

The Consumer Voice in Europe

# IMPROVING CONSUMERS' ACCESS TO PRODUCT REPAIR

BEUC position on the proposal for an EU directive on the right to repair



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# Why it matters to consumers

Products discarded too early put considerable strain on finite planetary resources and households' budgets. Ensuring easier access to repair is essential to make products last longer. Unfortunately, consumers often face many barriers to repair their goods, such as high repair prices and a lack of spare parts, repair instructions or good quality repair services. An effective and practical right to repair is indispensable to ensure that consumer goods do not end up on the scrapheap unnecessarily or prematurely.

# Summary

BEUC fully supports the main objectives of the European Commission's March 2023 Right to Repair proposal, namely, to promote sustainable consumption, encourage repairs and reduce waste. However, we are concerned that the specific measures proposed will be insufficient to achieve these goals and at the same time partially reduce existing consumer rights.

The proposal therefore requires significant improvements and clarifications in order to effectively meet its main objectives.

#### **BEUC main recommendations:**

#### On the level of harmonisation:

• BEUC recommends a minimum harmonisation approach.

#### On the legal guarantee scheme (Article 12):

- Prioritising repair over replacement (if cheaper or equally expensive) would significantly reduce existing EU consumer rights and should be <u>deleted</u>. Instead, measures encouraging repair should be introduced.
- Legal guarantee periods for durable goods should be extended.
- Joint and several liability of the seller and the producer should be introduced.
- The period of the reversal of the burden of proof should be extended to match the legal guarantee period.
- It should be clarified that software updates shall be provided for the entire lifespan of the product, and in any case for a period not shorter than required by EU legislation.

# On European Repair Information Form (Article 4):

• Repairers that have charged consumers for issuing the form should only be able to refuse to provide their repair services if the repair is objectively impossible.



- Information about the remaining expected lifespan of the specific appliance in need of repair should be added to the form.
- 'Estimated time to complete repair' should be replaced by 'maximum time to complete repair'.

# On the obligation to repair (Article 5):

- The scope of the obligation to repair should not be limited to goods covered by EU legal acts listed in Annex II and should instead cover all products falling within the scope of the proposed Regulation on Ecodesign for Sustainable Products.
- The obligation to repair beyond the scope of the legal guarantee should fall jointly on the producer and the seller
- The price for repair under this new obligation should be reasonable and non-discriminatory.
- If the producer/seller are located outside the EU, the authorised representative/importer/distributor and also the online platform should be jointly liable towards the consumer.
- Producers should be obliged to publish their repair prices and prices of available spare parts on their websites.

# On online platform for repair and goods subject to refurbishment (Article 7)

- Registration on the platforms should be obligatory for repairers/refurbishers.
- The platform should also include information about available repair cafes, quality of repairs and the relevant alternative dispute resolution (ADR) bodies.

## On enforcement and penalties (Articles 8 and 11):

- The penalties provision in Article 11 of the proposal should be aligned with Omnibus Directive (2019/2161) on better enforcement and modernisation of Union consumer protection rules (i.e. ensure that the maximum fines available at national level amount to at least 4% of the trader's annual turnover).
- BEUC welcomes that the proposed new Directive is due to be added to the scope of the Representative Actions Directive and the Consumer Protection Cooperation (CPC) Regulation.

# On financial incentives for repair (new):

• An obligation for Member States to introduce financial incentives for repair.

#### On quality standard for repair (recital 27):

• BEUC welcomes the European Commission's intention to develop a European quality standard for repairs and recommends option 1 for this purpose.



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# 1. Introduction

In the Circular Economy Action Plan published in March 2020, the European Commission announced it would work towards establishing a new 'Right to Repair'. Since then, it has proposed several new legislative initiatives to put this plan into effect.

As a first step, in March 2022, the Commission proposed a Regulation on Ecodesign for Sustainable Products<sup>1</sup> that would strengthen EU design rules in order to make products more durable and repairable. At the same time, the Commission proposed a Directive on

<sup>&</sup>lt;sup>1</sup> COM(2022) 142 final



empowering consumers for the green transition<sup>2</sup> that would introduce new pre-contractual information obligations on durability, repairability and availability of updates and introduce new provisions into the Unfair Commercial Practices Directive to tackle premature obsolescence practices.

Finally, in March 2023, the Commission proposed a Directive on common rules promoting the repair of goods<sup>3</sup> (commonly known as the 'Right to Repair' proposal, hereafter referred to as the 'R2R proposal'), which was meant to be the last piece of the right to repair puzzle.

BEUC fully supports the main objectives of the proposal, to promote sustainable consumption, encourage repairs and reduce waste. However, we are concerned that the measures proposed will not be sufficient to achieve these goals in practice and at the same time will partially reduce existing consumer rights. The proposal lacks the ambition to make repair truly accessible to all consumers.

In particular, the proposal fails to address the problem of high repair prices<sup>4</sup>. Other important elements of the right to repair are also not covered by this proposal, including the length of repairs and related inconvenience for consumers, a repair index<sup>5</sup> or the IP (Intellectual Property) barriers to repair<sup>6</sup>.

The proposal should also not only introduce measures promoting repair but also measures that would lead to more durable goods that will not need repair. BEUC sees durability as even more important than promoting repair in our common goal to promote sustainable consumption. Finally, the second-hand market also needs an important boost, which can only be achieved if products become more durable and of better quality.

## 2. Level of harmonisation

The proposal follows a **full harmonisation** approach that would not allow Member States to maintain or introduce in their national laws provisions that would go beyond the proposed Directive. This is counterproductive, as experience has shown that Member States' initiatives in the area of boosting repairs and more generally the repairability of products (e.g. the repair index in France and repair bonus in Austria) have a great potential to not only improve the situation of consumers in the countries concerned, but also to inspire changes at the EU level. Therefore, BEUC recommends the European Parliament and EU's Council of Ministers should reconsider this approach so as to allow Member States to go further.

#### **BEUC Recommendation:**

The proposed Directive should allow Member States to go beyond the proposed measures in order to make repairs more accessible and affordable.

BEUC therefore recommends a **minimum harmonisation** approach.

<sup>&</sup>lt;sup>2</sup> COM(2022) 143 final

<sup>&</sup>lt;sup>3</sup> COM(2023) 155 final

<sup>&</sup>lt;sup>4</sup> See our recommendations on this point in section 5 of this paper

<sup>&</sup>lt;sup>5</sup> See BEUC's recommendations for an EU wide repair index in the paper entitled "A repair score that works for consumers. Recommendations for an effective tool for consumers to make more sustainable choices" (<u>BEUC-X-2022-054</u>)

<sup>&</sup>lt;sup>6</sup> In this context see also BEUC's recommendations for the revision of the Design Directive (BEUC-X-2022-077)



# 3. Repair within the legal guarantee

#### 3.1. General remarks

The EU Sales of Goods Directive (2019/771) is an instrument with a great potential to create the right incentives for producers to improve the durability of their goods but also to improve consumers' access to repairs. Unfortunately, due to the Commission's policy choice, this potential will not be exploited as the focus of the R2R proposal is mainly on measures tackling repairs outside the scope of the legal guarantee.

We regret that many promising policy options considered by the Commission during its public consultation process were discarded and call on the European Parliament and EU's Council of Ministers to re-consider this approach.

The impact of different policy measures should not be assessed separately but the focal point should be rather on looking at a combination of different measures with the aim of creating a comprehensive guarantee system that would serve both consumers and the environment.

## 3.2. Prioritising repair over replacement (Article 12)

The R2R proposal would introduce only one amendment to the Sales of Goods Directive. It would modify the current hierarchy of remedies by prioritising repair over replacement (if it is cheaper or equally expensive), which would **considerably limit existing consumer rights**.

We consider this amendment **disproportionate**, especially as it risks contradicting the **principle of civil law contractual justice**. Consumers should have the right to have a well-functioning product and not end up in a loop of never ending (and possibly unsuccessful) repairs. It should be noted that not all products can be successfully repaired and even if they are, it should be clarified that the inconvenience criterion should continue to apply.

The proposed change would also lead to a **strong imbalance** between the rights of the consumer and the seller. The proposal does not clarify who should verify whether a repair is more affordable than replacement and by what methodology this verification would be carried out. In practice, the seller would be the only party able to really assess the costs of repair. This might lead to many disputes with traders, where consumers would be put at a disadvantage, as it would be very difficult for them to contest the price assessment made by the seller due to the information asymmetry.

While it is important to encourage repair, the way forward should not be to impose repair as it is not always the best way to restore conformity between the good and the contract. **Promoting repair cannot mean a reduction of consumer rights.** 

Moreover, the new provision introduced by the proposal poses **serious concerns as regards its drafting and its future interpretation**<sup>7</sup>. According to the current Sales of Goods Directive (Article 13), consumers can choose, in the first place, between repair or replacement if their product is not in conformity with the contract, "unless the remedy chosen would be impossible or, compared to the other remedy, would impose costs on the seller that would be disproportionate, taking into account all circumstances, including [...] whether the alternative remedy could be provided without significant inconvenience to the consumer".

<sup>&</sup>lt;sup>7</sup> In this context see also the Feedback of the European Law Institute on the European Commission's Proposal for a Directive on Common Rules Promoting the Repair of Goods (available <a href="https://example.com/here">here</a>)



The R2R proposal simply inserts a new sentence into this complex article by derogating from the first sentence of Article 13(2). This would probably mean that both the disproportionate costs and the inconvenience factor would no longer be taken into account as long as the price of the repair was cheaper or equally expensive to replacement. This drafting is liable to create many interpretation problems that would complicate enforcement of this provision.

**BEUC** therefore calls on the European Parliament and EU's Council of Ministers to delete this modification. Instead, the R2R proposal should introduce measures promoting repair, such as an obligation to repair a product within a fixed time limit of 15 days or to provide consumers with a temporary replacement product if a repair causes inconvenience to consumers.

In addition, the legal guarantee period should be extended following the repair, as is already the case in France. This measure would further incentivise consumers to opt for repair instead of replacement.

Finally, the EU should give incentives to the retail sector to rethink their business models to enable the resale of repaired products on the second-hand market.

## **BEUC Recommendation:**

The amendment to the Sales of Goods Directive prioritising repair over replacement (if cheaper or equally expensive) should be **deleted**. Instead, measures encouraging repair should be introduced, such as extending the legal guarantee for consumers who opted to repair their goods, a fixed time limit for repairs or an obligation to provide a replacement product.

## 3.3. What is missing?

#### 3.3.1. Longer legal guarantees for durable goods

The current two-year legal guarantee, applicable in most EU Member States, is clearly insufficient for certain types of durable products (e.g. white goods, electronics) and does not reflect their expected lifespans. For such products, **BEUC recommends expanding the legal guarantee periods on the basis of product type**. The duration of such product specific guarantee periods could be defined after taking into account the respective product's lifespans and the existing durability requirements under the Ecodesign for different types of products. Such a policy measure would have the highest potential to contribute to the objective of strengthening the EU's Single Market for durable goods<sup>8</sup>.

BEUC considers that allowing for such a product-based differentiation between guarantee periods would better reflect the characteristics of particular product types and be most beneficial from the perspectives of both sustainability and fairness. In addition, businesses

<sup>&</sup>lt;sup>8</sup> The European Parliament Impact Assessment Study from 2017 (PE 610.999) assessed different policy options for the lifespan guarantees on the basis of the substantive amendments tabled at the time to the proposed online sales and digital content directives. It concluded that a measure very similar to the one being proposed by BEUC, (option 4: binding technical standards for the duration of lifespan) had "by far the largest potential to contribute to the emergence of sustainable pan-European products. The objective of strengthening the single market for durable goods would therefore be best achieved under this option".



should have the possibility to voluntarily expand legal guarantee periods to compete on the market with more durable products<sup>9</sup>.

Such a measure would allow consumers to continue to have access to free repairs covered by the legal guarantee for longer than the initial two years. Moreover, it would also create a strong incentive for businesses to produce products of better quality that last longer.

The expansion of the legal guarantee periods has been discussed for many years. Disappointingly, the last revision of the Sales of Goods Directive was a missed opportunity in this respect. Instead, it added durability to the list of the objective criteria of non-conformity of a good with the contract. However, due to the very short limitation period during which consumers can seek remedies for such a non-conformity, this change has a very limited practical effect.

This time again, instead of expanding the legal guarantee periods, the R2R proposal attempts to tackle the problem of defects appearing after the initial two-year guarantee period, via the new obligation on producers to repair the good. However, it should be noted that under this new obligation, consumers would have to pay for such repairs themselves, including not only repairs for defects that were caused by consumers themselves (e.g. by dropping the product) but also defects linked to a lack of durability, or in other words poor design of the product. However, these two types of defects should not be treated equally. While it is perfectly understandable to ask consumers to pay for repairs if they broke the product themselves, consumers should not have to carry the cost for repair in cases where a durable product has a design issue.

The main objective of the R2R proposal is to promote sustainable consumption, which cannot be achieved without sustainable production: the first objective must be to make sure that manufacturers produce more durable goods. This means **not only goods that can be easily repaired but also goods that are less likely to need a repair in the first place**. For this purpose, we need to create the right incentives. Producers need to be held responsible if something goes wrong and if needed, be obliged to repair or replace such a defective product for free. If they could continue to charge consumers a (potentially high) price for this additional service, it would send the wrong signal to the market.

# **BEUC Recommendation:**

Legal guarantee periods for durable goods should be extended on a product type basis. Their duration should be defined on the basis of their lifespans and the product durability requirements under Ecodesign.

#### 3.3.2. Direct claims against the producer

The European Commission rightly concluded that, most of the time, it is the producer that is responsible for product defects, as a result of its poor design, low quality and lack of durability. It is also, most of the time, the producer that is much better placed to repair or replace a defective good.

The R2R proposal took these factors into account and introduced a direct producer liability but only in the context of defects falling outside the legal guarantee. While this is an important step forward, it will not be sufficient.

<sup>&</sup>lt;sup>9</sup> Such voluntary expansion should be then displayed alongside with the legal guarantee period on a dedicated label (as included in the official <u>EP position</u> on the proposal for a Directive for empowering consumers for the green transition). For more information see <u>BEUCs recommendations</u> for the trilogue negotiations on this file.



Under current EU consumer sales law¹0, the seller is the only party liable to the consumer for a product's lack of conformity under the legal guarantee right. For many consumers this is counter-intuitive as they do not understand why they cannot address the producer of their smartphone directly for a repair or replacement within the legal guarantee, but instead need to reach out to their local shop where they bought the product. It becomes even more confusing when they realise that, according to the Sales of Goods Directive, it will be also their local shop that will bear the responsibility to supply software updates for their smartphone, which is not feasible in practice.

BEUC therefore recommends that **the Sales of Goods Directive is amended to include joint and several liability of the seller and the producer**. This would mean that both the producer and the seller are liable towards the consumer, which would allow consumers to decide towards whom to direct the claim. This decision could be based on geographical accessibility, the financial situation of the relevant party (e.g. big multinational producer vs a small local seller) or on the type of defect (e.g. consumers and their representatives might want to seek justice by directly targeting the party responsible for a product design flaw).

It is a long-standing BEUC demand to introduce such direct producer liability<sup>11</sup> but it has become even more important now in the light of current efforts to shift towards a more circular economy. Such a measure was already successfully introduced in some countries, such as Portugal, and should be now extended to the entire EU. A possibility to hold producers directly liable for their products' flaws would create **an important incentive to produce better quality and more durable goods**, especially at a time when products are becoming increasingly sophisticated and complex, and sellers have no influence on the product quality and durability or the potential design flaws.

Such a solution would also **ensure better redress**, **as it would lift an important practical obstacle which currently hinders using collective redress proceedings on the basis of the legal guarantee rights**. Under the current system, if defective products are sold on the EU market, legal proceedings have to be launched against each individual seller separately. For example, in the Dieselgate case, where the defeat devices were installed by the car manufacturer without any involvement (or even the knowledge) of the sellers, it was not possible to sue Volkswagen directly on the basis of EU legal guarantee rights. This has led to hundreds of legal proceedings across the EU. Any collective cases had to be based on a different legal basis (national tort law, Unfair Commercial Practices Directive).

#### **BEUC Recommendation:**

Joint and several liability of the seller and the producer should be introduced into the Sales of Goods Directive.

#### 3.3.3. Longer reversal of the burden of proof

In practice, consumers are often only able to enforce their legal guarantee rights as long as the reversal of the burden of proof exists (for the moment, in most EU countries, it lasts 1 year). Otherwise, it is extremely difficult for them to prove that the non-conformity of the product existed already at the time when the product was delivered. Gathering this

<sup>&</sup>lt;sup>10</sup> Directive (EU) 2019/771 on certain aspects concerning contracts for the sale of goods

 $<sup>^{11}</sup>$  For example, see section 2.2 of the BEUC paper entitled "Durable and repairable products: Changes needed for a successful path towards the green transition" (<u>BEUC-X-2021-061</u>)



type of evidence is for them either impossible or very costly. This is even more the case in the era of complex, connected devices. This results in situations where most consumers give up on enforcement of their rights as soon as a conflict with the trader arises beyond the reversal of the burden of proof period.

The period for the reversal of the burden of proof should be extended to match the length of the legal guarantee period in order to improve consumers' access to repairs.

#### **BEUC Recommendation:**

The period of the reversal of the burden of proof should be extended to match the legal guarantee period.

## 3.3.4. Software updates - more clarity is needed

The current Sales of Goods Directive contains an obligation on sellers to provide updates, including security updates, for goods with digital elements for the period of time that consumers can reasonably expect given the type and purpose of the goods (Article 7 (3)). This period is often understood as the period for which the seller is liable for the lack of conformity unless consumers' reasonable expectation could extend beyond that period (recital 31).

However, the lack of legal clarity of this provision is often criticised. In order to remedy this situation, it should be clarified in the text that software updates shall be provided for the entire lifespan of the product, and in any case for a period not shorter than required by EU legislation<sup>12</sup>.

Moreover, making sellers responsible for the updates is not logical as they have no means in practice to supply such updates. It would make much more sense to make producers directly liable for this obligation. This underlines again the need to introduce the joint and several liability of the seller and the producer.

# **BEUC Recommendation:**

The obligation to provide updates should be clarified. It should jointly fall on the seller and the producer during the entire lifespan of the product, and in any case for a period not shorter than what is required by EU legislation.

#### 4. Repair beyond the legal guarantee

#### 4.1. General remarks

While we question the policy choice of the European Commission to focus the R2R proposal on measures tackling repairs outside of the legal guarantee, as explained above, we also recognise that it would make some fundamental changes that go in the right direction.

First, the proposal acknowledges that producers are responsible for the majority of product defects and that at the same time they are also the best placed to repair the good. The

 $<sup>^{12}</sup>$  E.g. New Ecodesign measures for smart phones and tables foresee longer periods for the supply of updates (3 or 5 years). Similar measures are also currently discussed under the Cyber Resilience Act.



direct producer liability should, however, not only be triggered by defects falling outside of the legal guarantee but also those within it.

Second, we recognise that the R2R proposal for the first time attempts to link EU sales law with EU product policy legislation, which also goes in the right direction and should be further exploited. Since these two fields of legislation have the same objective, namely promoting sustainable consumption, they should work towards this goal together and not in silos.

# 4.2. European Repair Information Form (Article 4)

Consumers need clear and comparable information on repair prices and repair conditions in order to opt for repairs more often. BEUC doubts, however, whether the new form as proposed by the European Commission would really significantly facilitate their access in practice to this type of information. There is a risk that both consumers and companies would regard it as a highly bureaucratic solution. We are also doubtful whether it has real potential to increase competition on the repair market, as it is rather unlikely that consumers would ask for such a form from more than one repairer due to the potentially high costs of obtaining it.

We welcome however the fact that the conditions of repair specified in the form would be binding for a period of 30 calendar days and, if a contract for the provision of the repair services is concluded within this timeframe, these conditions would form an integral part of the contract. It should not be possible to diverge from this rule via an agreement between the repairer and the consumer<sup>13</sup>. This would allow consumers to have some time to compare different services available on the market before the conditions of the offer changed.

Moreover, while we understand that consumers may be asked to cover the cost that the repairer incurs in order to issue the form (e.g. costs of coming to the consumer's home, costs of examining the good), we are concerned that, according to recital 10 of the R2R proposal, "repairers should remain free to decide not to conclude such a contract, including in situations where they have provided the European Repair Information Form". This rule could lead to abuse where repairers charged consumers a hefty fee for issuing the form and then refused to repair the good concerned. It is not acceptable that the repairer could decide not to conclude the contract when the provision of the form has generated costs for the consumer, unless the repairer was obliged to return the amount paid or if the repair was objectively not possible from a technical point of view.

In any case, consumers should be properly informed in advance about the possible fee for issuing such a form and asked for their consent.

In order to improve the form, BEUC suggests adding information about the remaining lifespan of the specific appliance that needs to undergo repair and any anticipated repairs due to a normal usage of the good. This would be helpful for consumers in making a well-informed decision when faced with a need for expensive repairs. Moreover, 'estimated time to complete repair' should be replaced by 'maximum time to complete repair' as the word "estimated" is highly subjective and can lead to consumer uncertainty and practical problems.

 $<sup>^{13}</sup>$  Recital 26 allows for it currently and the following should be therefore deleted "unless the repairer and the consumer have agreed otherwise".



Finally, we would also like to point out that the place of repair mentioned in Annex I of the R2R proposal might not coincide with the place where the consumer hands over the goods for repair mentioned in Article 4(4)(h), so it is necessary to align this point with the provisions in Annex I.

### **BEUC Recommendation:**

- BEUC welcomes the intention to improve consumers' access to information on repair prices and conditions but fears that the proposed form might only have a limited effect in practice.
- Repairers that charged consumers for issuing the form should only be able to refuse to provide their repair services if the repair is objectively impossible.
- Information about the expected remaining lifespan of the specific appliance in a need of repair should be added to the form.
- 'Estimated time to complete repair' should be replaced by 'maximum time to complete repair'.

### 4.3. Obligation to repair (Article 5)

The R2R proposal would introduce a new obligation on the producer to, at the request of a consumer, repair defects that were not covered by the legal guarantee. However, **BEUC** is doubtful of whether this new measure would bring real added value for consumers and truly promote more sustainable consumption.

First, for the time being **the scope of this new obligation to repair would be very limited**. It would only apply to goods that were covered by the EU repairability requirements (listed in Annex II to the proposal), which for the time being exist only for a handful of products such as washing machines, dishwashers, refrigerators and vacuum cleaners. The Commission intends to progressively extend this list via delegated acts, as soon as new repairability requirements become applicable (starting with mobile phones and tablets). BEUC suggests changing the scope of this new obligation to repair so that it would be applicable to goods falling within the scope of the proposal for a Ecodesign for Sustainable Products Regulation (which is due to cover almost all types of goods with a few exceptions including food, feed and medicine). It should be also clarified that the duration of this obligation covers the entire expected lifespan of the product.

We question also the fact that this proposed new provision lacks precision regarding the price of repairs. Consumers can already now repair their products for a fee (unless certain barriers exists such as the lack of available spare parts, repair instructions etc). Introducing a new obligation without clarifying that the **price charged to consumers must be reasonable**, **non-discriminatory and not exceed what it would be under the conditions of well-functioning competition**, would make it very easy for producers to avoid complying with this obligation by simply setting the price too high, which would lead to consumers having to turn elsewhere.

Moreover, the proposed new obligation would only apply to producers. It would have been more consistent with the legal guarantee to introduce **a joint producer-seller liability** for both instruments. This way consumers would be able to choose to whom they directed their claim, depending on what was best in their specific case. Otherwise, the lack of alignment with the legal guarantee could lead to consumers being confused about who is responsible for repairs in a specific situation. Sub-contracting repairs should be allowed, while the legal obligation towards consumers would remain on the producer/seller.



On the other hand, BEUC welcomes the fact that the proposal addresses the situation where the producer is established in a country outside the EU. **Consumers should also be able to hold online platforms liable** in such cases. Moreover, the liability cascade should not rely so strongly on "authorised representatives" (since there are currently no viable EU criteria for becoming one and they might be easily unreliable).

In order to make it easier in practice for consumers to bring their claims, BEUC recommends that if the producer is established outside of the EU, the **authorised representative/importer/distributor/online platform shall be jointly liable** towards the consumer.

In addition, more price transparency regarding the prices of repairs is essential to boost more competition on the market. For this purpose, manufacturers should be obliged to publish on their websites lists of their repair services and prices of the available spare parts.

## **BEUC Recommendation:**

- The scope of the obligation to repair should not be limited to goods covered by EU legal acts listed in Annex II and cover all products falling within the scope of the proposed Ecodesign for Sustainable Products Regulation.
- The obligation to repair beyond the legal guarantee should fall jointly on the producer and the seller
- The price for repair under this new obligation should be reasonable and non-discriminatory.
- If the producer/seller are located outside the EU, the authorised representative/importer/distributor but also the online platform should be jointly liable towards the consumer.
- Producers should be obliged to publish their repair prices and prices of the available spare parts on their websites.

# 4.4. Information on obligation to repair (Article 6)

BEUC welcomes the proposed new requirement to inform consumers about the new obligation to repair. However, we would like to flag that this kind of information should be also available in the pre-contractual stage and therefore a corresponding amendment to the Consumer Rights Directive is also necessary.

The absence of harmonisation of information about the right to repair, or of a standardised model in which this information should be provided, may however jeopardise the provision of information to the consumer and hinder their exercise of the right to repair in practice. The consumer should be informed about the right to repair as of the moment the contract is concluded, e.g. on the product packaging.



## **BEUC Recommendation:**

A corresponding amendment of the Consumer Rights Directive is also necessary to ensure that information on this new obligation to repair is added to the list of precontractual information obligations.

# 4.5. Online platform for repair and goods subject to refurbishment (Article 7)

BEUC welcomes the fact that the proposal would require Member States to ensure that at least one online platform exists on their territory which allows consumers to find the nearest repairers, learn about the repair conditions, find sellers of the refurbished goods or purchasers of defective goods for refurbishment. Such a source of information can bring a real added value for consumers in their quest to repair defective goods. It would improve access to repairs and hopefully also boost competition on the repair market by making information on repair prices and conditions more accessible.

In France, a similar platform<sup>14</sup> with an interactive map which helps consumers find their nearest repairer already exists and is very useful for consumers.

Without such a tool, finding the nearest and most convenient repairers is not always easy. According to a survey conducted by our German member vzbv, 47% of consumers said they did not know of any shoe repair service nearby 15.

In Belgium, another positive example is the platform called "Trop vite usé" ("Worn out too soon") launched by BEUC member organisation TestAchats/TestAnkoop. It offers a database on obsolescence, which is based on consumer complaints, instructions on how to repair things yourself and many other useful tips on all aspects of repair.

We welcome the fact that the proposal clearly states that the use of this online platform would be free of charge for consumers and that it should be accessible for persons with disabilities.

It is also very welcome that the platform would make it easier for consumers to find refurbished products. Consumers are increasingly interested in such products, not only due to their environmental concerns but also because they can lead to very substantial savings. According to a study by our other German member, Stiftung Warentest, consumers can save up to 50% if they buy a refurbished smartphone<sup>16</sup>.

In addition, if these online platforms are to be effective, registration on them should be made obligatory or at least, Member States should create incentives for companies to register.

The platform should also include information about repair cafes, the possibility for consumers to complain about bad repair services, a mandatory reference to the relevant alternative dispute resolution (ADR) body, indication of the quality of the repairer, e.g.

<sup>14 &</sup>lt;a href="https://www.reparacteurs.artisanat.fr/">https://www.reparacteurs.artisanat.fr/</a>

For more information see: <a href="https://www.vzbv.de/pressemitteilungen/wegwerfschuhe-ein-problem-fuer-">https://www.vzbv.de/pressemitteilungen/wegwerfschuhe-ein-problem-fuer-</a> verbraucherinnen-und-umwelt

<sup>&</sup>lt;sup>16</sup> For more information see: <a href="https://www.test.de/Onlineshops-fuer-refurbished-Smartphones-im-Test-5086377-">https://www.test.de/Onlineshops-fuer-refurbished-Smartphones-im-Test-5086377-</a> 5973352/



authorisation or certification where relevant, and finally a possibility for consumers to leave comments or recommendations related to the quality of repair.

Moreover, if any comparative tools are to be included on the platform they should be subject to pre-approval or ex-ante verification.

#### **BEUC Recommendation:**

- BEUC supports the introduction of online platforms for repair and refurbished goods in all EU member states.
- Registration on repair platforms should be obligatory for repairers/refurbishers.
- The platforms should also include information about repair cafes, quality of repair and relevant alternative dispute resolution (ADR) bodies.

# 4.6. Enforcement and penalties (Articles 8, 11, 13 and 14)

The proposed new R2R Directive would, to a large extent, leave enforcement in the hands of Member States. They would be designated to ensure that "adequate and effective means exist to ensure compliance with this Directive" (Article 8). It would also be Member States that could decide which "one or more" bodies listed in paragraph 2, were allowed to take action in case of infringements. This list includes: (1) public bodies or their representatives, (2) organisations having a legitimate interest in protecting consumers or the environment and finally also (3) professional organisations having a legitimate interest.

Article 11 of the proposal states that the **penalties** available at the national level, in case of infringements of the Directive, shall be "effective, proportionate and dissuasive". However, our experience has shown that this wording leads to significant discrepancies between Member States and does not ensure a sufficient level of protection. BEUC therefore calls for this article to be aligned with the provisions on penalties introduced recently via Directive 2019/2161 on better enforcement and modernisation of Union consumer protection rules (the so-called Omnibus Directive)<sup>18</sup>, so that, most importantly, their maximum amount should be **at least 4% of the trader's annual turnover**.

BEUC welcomes the fact that the proposed R2R Directive is due to be **included in the scope of the Representative Actions Directive**<sup>19</sup> (Article 13 of the proposal). This step would ensure that consumers could collectively enforce their rights both though injunctive and collective redress measures. This would mean that such proceedings could lead courts to either order the company to stop the infringement or order it to compensate consumers for damage suffered.

In a similar vein, BEUC also welcomes the fact that the proposed new R2R Directive would be **included in the scope of the Consumer Protection Cooperation (CPC) Regulation**<sup>20</sup> (Article 14 of the proposal). This would allow the EU Network of consumer protection authorities (CPC network) to launch coordinated enforcement actions in cases of widespread infringements or widespread infringements with an EU dimension.

 $<sup>^{17}</sup>$  Professional organisations are, on the other hand, not allowed to bring representative actions (art. 4 Directive 2020/1828).

<sup>&</sup>lt;sup>18</sup> Directive 2019/2161 on better enforcement and modernisation of Union consumer protection rules

<sup>&</sup>lt;sup>19</sup> Directive 2020/1828 on representative actions for the protection of collective interests of consumers and repealing Directive 2009/22/EC.

<sup>&</sup>lt;sup>20</sup> Regulation 2017/2394 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) N° 2006/2004.



#### **BEUC Recommendation:**

- The penalties provision in Article 11 of the proposal should be aligned with the Omnibus Directive (i.e. ensure that the maximum fines available at the national level amount to at least 4% of traders' annual turnover).
- BEUC welcomes that this new Directive is due to be added to the scope of the Representative Actions Directive and the CPC Regulation.

# 5. More affordable repairs

#### 5.1. General remarks

High repair prices are the most important barrier to repair reported by European consumers<sup>21</sup>. Very often, such high costs mean that repair is not advantageous for them from an economic point of view. According to a recent study by our German member vzbv, replacing the screen of a smartphone may cost between 42 and 73 percent of the price of a new device. In extreme cases reported to our member, repair costs even amounted up to 107 percent of the price of a new device<sup>22</sup>.

This has a high impact on consumers' decisions on whether to repair a product. According to the consumer survey conducted by our Slovenian member ZPS, 40% of consumers said they would only repair a good if the cost of its repair did not exceed one fifth of the product's original purchase price. Only 12% of consumers would be ready to pay more than 30% of the price of the new product<sup>23</sup>. In Denmark, a survey conducted by our member Forbrugerrådet Tænk showed that 49 % of the respondents said that over the last 5 years they had chosen not to repair a defected product, and 66 % of those said that it was due to the high price of the repair<sup>24</sup>. It is therefore **crucial that repairs become more affordable**.

While lowering repair costs is a complex issue which requires action on many fronts (design for repair, training of repairers, development of independent repair networks, introduction of financial incentives for repair, prohibiting part pairing<sup>25</sup>), we regret that the R2R proposal fails to introduce any concrete measures to address this important issue. According to its memorandum, it aims to addressing the high price of repairs by boosting competition on the repair market as a result of other measures included in the proposal, linked to e.g. more accessible and comparable information on repair services. BEUC is however concerned that these other measures would not be enough to tackle high repair prices and therefore encourages the European Parliament and EU's Council of Ministers to consider more far-reaching measures as proposed in this section.

 $<sup>^{21}</sup>$  According to the data collected in the context of the <u>Prompt project</u>.

<sup>22</sup> https://www.vzbv.de/pressemitteilungen/reparaturen-bei-smartphones-zu-teuer

https://www.zps.si/nasveti-in-vodniki/rezultati-spletne-ankete-ali-slovenci-radi-popravljamo-izdelke-2023-04-

<sup>&</sup>lt;u>05?utm\_source=newsletter&utm\_medium=email&utm\_term=04+12+2023&utm\_campaign=Nova+tevilka+revije+ZPStest+testirali+smo+orehe+in+pregledali+ponudbo+potic+v+trgovinah\_terms\_04+12+2023&utm\_campaign=Nova+tevilka+revije+ZPStest+testirali+smo+orehe+in+pregledali+ponudbo+potic+v+trgovinah\_terms\_04+12+2023&utm\_campaign=Nova+tevilka+revije+ZPStest+testirali+smo+orehe+in+pregledali+ponudbo+potic+v+trgovinah\_terms\_04+12+2023&utm\_campaign=Nova+tevilka+revije+ZPStest+testirali+smo+orehe+in+pregledali+ponudbo+potic+v+trgovinah\_terms\_04+12+2023&utm\_campaign=Nova+tevilka+revije+ZPStest+testirali+smo+orehe+in+pregledali+ponudbo+potic+v+trgovinah\_terms\_04+12+2023&utm\_campaign=Nova+tevilka+revije+ZPStest+testirali+smo+orehe+in+pregledali+ponudbo+potic+v+trgovinah\_terms\_04+12+2023&utm\_campaign=Nova+tevilka+revije+ZPStest+testirali+smo+orehe+in+pregledali+ponudbo+potic+v+trgovinah\_terms\_04+2023&utm\_campaign=Nova+tevilka+revije+ZPStest+testirali+smo+orehe+in+pregledali+ponudbo+potic+v+trgovinah\_terms\_04+2023&utm\_campaign=Nova+tevilka+revije+zendali+zend</u>

<sup>&</sup>lt;sup>24</sup> "Forbrugerpanelet om reparation", consumer survey conducted by Forbrugerrådet Tænk in February 2020.

<sup>&</sup>lt;sup>25</sup> Part pairing is an increasingly common practice by producers of electronic devices, e.g. smartphones. They introduce unique serial number for spare parts, which are then paired with an individual device unit using software. This leads to a situation where spare parts (even if they were taken from another good of the same brand and model) might not be accepted by the device and lead to error messages or loss of functionality.



# 5.2. Financial incentives to repair

Very interesting initiatives concerning **financial incentives for repair** have been introduced in recent years at national level that should serve as an inspiration for making repairs more accessible and affordable. These schemes are very successful so far and well received by consumer organisations.

For example, in France, a **repair fund** has been launched recently<sup>26</sup> for defects not covered by the legal guarantee. Through this fund a price reduction is directly discounted from the repair bill. The fund currently covers 51 product categories<sup>27</sup> but its scope is due to be extended in the coming years. The price reduction is calculated on a fixed amount basis per product category (between 10 and 45€, amounting to around 10% of the repair price).

The French repair fund is financed through Extended Producer Responsibility (EPR) fees, which means that in practice the manufacturers of products need to contribute to the product repair costs. Consumers can benefit from this price reduction if they use a certified repairer (even if still in need of some improvements, a new label "QualiRépair"<sup>28</sup> was created for this purpose, which is awarded after an independent audit).



In **Austria**, meanwhile, a **repair bonus** scheme was introduced in April 2022 (after some successful pilot projects in the city of Vienna and the city of Graz). Under this scheme, consumers have a right to a repair voucher covering up to 50% of the repair costs, up to a maximum amount of €200. The voucher can be claimed after the repair has already been paid for. The bonus is financed from the EU Covid-19 recovery fund, NextGenerationEU. In the first year of its operation the voucher scheme turned out to be very successful and vouchers were redeemed 560,000 times.

Finally, similar financial incentives are also already in place or being discussed on the city or regional level in Germany and in Luxembourg.

Another type of financial incentive being used (e.g. in Sweden) is the introduction of reduced Value Added Tax (VAT) rates for repair services.

Member States could also opt for other types of measures to support repair, such as financial support for the functioning of repair cafes.

#### **BEUC Recommendation:**

BEUC recommends the European Parliament and EU's Council of Ministers to introduce into the proposed Directive an obligation for Member States to introduce financial incentives for repair but leaving them free to choose the model that works best in their national context.

# **5.3.** More price transparency

Spare part prices are another important element of the price of repairs. Current EU initiatives should aim at lowering them significantly. Introducing an obligation to provide

<sup>&</sup>lt;sup>26</sup> https://www.inc-conso.fr/sites/default/files/pdf/cp fonds reparation vf.pdf

<sup>&</sup>lt;sup>27</sup> https://www.label-qualirepar.fr/les-produits-eligibles-au-fonds-reparation/

<sup>28</sup> https://www.label-qualirepar.fr/le-label/



spare parts via the EU's Ecodesign measures is a first and important step towards making spare parts more widely available and therefore more affordable. However, other complementary measures are needed , such as liberalisation of the spare parts market via introducing a repair clause in the context of the current proposal to revise the Design Directive<sup>29</sup>.

In addition, more price transparency regarding the prices of repair is essential to boost competition on the market. For this purpose, manufacturers should be obliged to publish on their websites lists of their repair services and prices of the available spare parts.

# **BEUC Recommendation:**

- Manufacturers should be obliged to publish on their website a list of available spare parts, including their prices.
- The spare parts market should be liberalised (e.g. by introducing a repair clause into EU Design Protection legislation) to allow more competition and lower prices

# 6. European quality standard for repair services

The Commission's proposal highlights that the quality of repair services is a decisive factor when it comes to encouraging repair. If consumers can trust that their products are in good hands for repair, they are more likely to use such services. In the proposal, the Commission sets itself the goal of enabling the development of a voluntary European quality standard for repair services (Recital 27). This runs the risk of falling short of the desired result for two reasons.

First, the European Commission envisages two options to develop this standard:

- Encouraging and facilitating voluntary cooperation on a standard between businesses, public authorities and other stakeholders
- Issuing a standardisation request to the European standardisation organisations

We believe that the first option (voluntary cooperation) carries the risk of not leading to the development of a European quality standard for repair services. Years of voluntary cooperation might end up nowhere close to a drafted standard.

By contrast, if the European Commission issues a standardisation request, the European standardisation organisations will be given a clear mission with explicit requirements that the European Commission can lay down. The European standardisation organisations would also need to provide a work programme for the development of the standard. In addition, standardisation requests generally come with a possibility of funding for the standardisation work - once the European standardisation organisations accept the request. Last but not least, the European standardisation system is subject to a requirement of inclusiveness (Article 5 of Regulation 1025/2015). Although imperfectly implemented on the ground, this requirement means that civil society organisations representing consumers, such as ANEC, can contribute to the drafting of the standards. In a nutshell, a formal standardisation request provides much more certainty regarding the process and the outcome.

<sup>29</sup> For more information see BEUCs recommendations for the revision of the Design Directive (BEUC-X-2022-077)



Secondly, a set of mandatory requirements for Member States to implement in their national legislation would be a better way to achieve minimum harmonisation of the quality of repair services across Europe. Meeting a standard as such would remain purely voluntary and the only incentive to use them would be the mention on the online repair platform. Would it be enough to convince repairers to rely on it? Mandatory requirements, associated with a subsequent standardisation request, would be the most effective way of improving the overall quality of repair services in Europe. In addition, to boost consumer confidence in repair services, the EU should consider introducing liability rules that would protect consumers from unsuccessful/poor quality repairs and allow them to seek redress if something goes wrong<sup>30</sup>.

Finally, in the framework of our PROMPT project dedicated to the premature obsolescence of products, the following recommendations<sup>31</sup> were drawn up to improve the quality of repair services: "Provide consumers information on local repair services, build trust by establishing certification schemes including independent repairers, offer consumers replacement products while they wait for repair, promote staff training, certification and quality marks to improve service quality and increase professional interest in repair services. Independent repair services must have access to manufacturer's information and spare parts needed for repair."

#### **BEUC Recommendation:**

- BEUC welcomes the European Commission's intention to develop a European quality standard for repairs. For this purpose, **option 1** should be chosen (standardisation request to European standardisation organisations)
- The EU should also consider introducing mandatory requirements on the quality of repair, including a right for consumers to seek redress if something goes wrong.

### 7. Conclusions

The R2R proposal is the last element of a complex package of EU legislative initiatives that are supposed to make the right to repair a reality for European consumers. This is why it is so important to ensure that it can achieve this goal. This is why the improvements and clarifications mentioned above need to be implemented.

<sup>&</sup>lt;sup>30</sup> On the topic of improving the quality of the repair services, see also section 3.4.3 of the BEUC paper entitled "Durable and repairable products: Changes needed for a successful path towards the green transition" (BEUC-X-2021-061)

<sup>31</sup> https://www.beuc.eu/sites/default/files/publications/BEUC-X-2023-031 Better design and testing for more durable products.pdf



