



Survey of Retailer Compliance with Energy Labelling Requirements 2006: Summary

This report details the findings of a project funded by Defra, managed through the Market Transformation Programme (MTP). The work does not necessarily represent the views and opinions of Defra. Comments regarding the work are welcomed and should be sent to info@mtprog.com.

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1 Executive Summary

Appliances that are required to display the EU Energy Label include washing machines, washer driers, dishwashers, tumble driers, refrigerated appliances and electric ovens. Domestic air conditioners and lamps are also covered by legislation, but are not included in this survey.

The overall compliance level with the requirement to display the energy label has increased slightly since 2001, at 83% compliant in 2006, compared with 79% in 2001. There is room for improvement in all store types regarding the requirement to display the label. National chains have a higher rate of compliance than independent retailers and other types of store that sell electrical appliances.

The compliance rate is higher for appliances that have been required to display the label for the longest period, cold appliances and wet appliances, than for the most recently introduced - electric ovens;

There is a problem for retailers in obtaining the background part of the label, particularly for some independents stores. The suppliers of the products are required to supply the complete labels.

2 Background

A survey was carried out¹ of retailer compliance with energy labelling requirements for domestic 'cold' appliances (refrigerators, freezers, fridge/freezers), 'wet' appliances (washing machines, washer/dryers, tumble dryers and dishwashers) and electric ovens in outlets throughout the UK. Lamps and household air conditioners were to be covered also, but these are not reported here as they were found in insufficient numbers to give any reasonable analysis.

The primary objective of the study was to check the compliance with the requirements of the European Union Statutory Instruments in retail outlets². Energy labels are usually supplied in two parts: a coloured 'background' label that provides the required layout of the information, the A-G rating scale and the test standard; and a black and white 'strip' that gives product-specific information including the product model number, energy efficiency class rating and energy consumption, and other performance information or ratings. Product suppliers are responsible for producing both parts of the label, and retailers are responsible for ensuring the labels are displayed correctly.

This survey follows on from earlier surveys conducted by the Trading Standards Institute (TSI) in 1998 and on behalf of Defra (then DETR) in 1999/2000 and again in 2001 and 2004. In the 2001 survey, results were collated and adjusted for market share. There was no such adjustment in 2004 and there has been no adjustment in this survey.

The survey was conducted by eight local authority Trading Standards Services, whose staff conducted the surveys on retail premises. They were:

- Cardiff Council
- Ealing Council
- Lancashire County Council
- Leicester City Council
- Northamptonshire Council
- North East Lincolnshire Council
- North Lanarkshire Council
- Plymouth Council

¹ Trading Standards Consultant, Maggie Roderick, carried out this survey on behalf of the Department for Environment, Food and Rural Affairs.

² The complete list of appropriate Statutory Instruments can be seen in Appendix 1.

3 Results

3.1 Results overall

The results of the studies over time are summarised in the table below.

Table 1 Comparison of results since 1998

Survey	Total appliances checked	% Correct	% Incorrect	% No label
Current survey 2006	3866	83	8	9
2004	4033	80	8	12
2001	8244	79	7	13
1999 – 2000	7686	84	6	10
1999 Pilot	1587	82	3	15
1998 ITSA	7912	76	6	18

The overall compliance rate has improved over time, but by very little.

There have been some differences in the surveys making direct comparisons more complicated:

- Northern Ireland had been included in the earlier surveys, but not 2004 or 2006.
- Only five of the previous participating authorities took part in 2006³.
- Only national electrical chain and Independents were included in 2004, whereas rental stores and DIY stores were included in previous surveys. This survey has specifically included national chains whose main business is not electrical.
- These results also contained a higher proportion of appliances checked in just two national electrical chain stores. The other national chain stores previously surveyed have gone out of business since 2004 or closed the majority of their retail outlets.

The results have not been statistically adjusted to take account of market share within different store types or within authority areas. Results and comparisons must be seen in relation to observed data only.

³ Ealing, Lancashire, Leicester City and North Lanarkshire Councils

3.2 Results by appliance type

The results by appliance type can be seen in the table below.

Table 2 Results by appliance type

Appliance	Total	% of sample	% Correct	% Incorrect	% No Label
Fridges	399	10	81	10	9
Freezers	343	9	86	7	7
Fridge Freezers	677	17	89	6	5
Washing Machines	824	21	83	8	9
Washer Driers	182	5	81	11	8
Tumble Driers	294	8	78	11	11
Dishwashers	449	12	88	7	5
Electric Ovens	698	18	74	11	15
Total	3866	100	83	8	9

There was a higher compliance rate in this survey for wet and cold appliances than for electric ovens. This mirrored the results of 2001, although the compliance rate for ovens has improved from 62% correct in 2001 to the current 74%. In 2001, the lowest compliance rate was for dishwashers. The compliance rate for dishwashers has remained reasonably steady this time, but for washer driers, the percentage correctly labelled has dropped to below 80%. The general trend over these surveys seems to suggest that it takes time for the requirements of the Regulations to be implemented after they are introduced.

3.3 Results by retailer type

The results were compared by retailer type and are shown in the table below.

Table 3 Results by store type

	Total	National Chains	Independents	Others
Number of stores	40	12	20	8
Appliances checked	3866	2708	842	316
% Appliances checked	100	70	22	8
Range of compliances	0-100%	80-100%	0-100%	0-100%
Compliance	83%	88%	67%	67%
Incorrect labels	8%	6%	16%	11%
No labels	9%	6%	17%	13%

The category 'Others' includes stores whose main business is not electrical retailing such as supermarkets, DIY stores and large furniture stores. The survey did not include kitchen specialist retailers.

3.4 Analysis of Retailer Survey Results

The most frequent reasons for non-display of the label have not changed since 2001.

- In the case of Independents, some of the 'didn't know' meant also that they were not aware of the Regulations. This was particularly true of electric ovens.
- In the national chains, electrical or otherwise, this was more likely to mean that the manager didn't know why the label wasn't displayed.
- Failure of suppliers to supply the label was the second most commonly cited reason for failure to comply.
- There is still a reported problem with the supply of the labels. The display of the data 'strip' only is the main reason for incorrect labelling, as it was in each of the preceding surveys. The Regulations state that it is the suppliers' duty to supply the labels. However, there is no time scale given for this. The display of the data strip alone either fails to give consumers sufficient information or is open to misinterpretation.
- Consumers are not given any energy information when the background label is displayed without the data strip. Suppliers place the energy label inside the appliance with the instructions, but retailers don't look for it.
- The wrong background can lead to confusion. A label for the wrong make or model is more serious. It can lead at best to confusion and at worst to misleading information being given to consumers. Fewer incorrect labels were due to the wrong background in this survey.
- 15% of unlabelled appliances were due to incorrect interpretation of the Regulations, which is similar to the 15% in 2001 and 14% in 2001.
- Stores claimed that 14% of the unlabelled appliances were not new and were therefore exempt from the Regulations. The exemption is for goods that are second hand, rather than 'not new'. There was no indication on the appliances that they were second hand. This figure has increased from 5% in 2001.

4 CONCLUSIONS

The results demonstrate that:

- The overall compliance level with the requirement to display the energy label has increased slightly since 2001.
- There is room for improvement in all stores regarding the requirement to display the label;
- The compliance rate is higher for cold appliances and wet appliances than for electric ovens;
- The compliance rate in national chains, electrical or otherwise, should be addressed at company level;
- The levels of compliance in independents overall is variable, with some being extremely low;
- There is a problem for retailers in obtaining the background part of the label, particularly for some independents stores;

- The importance of obtaining and displaying a complete, accurate label needs to be emphasized.

5 SUGGESTIONS

It seems to be clear that some obstacles will always exist to prevent full compliance with these requirements. The display of a partial label is the most likely reason for the display of incorrect labels. This could be resolved in different ways.

- A time period by which the suppliers should supply the labels could be specified in the regulations. However, this would require amendments to the parent Directives.
- There could be a requirement to provide the complete label, rather than different parts. This would undoubtedly have cost implications for suppliers and could be difficult to enforce.
- Some trading standards authorities have suggested that the background labels could be supplied electronically, so that retailers could download them. This may be the least attractive option, but in many ways, seems to offer a pragmatic approach to the problem.

None of the above will resolve the problem of retailers simply not displaying the labels. If companies had sufficient information, then they may be more likely to comply; so specific retailer training may be appropriate. It would then be for companies to disseminate that information to their staff, and, crucially, to ensure that they adhere to their instructions. Failure to do so would indicate a lack of due diligence on the part of the company. It is therefore suggested that:

- Consideration is given to the establishment of a website and specific instructions for the downloading of background labels;
- A programme of compliance training is established for national retailers in association with representatives of the trading standards profession.

Appendix 1 List of Statutory Instruments

Statutory Instrument 1994 No 3076 The Energy Information (Refrigerators and Freezers) Regulations 1996

Statutory Instrument 1996 No 600 The Energy Information (Washing Machines) Regulations 1996

Statutory Instrument 1996 No 601 The Energy Information (Tumble Dryers) Regulations 1996

Statutory Instrument 1997 No 1624 The Energy Information (Combined Washer Dryers) Regulations 1997

Statutory Instrument 1999 No 1517 The Energy Information (Lamps) Regulations 1999

Statutory Instrument 1999 No 1676 The Energy Information (Dishwashers) Regulations 1999

Statutory Instrument 2001 No 3142 The Energy Information and Energy Efficiency (Miscellaneous Amendments) Regulations 2001

Statutory Instrument 2003 No 751 The Energy Information (Household Electric Ovens) Regulations 2003

Statutory Instrument 2004 1468 The Energy Information (Household Refrigerators and Freezers) Regulations 2004

Statutory Instrument 2005 No 1726 The Energy Information (Household Air Conditioners) (No. 2) Regulations 2005

Market Transformation Programme
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