

ENERGY LABELLING

Keeping A-G labels
Oct 2009

BRIEFING

With the future of the EU wide energy labelling scheme currently being discussed by the European Commission, Which? urges UK MEPs to continue to support the closed A-G energy label format.

BACKGROUND

For the last 16 years, a closed A-G label format has been used to rate the energy efficiency of different products. Since 2004, 2 additional A categories (A+, A++) have been added to the system used for fridges and freezers.

The European Commission has proposed the addition of new A classes - A-20%, A-40%, A-60%, A-80% - to the A-G system for fridges, freezers and televisions to reflect improvements in the energy efficiency of products.

WHAT WHICH? IS CALLING FOR?

Which? is calling on UK MEPs to:

- > Support the closed A-G label design in the Energy Labelling Directive to ensure that it is used across all product categories in future.
- > Stipulate that any advertising must include a reference to the product's energy label.

WHY DOES WHICH? SUPPORT THE CLOSED A-G ENERGY LABEL FORMAT?

Research by Which?¹ and even the European Commission² itself shows that people find the A-G energy label easier to understand than the proposed A-40% label design.

The current A-G label format has worked well for over 16 years and Which? is concerned that any changes would confuse consumers, making it difficult for them to compare the energy efficiency of different products.

which
?

¹ Which? surveyed 1,025 GB adults aged 16 - 64 via an online omnibus between 17 and 21 September 2009.

² The European Commission surveyed 8,000 consumers in eight EU Member States in September 2009.



for all consumers

REASONS WHY A RE-SCALED A-G FORMAT IS THE BEST OPTION

1 The A-G label is clearly understood and well recognised by consumers

Which? research into consumer preference found that 59% of people ranked the A-G label as their preferred choice. 33% chose the A+ label and only 15% the A-40% label. People also find the A-G label the clearest option - 86% finding it 'very easy' or 'fairly easy' to understand.

Although the A+ scheme has already been used on fridges, it does not provide as clear a message to 'buy A' as the closed A-G. Compared to the 86% of people that found the A-G label easy to understand, only 73% found the A+ scheme easy to understand.

The A-40% type label is clearly the label that people find most difficult to understand out of the three with only 38% finding it 'very easy' or 'fairly easy' to understand.

The Commission's own research found that the A-G label was understood by more people than the A-40% design: 72% of consumers understood the A-G label example; compared to 65% for the proposed A-40% label design.

2 Moving away from the A-G label could be damaging for industry

A recent study by the University of St. Gallen found that moving away from a clear A-G scale towards additional classes confuses consumers and weakens the effect of the label.³ It also found that people are more willing to pay more for the highest classes of the A-G closed scale than of the classes of the 'beyond A' scale (A-40%).

Adopting the closed A-G scale will mean that manufacturers would get a higher return on developing energy efficient products than from the 'beyond A' scheme.

Leading retailer John Lewis supports the closed A-G scale:

"The view from John Lewis is that a re calibration of the simple A-G rating system with new energy usage table and average consumer energy costs would be the most honest and simplest method of change that customers would readily understand. It would also act as a clear incentive for manufacturers to achieve the new gold standard"

3 Rescaling the A-G energy efficiency label will maintain standards

Regularly rescaling the A-G label would ensure that only the most energy efficient products are rated A, and that the well understood message 'buy A' is maintained.

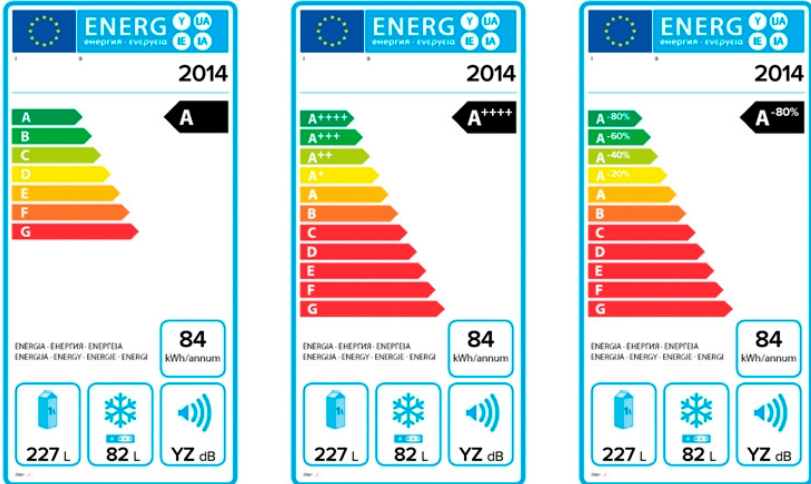
Adding dates to the energy labels will avoid confusion about products already on the market that require updating.

The argument that a rescaled A-G label will cause a confusing transition period during the rescaling process is also applicable to both the A++ and A-40% options as all three label formats would need to be recalibrated at some point. If this were not the case, then there would be no cut off point to the number of '+' and/or - X% and we would have energy labels that would be almost entirely A classes.

³ The University of St Gallen, August 2009.



Examples of how the three different energy labels could look in 2014.



4 The A++ and A-40% labels could confuse consumers if they don't carry a date mark

It is unreasonable to expect consumers to know which 'beyond A' class (A-20%, A-40% or A+, A++, etc) is the top rating at any particular point in time. If there are no dates on labels and a retailer does not carry the most up to date range then it will be impossible for a consumer to know if a particular appliance is top of its class or not.

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