

## Policy briefing

### EU energy label

The European Commission is expected to publish a proposal for the revision of the EU Energy Labelling Directive during summer 2015. This label has a dual role: informing consumers and encouraging innovation amongst manufacturers.

Many consumers are interested in energy savings when buying products – only 11 per cent are not – but in 41 per cent of cases the energy rating does not influence their decision.<sup>[1]</sup> Lack of awareness and understanding are common reasons for not using the EU energy label, and there is good reason for being turned off:

- By extending the rating system to 'A+++', rather than keeping 'A' as the highest rating, the EU made the rating system harder to understand.
- The label does not include running costs, making it difficult for absolute comparisons.
- Labels are weighted according to size, so do not reflect the extra energy a larger product will use.
- Many consumers research and make their shortlist for product purchases online, but compliance for online energy labelling lags behind in-store labels.<sup>[2]</sup>

The EU needs to make the rating easier to understand by making it clearer, more credible and further enabling comparison.

- Clear
  - use a closed A-G rating, with no extensions such as A+++
  - specify a short and coordinated transition period
  - work with retailers and national agencies to communicate the changes, and the consumer benefits
- Credible
  - rescale products over time to encourage innovation by suppliers, for example when a specified proportion of products reach the top rating.
- Comparable
  - publish open data on product performance to allow development of product comparison sites. These could then incorporate local energy prices to communicate running costs in a more consumer-friendly way.
  - group appliances by function, not fuel or size; a consumer should be able to compare a gas oven with an electric one, and compare a large and medium-sized fridge.

The UK Government needs to address the gaps in compliance and ensure labels are meaningful to consumers. This requires action at local, national and EU levels.

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[1] Consumer Futures (2012) *Under the influence? Consumer attitudes to buying appliances*  
<http://bit.ly/1wsdaX0>

[2] NMO (2012) *National Measurement Office enforcement annual report 2011-12*, <http://bit.ly/10hapfq>