The voice of European vehicle dealers and repairers



May 2023

## **EU** Right to Repair

March 2023, the European Commission adopted a new proposal on common rules promoting the repair of goods, which will result in savings for consumers and support the objectives of the European Green Deal by reducing waste.

Over the last decades, replacement has often been prioritised over repair whenever products become defective and insufficient incentives have been given to consumers to repair their goods when the legal guarantee expires. The proposal will make it easier and more cost-effective for consumers to repair as opposed to replace goods.

The proposal will ensure that more products are repaired within the legal guarantee, and that consumers have easier and cheaper options to repair products that are technically repairable when the legal guarantee has expired.

## How will this play out with legal guarantees?

The proposal will promote repair both within and beyond the legal guarantee:

**Within the guarantee:** The Sale of Goods Directive provides that for a period of two years, a consumer can request the seller to repair or replace a good free of charge in case of defects that are due to non-conformity of the goods with a sales contract.

Under the new rules, when repair is cheaper or equal in cost, sellers will have to provide free repair as a remedy instead.

**Beyond the legal guarantee:** producers of goods subject to repairability requirements under Union legal acts will be obliged to repair a product for 5-10 years after purchase (depending on the type of product), unless this is impossible (for example, if

products are damaged in a manner in which repair is technically impossible).

The new rules will help consumers find suitable repair services, for example, through national matchmaking online repair platforms where consumers can easily find a repairer.

Consumers will also have a right to request the repairer to provide the European Repair Information Form on the price and key conditions of repair. This form will help consumers easily compare different repair services.

A European repair standard will also be developed to help identify repairers committing to a higher quality service.

## Which products are covered?

The proposal covers consumer goods (any tangible movable item) and concerns any defect that may occur in such goods, whether or not still under legal guarantee.

Goods for which reparability requirements currently exist include household washing machines and household washer-dryers, household dishwashers, refrigerating appliances, electronic displays, welding equipment, vacuum cleaners, and servers and data storage. Mobile phones, cordless phones and tablets will soon be included in this list, when the respective ecodesign reparability requirements are adopted.

Cars are at this stage not covered by this Directive. As they might be included, CECRA deals with this topic.



The Commission has launched <u>a call for</u> <u>evidence</u> (feedback period 23/03 - **25/05/**2023).

CECRA participated to a prior call for evidence launched by the Commission in 2022—Its feedback contained following arguments:

Vehicles are designed and equipped with very advanced technology in order to last in time for many years (in average 13 years). Vehicles are already reliable and durable products which provide value for money to consumers and prevent the overuse of resources and waste. Furthermore, vehicles are already today - in contrast to disposable products - open to any kind of repair, upgrade, disassemble and - finally - recycling.

However, vehicles, composed of a collection of complex components, have each of which its own lifespan and longevity characteristics, depending particularly on the type of components (e.g. brakes) and the kind of use (e.g. km travelled, maintenance, driver behaviour etc.). These external influences are not predictable but have a major impact on the lifetime of components and the vehicle in itself.

Keeping all these factors in mind, we consider that the 'reasonable' guarantee period, set at 2-year, already offers encompassing all relevant defects and therefore offers a good solution as it ensures high levels of sustainable consumption while keeping the burden for the industry at a reasonable level.

Automotive manufactures are accountable for the products they produce and the guarantee all related costs - they offer for these products. However, in practice, automotive authorised repairers report they are not fully reimbursed by their manufacturers for doing these repairs under the guarantee period.

Through the guarantee period offered when buying a car, the automotive sales and repair sector esteems that the automotive industry, as a whole, already offers a sustainable format of repair and maintenance for its products and we do not see any need to introduce additional rules.

Nevertheless, CECRA supports the general principle. It therefore supports the voluntary commitments (1st policy option proposed by the Commission), which would encourage businesses to commit voluntarily to repairing goods with a significant negative impact on the environment and promote the purchase of second-hand and refurbished goods which could encourage more sustainable behaviour.

In our sector repair and maintenance are of great importance since a vehicle has a high purchase value and a long lifespan, which require timely repair and maintenance to prolong its proper, safe and environmental friendliest operation.

Therefore within the Automotive industry we are one of the frontrunners in this area and together with the Commission already accomplished many things regarding the right to repair in current legislation. Within the Automotive sector there are now 2 regulations (EU 2018/858 and EU 461/2010) which firmly support the right to repair and thus the extension of the lifespan in a good and healthy way. As an industry, we will continue to actively monitor this and are successfully making proposals to improve these regulations.

Obtaining the necessary repair and maintenance information is regulated in the Motor Vehicle Type Approval Regulation (EU) no. 2018/858 so this information must be made available to both authorized and independent repairers. This has created a level playing field in which consumers can choose from several suppliers for the maintenance and repair of their vehicle.

The Motor Vehicle Block Exemption Regulation (EU) No. 461/2010 includes that (independent) repairers/suppliers may offer/buy parts without the manufacturer being able to restrict this. And here too we have created a (near) level playing field for all parts and service suppliers.

In addition, Europe is working hard on setting up a "Battery Act" in which the reuse/refurbishment/ dismantling of batteries who are used in an electric vehicle (EV) will be made mandatory. Within the EC - Motor Vehicle Working Group, there is also discussion about allowing batteries to be upgraded so that the vehicle also has a better/longer useful



life as they are aging. Establishing battery guidelines is very important to extend the life expectance of an EV-battery, especially since such a battery is a very expensive component of an EV.

The aforementioned Regulations and Act have created (and will create) a level playing field in which there is full freedom of choice for repairing a vehicle by the consumer. The imposition of horizontal guidelines, especially policy options 2 and 3 that are recommended in this initiative, will disrupt this (unstable) balance within the Automotive sector, resulting in (too) much power being vested in the manufacturer, which can have in the mid-term a price-inflating effect. With the undesired result that the consumer can show repair delay behaviour, which can subsequently have a negative effect on road safety, the environment (e.g. increased emission values) and ultimately a shorter lifespan of the vehicle. We therefore advocate policy option 1 with reference to existing sectorspecific regulations.



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