ Regulation (EU) 2019/1020, Regulation (EC) 765/2008, BLUE GUIDE_2016_EN, Proposal for a regulation of the European Parliament and of the Council on general product safety, amending Regulation (EU) No 1025/2012

The impact of repair on sustainability

There is not a one size fits all solution. In some cases repair is not always the better option. This depends, among other things, on the scope of the repair. The production and storage of spare parts over many years must be taken into account when calculating the environmental impact, as must the packaging and shipping of the defective item to the manufacturer or a contracted repair service. In addition, the stocking of spare parts is always associated with surpluses that are no longer needed at some point and have to be disposed of, especially if consumers prefer to purchase a new device with a more modern design or additional functions rather than having the old one repaired. Therefore, a general preference for repair, especially for small appliances, is neither economical nor associated with any particular environmental benefits. For large household appliances, the availability of spare parts is already specified in the Ecodesign Directive. Here, repair offers practical advantages for consumers and entrepreneurs. For this reason, repair is already the norm today.

What would be useful is to provide economic incentives, such as reduced VAT on repairs and second-hand purchases, reduced taxes on services and labour, or other types of incentives for repair activities. This would make it more interesting for traders, producers and repair services to offer and promote repair services.

Replacement of defective products by refurbished goods

We welcome the idea that traders should also be allowed to offer a refurbished product as a replacement in the event of a defect. However, this should not be made mandatory under any circumstances, as refurbished products are not always available for every type of product and even if available not every trader may have access to them.

Extending the legal guarantee may lead to excessive costs

EuroCommerce is concerned that the extension of the legal guarantee in the Sale of Goods Directive will lead to excessive costs for businesses. First of all, we think it is not the appropriate instrument to introduce a right to repair. The legal guarantee is about non-conformity and 96% of all non-conformity defects occur in the first two years after purchase.⁵ The legal guarantee is there to offer consumers legal certainty and access to redress, Repair is just one element of that. The idea is that a product should be free of defects at the time of purchase. If the legal guarantee would be extended this would possibly only lead to abuse and an extensive increase of the costs while it would only be relevant for 4% of the products after 2 years. It would become more and more likely that defects are linked to the use and no longer to production flaws, putting excessive costs on businesses and will increase the price of products. It would also most likely lead to an increase in conflicts between consumer and retailer.

According to the public consultation the right to repair would also go beyond the legal guarantee. There is no reason to limit the right to repair to a legal non-conformity if it is for businesses attractive to offer economically feasible repair options to consumers, taking into account all the costs involved.

We do not support the idea to restart the legal guarantee period after every repair. This would lead to overburdening of businesses as it does not take into account the prior use and it would cover other parts of the product that are not renewed. For example if we take washing machines, the life expectation is about five years – if the machine was repaired after three years, the legal guarantee would be already around eight years, and it could be expected that some other part would fail at that time. In the end the consumer would have, through repairs, an “eternal” washing machine. This, while we know that current innovations would make a 5 year old washing machine already much less sustainable than a model produced today.

⁵ According to the Commission's own studies, most product defects occur within the first six months (71%), within the first year (87%) or within the first two years (96%) after purchase.

Commercial guarantees

Retailers often provide consumers with an additional commercial guarantee on top of the legal guarantee when they purchase a product or service. This may be advantageous for consumers and provide them with more legal certainty and protection for example in case of damage, loss or theft. It can also provide the same protection as a legal guarantee after the legal guarantee period has expired, provided that the related costs are taken into account.

Here consumers show they are perfectly able to make a judgement call about whether they would prefer an additional commercial guarantee. They may consider this especially interesting in case of buying a more expensive or complex product.

Retailers use the commercial guarantee to be more competitive and attractive for consumers. We urge the EU institutions to take this business model into account.

Access to repair information

To be able to provide efficient, effective and high-quality repair one needs to have sufficient data about the product and its defect. Especially for more complex, electronic and connected products we foresee that the producer or data holder may need to share certain information to enable a trader, repair service or consumer to repair the product. This may lead to more competition and may reduce costs for repair. An appraisal by the manufacturer or a repair store would always be required first. This would be to the detriment of consumers and would involve additional shipping costs, even if the product is ultimately replaced because repair is not possible.

For example, today independent car repairers are not able to repair a modern car without the data of the manufacturer. This may also be the case for other products. In this sense, there should be suitable arrangements attractive to all parties to ensure products can be properly and cost-efficient repaired.