

HOW DO PROFESSIONAL REPAIRERS OF ELECTRICAL GOODS IN FLANDERS SEE THE FUTURE OF THEIR SECTOR?

Summary report on new research

Link to concrete recommendations for policymakers who are committed to the circular economy and local employment

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Introduction

In 2018-2019, het Grote Repareeronderzoek¹ mapped out what difficulties and benefits consumers were experiencing when they wanted to repair their appliances. A lot of citizens who carry out repairs in their spare time in volunteer initiatives - such as Repair Cafés - participated in that research. Repair&Share built on that research with a survey of professional repairers, carried out in 2020.

One regularly hears that professional repairers are dying out. Repair&Share wants to reverse this trend. Let's invest in more repairers, not fewer. After all, extending the service life of appliances by repairing more is an indispensable part of an effective environmental and climate-friendly policy. Reassessing the work of repairers is part of a future-oriented employment policy.

Who better to tell us what opportunities there are to expand (again) the repair sector strongly than experienced repairers themselves? In collaboration with De Transformisten (formerly known as Netwerk Bewust Verbruiken), Repair&Share commissioned the research agency Möbius to conduct a survey among professional repairers in Flanders. The focus was on repairers of small electrical household appliances such as toasters, kettles and vacuum cleaners. Möbius conducted twelve in-depth interviews. These interviews involved repairers in authorised service centres as well as independent repairers, independent vendors with their own repair service, manufacturers, retailers and second-hand shops.

In this summary report, Repair&Share presents the **main views and needs of professional repairers** who took part in that research² and the surveys. Repair&Share includes in this report **links to concrete policy recommendations for the authorities and companies**.

Extending the service life of appliances by repairing more is an indispensable part of an effective environmental policy.

Reassessing the work of repairers is part of a future-oriented employment policy.

¹ See <u>het Grote Repareeronderzoek</u> (Netwerk Bewust Verbruiken, 2020)

² The <u>full survey report is available here</u>

Main findings of the survey by Möbius for the repair sector for small household electrical appliances (winter of 2020-2021)

1. Guarantee period

Findings from the survey:

- In Flanders there is hardly any repair market beyond the current legal guarantee period for small electrical appliances of 2 years.
- Within the legal guarantee period, manufacturers often have the guideline not to repair cheaper household electrical appliances but to replace them with a new appliance or to compensate consumers even devices that are still perfectly repairable. The reason? The high repair costs.
- Manufacturers and authorised repairers³ are against any extension of the current two-year legal guarantee period. What is striking is that they do not see the legal guarantee period as a way to ensure the repairability and durability of the appliances, but strictly as a product guarantee for defects which presumably existed at the time of purchase or delivery⁴.
- In the event of a defect within 6 months of purchase, the manufacturer currently has to prove that the appliance was free from defects when it was sold. The manufacturers contacted in the survey are not opposed to an extension of that period (the period for reversal of the burden of proof)⁵.
- Manufacturers question the validity of a guarantee period based on years of use rather than a number of cycles or hours of use. Their argument? Some consumers will use a washing machine intensively for 2 years, while others will not use it so much.

Repair&Share policy recommendations:

- Contrary to what manufacturers and authorised repairers said in this survey, we believe that a **longer legal guarantee period** would actually encourage manufacturers to design appliances so that they will not break and are easy to repair.
- However, more needs to be done to make the legal guarantee period⁶ create an incentive in practice for less waste and more product sustainability. Because, all too

³ Authorised repairers are recognised by the manufacturers as repairers of their brand(s)

⁴ Or a "lack of conformity at the time of the delivery of the goods". See Directive 1999/44/EC (Richtliin 1999/44/EG)

⁵ i.e. Manufacturers are not opposed to an extension of the period of the reversal of the burden of proof. See the European Directive 1999/44/EC (*Richtlijn 1999/44/EG*)

⁶ At EU level, the Directive 1999/44/EC has been revised to include the concepts of durability and repairability. The new directive applies to contracts signed after 1 January 2022. However, this does not fulfil all our requirements and it is unclear how this will be implemented in practice.

often, manufacturers choose to replace a defective device with a new one, instead of repairing it. We want to continue our dialogue with manufacturers and professional repairers about this, and we put the following discussion points on the table:

- Under European law, in the event of a defect within the guarantee period, the consumer may choose whether an appliance will be "restored to conformity with the contract free of charge, choosing either repair or replacement". In practice, the consumer's freedom of choice is not respected as manufacturers often opt for providing consumers with a new device. Repair&Share would like the manufacturers to always specify the reasons for not carrying out repair work.
- o In order to offer repairs as a valid option for the consumer, the so-called **hierarchy of remedies** should be modified. Consumers can currently choose between 1. replacement or repair and 2. financial compensation (if option 1. is not possible). If we want to make progress towards a circular economy, the hierarchy of remedies should look like this instead: 1. repairs, 2. replacement or financial compensation (if option 1. is not possible).
- o Repair&Share supports the argument of the manufacturers that a **guarantee based on the hours of use or cycles of use** is better than a guarantee based on years of use. Repair&Share proposes the use of a visible usage counter for certain appliances, like an odometer or mileage counter in vehicles. For many appliances (such as washing machines, televisions and also smaller devices such as smartphones), the amount of use in hours or cycles can be calculated. A usage meter will allow the consumer to make better estimates of the service life of appliances. The use of such meters can also strengthen the circular economy by showing the residual value of an appliance on the second-hand market.
- Manufacturers of electrical appliances should be made responsible for their appliances by extending the period for the reversal of the burden of **proof**⁸ to the full legal guarantee period.

A guarantee based on the hours of use or cycles of use is better than a guarantee based on years of use.

⁷ "or, failing this, to have the price reduced or the contract rescinded". See the "Consumer Sales and Guarantees Directive 1999/44/EC".

⁸ As stated above: the manufacturer must prove that the product was free from defects when it was sold instead of the consumers having to prove that they did not cause the defect themselves

2. Register for repairers

Findings from the survey:

• The survey asked for the opinions of repairers about the creation of a Belgian register for repairers. This would make it possible to enforce proper agreements with manufacturers, e.g. by always making repair information and spare parts available to repairers on the approved list⁹. All the respondents (including manufacturers) are positive about that idea. The respondents stated which criteria they believe repairers should fulfil in this register: having a professional status, being a registered company, having professional liability insurance, and having received technical training¹⁰.

Repair&Share policy recommendations:

 Create a Belgian register of professional repairers. Inclusion in such a register could become a quality label. Repair&Share advocates that a multi-stakeholder working group including independent repairers¹¹ should help to define the criteria for this. The purpose of a register is to include all the professional repairers, and not to exclude certain repairers.

A Belgian register of professional repairers could become a quality label.

3. Spare parts

Findings from the survey:

- Most respondents think the price of spare parts is high and want to consider ways to bring those prices down and make repairs more attractive.
- Repairers also experience other problems when they need spare parts: the parts are not always available and the delivery times can be long.
- The manufacturer questioned stated that it was open to price reductions for spare parts in order to promote repair work.

⁹ Recent European regulations (Ecodesign) offer EU Member States the option of creating a national register of repairers. At present, Belgium does not have such a register.

¹⁰ See the report for all the proposed criteria.

¹¹ Traditionally, the interests of independent repairers are less represented than those of the authorised repairers, which are represented via the manufacturers.

From 2021 onwards in the EU, spare parts for certain electrical devices must be made available for 7 to 10 years to consumers and professional repairers. The EU also requires that these spare parts must be delivered within 15 working days. Unfortunately, these regulations do not yet apply to small appliances.

- Extend this rule to **all appliances on the EU market**, including smaller household appliances.
- Set the mandatory **availability period for all spare parts at 10 years** after the device is introduced on the market.
- Shorten the **maximum delivery time** for spare parts to a maximum of 10 working days.
- Require more **standardised components** (following the example of the standard battery chargers).

In the EU, spare parts for certain electrical devices must be made available for 7 to 10 years to consumers and professional repairers. Why not extend this rule to all appliances on the EU market, including smaller household appliances?

4. The price of repairs

Findings from the survey:

- All the respondents see the high price for repairs as a barrier to their operations. The wage costs are high, but so are the costs for logistics and spare parts, as mentioned above. Repairers must pass on these costs to the consumer, who too often finds that the repair price is too high compared to the price of a new appliance.
- Repairers unanimously advocate a VAT reduction from 21% to 6% on repairs of small household electrical appliances and other electronic equipment.
- Manufacturers have fixed repair rates for each appliance. For example, one manufacturer charges € 249 to repair a high-tech espresso machine, including cleaning.
- Authorised repairers must be able to handle a large volume of appliances in order to operate profitably, because of the low flat rate they receive for their repairs.

- As the respondents indicate, it is important that repairs become cheaper. A **VAT reduction** from 21% to 6% (or less) can contribute to reducing the price of repairs to small household electrical and other appliances.
- Repair&Share sees even more potential in a **repair fund**¹² in order to make repairs cheaper. Any consumer who has a device repaired by a registered repairer after the legal guarantee period could then receive a discount on the repair invoice thanks to that fund. If the authorities create a third-party payment scheme for registered repairers, this discount can be deducted immediately, which would be very useful for the consumer. This fund could for example be financed with the contributions from Recupel, the Belgian association for collecting and recycling of discarded electrical appliances, if its scope would be extended to repair as well.
- Transparent communication on repair tariffs can encourage manufacturers to lower their prices. Transparency can be achieved with information requirements as part of the EU Ecodesign rules or by ensuring the price criteria is included in a repair score (more on this below).
- Other factors that can positively influence the price of repairs are: more investment
 in social employment in the circular economy and a reduction in the tax burden for
 recycling professions.

It is important that repairs become cheaper. Repair&Share sees potential in a repair fund in order to make repairs cheaper.

5. Consumer awareness

Findings of the survey:

Repairers observe a mentality problem: fewer and fewer users choose to have their
appliances repaired. According to the respondents, consumer awareness about the
possibilities and impact of repair work needs to be increased. In particular, consumers
need to be made more aware that small household electrical appliances can be
repaired.

¹² As in France, see the "loi du 10 février 2020 relative à la lutte contre le gaspillage et à l'économie circulaire" (French "law of 10 February 2020 on the campaign against waste and on the sustainable or 'circular' economy").

- The repairers surveyed are positive about the proposal to introduce a repair score for electrical appliances. Only the manufacturers questioned in the survey are not supporting the idea.
- Repairers recognise that there is also a mentality problem in the retail sector: retailers too often discourage consumers from having repairs carried out, they prefer to sell new appliances.

- Various studies show that consumers are willing to repair more appliances or have them repaired¹³ and that the main factor which deters them is the high cost of repairs. Nevertheless, Repair&Share, like the repairers surveyed, finds that there is still a lot of potential for the repair sector if consumers would be informed and made more aware of the benefits of repairs. Consumers in Flanders already know a lot about recycling, but their awareness of the repairability of small household appliances is too low.
- A concrete measure would be to implement a **repair score**. The repair score is a product label that makes it clear at a glance how well and easily an appliance can be repaired. The repair score has already been introduced in France. <u>Here</u> you will find further details of our policy proposal for Belgium.

A concrete measure would be to implement a repair score, a product label that makes it clear at a glance how well and easily an appliance can be repaired.

6. Representation in the federation for companies in this sector

Findings of the survey:

Both authorised and unauthorised repairers stated in the survey that they currently
feel they are not or insufficiently represented by federations for companies in this
sector. Manufacturers do feel well represented and supported by Agoria.

• Authorised repairers want better representation, among other things to encourage more awareness about repair and lower prices for repairs by professional repairers.

¹³ See Het <u>Grote Repareer Onderzoek</u> (Netwerk Bewust Verbuiken, 2020) but also, for example, the "Behavioural Study on Consumers' Engagement in the Circular Economy" (European Commission, 2018) '<u>Behavioural Study on Consumers'</u> Engagement in the Circular Economy'

- They are also happy to take part in forums where the rules for the availability and delivery times of spare parts are discussed.
- Unauthorised repairers also want to be better represented in discussions about policy proposals. Among other things, they want to secure their access to repair information and technical training provided by the manufacturers.

- At present, it is mainly the manufacturers and retailers who are represented in
 discussions with policy makers. When the authorities develop policies to stimulate
 the repair sector, they should look for ways to give independent repairers a say in
 that process.
- Professional repairers want to be able to engage in more dialogue about the future of their sector. We want to strengthen this appeal to policymakers who are committed to the circular economy and employment.

Professional repairers want to engage in more dialogue about the future of their sector. Give independent repairers a say in that process.

7. Repair Cafés

Findings from the survey:

- The professional repairers interviewed in this survey often think that the work of Repair Cafés is complementary to their operations.
- Some respondents (manufacturers, authorised and non-authorised repairers) stated that they are in favour of a professional framework for Repair Café repairers. Some argue for a system of authorisation, where Repair Café repairers should receive training and then have access to manufacturers' repair information and platforms so that they can properly carry out and record or register their repair work.

Repair&Share policy recommendations:

We are pleased that the respondents do not see Repair Cafés as competition, but as
an additional service on the market. Repair Cafés play a key role in raising consumers'
awareness, they pass on knowledge, advise consumers on the proper maintenance of
equipment and carry out simple repairs that do not need to be done by a professional.

There are about 300 Repair Café groups active in Belgium. They are supported by Repair&Share and the French-speaking colleagues of Repair Together with start-up guidance, exchange of experience and expertise, etc. The Repair Café organisers often work with short-term project funding or resources. Repair&Share recommends more funding and resources for Repair Café organisers, so that they can increase the number and the quality of the Repair Cafés.

• We also ask for spare parts and repair information to be easily accessible for Repair Café repairers. We are happy to work with the professional repair sector to see which training courses can be offered to Repair Café repairers. We think it is important that these training courses are free of charge for Repair Café repairers, since they are volunteers. For the same reason, we do not support the compulsory imposition of training courses for Repair Café repairers.

8. Further research

Many repairs within the guarantee conditions or period are carried out abroad, where the wage costs are lower, e.g. in Turkey or Romania. In this way, the manufacturers reduce their repair costs. In addition, with small electrical appliances, transport is not a problem. What would be the impact of an imposed maximum time limit for repairs? Such a time limit could improve consumer confidence. It could also potentially stimulate a local repair sector (because it would become less interesting for manufacturers to transport appliances to low-wage countries for repairs). That subject is also worth further investigation.

About Repair&Share

Repair&Share wants everyone to have access to quality and affordable appliances. We want appliances to be repairable and shared as much as possible.

We support and connect initiatives that make this possible, such as Repair Cafés and lending services for work materials. Our organisation acts as a contact point and centre of expertise for (the impact of) socially inclusive initiatives for the circular economy.

The authorities and partners who want to support sharing and repair initiatives can count on our advice. Under the heading of Right to Repair, we are putting pressure on manufacturers and authorities to work against disposable products.

Contact us

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