

REPORT 2021

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REPORT ON
THE POSITION
OF CONSUMERS

**SUMMARY AND
RECOMMENDATIONS**

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1 Preliminary remarks: Key aspects of the report and consideration of the COVID-19 pandemic

With this report, the Advisory Council for Consumer Affairs (*Sachverständigenrat für Verbraucherfragen – SVRV*) is fulfilling its duty to submit, at regular intervals, a report on the position of consumers. The report aims to identify the main problems and challenges consumers are facing and, where it appears advisable and necessary, to make recommendations for action on consumer policy.

The report first covers the position of consumers in three sectors which, on average, make up the largest proportion of consumer spending, namely housing, mobility and food. The chapters on sustainable consumption and the digital world focus on two cross-cutting issues which have gained momentum in consumer policy in recent years. Since consumer policy is currently directed primarily at consumer information, a separate chapter deals with the regulation of information duties.

The full extent to which the COVID-19 pandemic will affect consumers in the medium and long term could not be foreseen at the time of writing, that is to say at the end of January 2021. Nevertheless, the impact and effects already observable at the time of drafting are discussed in the relevant chapters. The following aspects are highlighted by way of example:

- The chapter on the housing sector takes into account that, during the COVID-19 pandemic, a great many people are spending more time at home, not least because they have moved to working from home. On average, people in Germany are therefore likely to have spent more time in their own homes in 2020, which in turn led to an increase in importance of the housing sector. It is often speculated that, even after the pandemic, working from home will remain of greater importance than before. Estate agents expect that the need for an extra room (plus a balcony and garden for quarantine periods) will lead to greater demand for housing outside the cities, which will create new dynamics in the housing market. In the chapter on housing, it is also noted that, despite the COVID-19 pandemic, the high average level of satisfaction with housing remained almost unchanged until January 2021.
- In the mobility sector, the COVID-19 pandemic illustrates that it is entirely possible to reduce mobility pressure by expanding options for working from home, co-working and mobile working.
- In the food sector, the restrictions put in place to curb the spread of COVID-19 have made consumers aware of how vulnerable food supplies are. In March 2020, the food trade was suddenly of particular public interest even though there was no serious shortage of supply. The food industry has since regained a state of “systemic importance”.
- In the chapter on sustainable consumption, it is noted that, although the COVID-19 and the climate crises have the potential to amplify one another, they may also open up new opportunities to shape sustainable production and sustainable consumption. The COVID-19 pandemic has also highlighted the social and economic potential of sustainability strategies, in terms of an orientation towards precautionary resilience. In a representative survey conducted for the SVRV, around 80% of those questioned consider sustainable consumption and production to be important in preventing pandemics and crises. The empirical survey carried out in September 2020 also shows that around two in five consumers changed their consumption patterns on

account of the COVID-19 pandemic. Of those, just under two thirds believe that their consumption patterns are more sustainable than before the pandemic. Of this group, around 80% state that they will also uphold these consumption patterns after the pandemic has ended.

- Since the beginning of the pandemic, attitudes in Germany towards the digital transformation have also changed markedly. Whilst in 2018 only 44% of respondents in a survey believed that the digital transformation will create opportunities for society, this figure rose to 49% in the first month of the lockdown (March 2020) and to 57% in the second month of the lockdown (April 2020). The restrictions imposed by the pandemic have shown that the digital world can also serve as a safeguard against risks by ensuring access to relevant areas of life and associated goods and services for consumers, even under difficult conditions. For example, a lockdown in which many people have to switch to working from home would not have been possible or would have had serious negative consequences in the absence of digitisation.

Many subject areas on which this report focuses are and have been significantly affected by the COVID-19 pandemic. However, it is largely unclear which economic challenges and problems for consumers will arise from the COVID-19 pandemic in future.

2 The position of consumers

In view of the structures and institutions of consumer policy and the economic and health related consumer protections which exist in Germany, the SVRV does not consider the position of consumers to be of fundamental concern. At the same time, consumers' concerns are diverse and the influencing factors in the different fields of consumption are heterogeneous. As a consequence, despite the generally sound framework conditions, consumers and consumer associations and organisations are voicing complaints in a number of areas. These must be taken seriously, assessed and, where necessary, addressed.

For example, new technologies in the digital sector, which quickly become widespread, often pose challenges to consumers. An appropriate framework to meet these challenges needs to be established. However, this can only be done gradually. Malnutrition is a structural problem which causes problems in the food sector. In the housing and mobility sector, another structural problem is that many people would like to live quietly and affordably – a wish that cannot be easily fulfilled in cities, resulting in many people living in the outskirts of cities or in the countryside. The resulting divergence between work, housing and leisure gives rise to mobility pressures and possibly a permanent decline in life satisfaction. Consumers who wish to consume more sustainably also encounter structural problems in that the relevant products cannot be easily identified or are not readily available.

3 Results specific to the fields of consumption

3.1 Housing sector: Peace and quiet and affordability are central factors for “good housing” in Germany

People in Germany spend on average just over a third of their consumer budget on housing, and the associated housing satisfaction is high. This is a result of, amongst other things, the differentiated regulatory approach of German tenancy law. Problems arise in particular upstream, namely in the form of information related problems when looking for a flat or a house, and when signing a lease.

Although no precise figures are available, it can be assumed that around one million German households (a number which is equivalent to around two million people) are currently unable to meet the costs of heating and can therefore be classified as living “in energy poverty”. In this respect, it is significant that an analysis set out in this report shows that CO₂ pricing, which is important for environmental policy reasons, can be implemented in such a way that consumers experience, on average, little or no additional financial burden. However, an easing of the financial burden on average does not mean that CO₂ pricing could not lead to an undesirable financial burden on individual groups. This must be borne in mind and, where necessary, addressed in a targeted manner.

In the housing sector, there is only selective pressure for consumer policy action that would benefit relatively few consumers compared to the overall population. However, the need for action goes beyond conventional instruments of consumer policy, in particular in areas most important to those questioned, namely peace and quiet and affordability. On a small scale, peace and quiet can be achieved by installing soundproof windows. On a large scale, however, infrastructure measures that extend into transport policy are required (“traffic calming”). In addition, where housing is insufficiently available, in particular in cities, the criterion of affordability obviously extends into the broader field of housing

policy. Beyond consumer policy in the narrower sense, social housing is, and will remain, necessary in the long term in order to provide suitable and affordable housing. The State should fulfil its responsibility to create the framework conditions necessary for continued house building, in particular in the lower and medium price range.

Against this background, the SVRV makes the following recommendations as regards the further development of the housing sector:

Recommendation 1: Compile statistics on homeless people and people in institutional care facilities and accommodation centres regularly and across Germany

The number and living conditions of homeless people and people living in institutional care facilities and accommodation centres should be compiled statistically, reported and discussed across Germany. The SVRV welcomes the Homeless Reporting Act (*Wohnungslosenberichterstattungsgesetz*), which provides statistics on homeless people for the first time for 2022. However, the problem of homelessness must not be merely quantified but discussed further and actually addressed.

Recommendation 2: Expand the Housing Benefit and Rent Report (*Wohngeld- und Mietenbericht*) to create a more comprehensive “Housing Report”

The Federal Government’s Housing Benefit and Rent Report should be supplemented by an appropriate report on the situation of owners, in particular owner-occupiers, people in institutional care facilities and accommodation centres as well as homeless people. Accordingly, this could then be published as a “Housing Report” to reflect the proposed extension. In addition, certain forward-looking key themes relating to the housing sector should be selected – such as, for example, affordability in cities, accessibility, digitisation and commuting – and core indicators should be included and discussed in the report. In principle, the ministry in charge should assess whether the Housing Report should continue to be drawn up as a government report or by an independent expert committee or a council of experts (see also the final recommendation on expanding consumer research at the end of the summary).

Recommendation 3: Take greater account of the subjective factors of good housing

The SVRV recommends that greater account be taken of subjective factors of good housing overall. Questions on satisfaction with housing, for example in the German Socio Economic Panel (SOEP), whose data is already used in the official Housing Benefit and Rent Report (*Wohngeld- und Mietenbericht*) and the Poverty and Wealth Report (*Armuts- und Reichtumsbericht*), could provide a starting point. The answers in a survey conducted on behalf of the SVRV on the subjective housing cost burden and the appropriateness of housing costs could further enrich the debate on subjective factors of good housing. Corresponding empirical studies could be an important task for specialised consumer research institutions.

Recommendation 4: Record the housing cost burden appropriately

Since the housing cost burden (the ratio of housing cost to household income) is criticised for being more akin to a mere empirical observation (with no theoretical basis) and, in certain cases, is unable to draw a clear line between households with potentially existential problems and households with “luxury problems”, critical reflection on the housing cost burden should be encouraged. The SVRV will take a position on this issue in a separate publication.

Recommendation 5: Bear in mind peaks in the housing cost burden and address them in a targeted manner

People who are possibly in particular financial difficulty should be examined more closely, also with regard to the housing cost burden, in order to identify and evaluate the need for support more effectively. Appropriate measures to reduce the housing cost burden can range from information on debt counselling to housing benefit and references to social housing provision.

Recommendation 6: Monitor disconnections of electricity supply and “energy poverty” and better understand cases of hardship

There are many reasons for threats of disconnection of electricity supply. They range from incorrect re-registration of electricity customers upon moving house, through forgotten payments, to actual financial difficulties. There is potential here for improved conflict management to reduce further the number of disproportionate disconnections and threats of disconnection. Electricity providers should be required to use disconnection threats more moderately and instead rely on the milder instrument of demand notices. The correct degree of sanctioning electricity customers must be maintained, in particular because an analysis by the SVRV shows that the fault does not always lie with the customer but may be with the electricity provider’s system. Developments in cases of disconnection threats and announcements and actual disconnections, and in the reasons for them, should be statistically monitored on a permanent basis.

Recommendation 7: Ensure peace and quiet and reduce mobility pressure

The ability to experience peace and quiet is an important housing objective for many people. There are also health reasons for having effective noise control. In particular, the reduction in traffic noise and noise control by making changes to the house itself can be shaped by policy in a straightforward manner, for example through relevant measures in housing building policy and a transport policy to reduce traffic noise. It is true that these measures are not – like social housing referred to above – among the conventional subjects of consumer protection. Nonetheless, the SVRV recommends as follows:

1. Two goals can be achieved at once with increased installation of modern windows, namely the reduction of noise and an improvement of thermal insulation. This could be realized, for example, as part of building renovation or energy-efficiency renovation. In order to design good policy measures, it would be necessary to assess whether the relevant legislation and existing technical guidelines, such as DIN 4109 (“noise control in buildings”), are implemented properly, and whether a sufficient number of people benefit from “enhanced noise control” (Supplement 2 of DIN 4109).

2. It should be assessed whether energy-related modernisation, such as the installation of sound and heat insulating windows, should be given priority over other modernisation measures and different levy rates should therefore be set out in tenancy law. In the medium term, however, the aim of limiting rent increases due to modernisation to the amount of savings from modernisation measures should be pursued. In this way, particularly households with low incomes – and possibly with windows which are disproportionately more in need of renovation – are not excessively burdened.
3. Support programmes for energy-related renovations should be designed in a more simple manner and also take the situation of tenants into account. For example, it would be conceivable for landlords, tenants and representatives of state support programmes to come together to discuss how the objective of the renovation can best be achieved while taking account of all the various interests in a particular case. This would require creativity and flexibility. It may also make sense to grant access to the support programme not only to landlords, who in many cases do not make use of them, but also to tenants.

3.2 Mobility sector: Ensure the supply of public mobility and redistribute public space

Infrastructure problems are particularly evident in the mobility sector. Consumers in Germany are subject to high mobility pressure. In their everyday lives, they have to commute between their home and workplace and also travel between shops, offices, care facilities and leisure facilities. People with obligations of care often also have to travel to nurseries, schools, and retirement and nursing homes, etc. Consequently, mobility costs account for a large proportion of consumer expenditure. After housing costs (35%) and food costs (14%), consumers spend the third largest proportion of their budget (14%) on mobility.

Mobility must be regarded as an essential service of general interest, since it is necessary to participate in society with equality of opportunity and to satisfy basic needs such as work, education, medical care or food shopping. Against this background, consumer policy should ensure that supply gaps in public transport are removed. This includes improving access to public transport and enhancing its attractiveness (reliability, comfort and safety). In metropolitan areas, the focus must be on redistributing public space in favour of environmentally friendly modes of transport (walking, cycling, public transport) and making multimodality easier for consumers. The SVRV makes the following recommendations as regards the further development of this sector:

Recommendation 8: Develop empirical indicators on basic services in the mobility sector

The debate on a successful design of mobility is hampered by the absence of any definition of “adequate” public provision of transport services. The SVRV recommends the development of empirical indicators for evaluating basic services in the mobility sector (see also the final recommendation on expanding consumer research at the end of the summary).

Recommendation 9: Reduce mobility pressure

The systematic use of the benefits of digitisation and the expansion of options to work from home in professions where this is possible can make a significant contribution to removing the division between working and living, and thus reduce mobility pressure.

It would be possible to set up regional co-working spaces in the countryside where employees could work close to home. Consistent and well-thought-out implementation would produce additional positive side effects which go far beyond the mobility sector. This includes the fact that rural areas and towns would become more liveable again because people could not just live but also work well and relatively cheaply there. If more people, especially younger people, lived in rural areas again, this would have effects on the location of companies which, for example, provide everyday goods, and it would, possibly, be worthwhile again to provide more schools and a broader cultural offering in these areas. Overall, the pressure on the cities and the associated infrastructure-related challenges would be reduced both for the rural areas and the cities.

Of course, there are a host of challenges which should be carefully monitored and resolved, in particular issues of labour law (working hours, inspection rights, management rights, insurance coverage, taxes, data protection, etc.). This also includes issues regarding where, for example, workers whose homes are not large enough for working from home should work or who bears the additional costs of working from home. Furthermore, digital infrastructure should be improved, in particular in rural areas.

Recommendation 10: Ensure basic provision of public transport

Adequate public transport provision should be understood as a service of general interest. The SVRV recommends, in particular, that disused railway stations and lines be re-opened and all medium-sized towns be connected to the rail network. Network densities and frequencies should be increased in rural areas and should not be guided by school traffic alone. Travel times should be reduced. National and regional planning should go hand in hand to take account of dependencies and effects at all levels. In order to close gaps in public transport in particular in rural areas, transport companies should develop from pure bus or rail providers into integrated transport service providers with a broad range of demand-orientated services. It is also important that consumers be given sufficient information as to what is on offer.

Recommendation 11: Reduce mobility costs

Improvement in basic services should, at the same time, entail a reduction in mobility costs for individual consumers, primarily in the lower income groups and in rural areas. Price rises in public transport should be proportionate to the increase in general living costs, particularly where no increases in provision or quality are evident.

Recommendation 12: Identify and take account of disadvantaged consumer groups

The mobility needs of low-income consumers, women, children, young people and families, elderly people, migrants and people with (physical) disabilities should be recorded appropriately and given greater consideration.

Recommendation 13: Renegotiate public space

The policy objective of a car-orientated city should be abandoned. The objective of environmental sustainability in particular can be achieved only by shifting from the car to slow modes of transport (walking, cycling) and public transport (train, urban railway, underground, trams and buses). The SVRV therefore recommends that various measures be taken to strengthen slow modes of transport and public transport and shift the overall balance between those forms of transport. Therefore, infrastructure measures in the fields of urban development and urban and transport planning are necessary. The SVRV notes that a fair distribution of public space, having regard to the needs of all road users, is central to the development of a people-oriented city. Against this background, the SVRV recommends the institutionalisation of a national dialogue on the necessary conditions for developing and implementing alternative, sustainable and integrative mobility concepts, in particular on introducing a guiding principle whereby cycling and public transport are given priority at all levels in transport planning.

Recommendation 14: Facilitate multimodality

The combination of environmentally friendly modes of transport (walking, cycling and public transport) and new digital forms of mobility should be made available to consumers in an uncomplicated and swift manner. The SVRV therefore recommends the development of overarching platforms such as those already established in Helsinki which take account of various means of transport in route planning and cover an entire trip with a single purchase. Consumers should be able to find their way around quickly on the ground, and “mobility hubs” should be set up at central locations.

Recommendation 15: Enhance the attractiveness of public transport

A central measure in shifting mobility from the car to public transport is enhancing the attractiveness of public transport. Consumers appreciate the comfort and flexibility that motorised individual transport offers them. Only through constant improvements in provision and quality can public transport compete with the private car. In this context, reliability, comfort and the feeling of safety in particular should be increased.

Recommendation 16: Make cycling safer and more attractive

Measures for cycling must not be among the voluntary tasks of the municipalities. Instead, the Federal Government and the *Länder* should lay down the framework for safe and attractive cycling and support and coordinate municipal cycling policies. The National Cycling Plan should be developed further and contain nationally binding targets and action plans. In particular, the German Road Traffic Regulations, other relevant laws and the range of fines would have to be adapted. Cycling infrastructure should be expanded, and e-bikes and pedelecs should be promoted.

Recommendation 17: Increase the attractiveness of electromobility for consumers

Increased electromobility can succeed only if there is a dense, user-friendly charging infrastructure which lowers the overall cost of electromobility for consumers and if consumers are informed of the environmental advantages of electromobility as well as possible shortcomings.

Recommendation 18: Test and use the potential of digitisation

Technological solutions which make individual and public mobility simpler, more efficient and, possibly, even more environmentally friendly, should be promoted. In order for all consumers to benefit equally from the potential of digitisation, improvements in general digital infrastructure and in the degree of public digitisation in terms of access, use and skills are required (see recommendations on the subject of the digital world). As regards the mobility sector, the elderly population and rural areas are of particular importance.

3.3 Food sector: Enable better and more targeted information and reduce the flood of labels

In the food sector, consumers are confronted with a central and complex field of consumption which entails relatively high expenditure, is an essential component of everyday life and serves to form a person's identity and lifestyle. At the same time, there are a confusing number of different goods and forms of distribution for food, which means that many different problems have to be overcome. From the point of view of the consumer, the subject areas of ingredients and nutrition labelling, quality labels, the (regional) origin of food, meat consumption and the cost of food are particularly pertinent. In addition, migrant consumers in particular are often confronted with additional problems on account of religious food requirements. Therefore, the SVRV makes the following recommendations as regards the further development of this sector:

Recommendation 19: Create confidence by means of reliable and transparent food controls

In order to achieve a higher number and effectiveness of inspections, the SVRV recommends the following measures:

1. First and foremost, more human resources are required.
2. The conflict of interest between promoting local business and consumer protection should be resolved by means of a higher, independent inspection authority.
3. In the event of maladministration, penalties should be imposed consistently, primarily in the form of fines which cause companies such high costs that they actually have a deterrent effect.
4. Mandatory uniform data collection and data exchange between the inspection authorities should be established in order to ensure early identification of undesirable developments and facilitate an exchange of inspection results.
5. An obligation to publish all the results of food inspections should be introduced in order to strengthen consumer confidence.

Recommendation 20: Improve consumer guidance – thin out the quality label jungle

At present, consumers are overwhelmed by a “flood of labels”. Their confidence can be gained only by enforcing legislation on and by monitoring food labelling. Therefore, the SVRV recommends the following measures:

1. The flood of labels should be reduced by focusing on a few concise and informative quality labels with a high recognition value.
2. In order to establish legal clarity and legal certainty, a legal framework for quality labels should be developed in line with EU law. This legal framework should lay down compulsory minimum standards founded on scientifically based criteria and minimum requirements for monitoring compliance with those criteria. The integration into the German National Accreditation Body and a procedure for state recognition and monitoring of labels and certificates and the identification of state-recognised labels and certificates are necessary.
3. Alternatively, competing labels of companies or NGOs should be permitted only if their standards can be proven to be above minimum statutory standards.
4. Regular communication measures should help raise awareness, since national labels can have proper effect only if they are familiar to customers and understood by them.

Recommendation 21: Create clarity by clear labelling of regional foodstuffs

Labelling on food products relating to their (regional) origin is often opaque or even misleading. The SVRV recommends the following measures:

1. The geographic region indicated on a label should be clear and easy to understand. Therefore, the SVRV recommends that all producers be required by law to use only the “Regionalfenster” – a voluntary private label for regional products introduced in 2014 – or a comparable national label for all food products which are advertised with reference to their regional origin or whose packaging displays a regional reference.

2. The aim should be EU-wide harmonised labelling, control and penalisation.
3. It should be examined how the concept of the label for regional products (“Regionalfenster”) can be improved, for example in relation to the minimum proportion of regional ingredients and the definition of the size of the region.

Recommendation 22: Establish and improve consumer education in nurseries and schools

Since our eating habits are shaped decisively in early childhood, improved consumer education makes sense in particular in nurseries and schools. The SVRV recommends that food and consumer education become mandatory in an existing subject or that a new subject be established nationwide and that the training of teaching staff engaged in consumer education be set up and promoted. The material and personal framework conditions for this field of education should be significantly expanded and the consumer skills of school pupils should be regularly evaluated.

The compulsory school lunches in all day schools should be used for consumer education. Rules or agreements on quality (e.g. the binding introduction of German Nutrition Society (DGE) quality standards for school meals) and the design of meal provision and its incorporation into educational projects should be adopted nationwide. Furthermore, the school meal networking bodies of the Federal Government and the *Länder* should be strengthened and expanded to support schools in the planning and optimisation of mass catering.

Recommendation 23: Create incentives for reduced meat consumption

Most consumers would like to continue to eat meat and would thus consider any regulation restricting their meat consumption as an unwanted serious interference in their private and everyday lives. Therefore, instead of banning or heavily regulating meat consumption, measures which address the fundamental willingness of consumers significantly to reduce their meat consumption will have a greater prospect of success. The SVRV recommends the following measures:

1. One significant approach is to inform consumers of the consequences of eating meat and other animal products and the benefits of switching to more plant-based food.
2. Measures to improve the provision of tasty vegan, vegetarian or at least meat-reduced dishes as part of meals consumed outside the home, such as in canteens, school dining halls, refectories, pubs, restaurants and take-aways appear practical. These measures should target employed and retired people along with people in education and training, since many of these consumers eat at least one meal a day outside their home. Therefore, the SVRV recommends examining how the training of catering staff can be improved in this area.
3. The development of affordable, healthy and attractive alternatives to meat is another important strategy for creating incentives for reduced meat consumption.
4. As a political instrument which intervenes deeply in the market, and is therefore more politically sensitive, an increase in the price of goods of animal origin is under discussion, but its suitability, social acceptability and unwanted side effects still need to be examined.

Recommendation 24: Implement clear animal welfare labelling

The Federal Government should (finally) introduce a mandatory national animal welfare label and continue to advocate for uniform mandatory labelling at EU level. Labelling should be used to provide consumers with transparent information about the animal welfare performance of a particular product. An animal welfare label should have several levels, and the label criteria should not be based on what farmers are able to do simply and cheaply but should reward significant increases in animal welfare. For this reason, the award criteria for the higher levels of the label should also be raised gradually over time.

4 Current subjects of consumer policy: Sustainable consumption and the digital world

4.1 Sustainable consumption: Promote awareness and skills, offer more sustainable products and carry out regular positioning

In achieving the global UN Sustainable Development Goals ("SDGs"), Goal 12 "Responsible Consumption and Production" plays a central role. With regard to SDG 12, companies and consumers are responsible for taking an active part in shaping the system of production and consumption. Consumers influence the upstream production of goods with their consumption decisions. For example, by recycling products or their (re-)packaging and thereby supporting a circular economy, consumers also influence the shape of the (future) use of resources in production. However, this is possible only if there is also a supply of sustainable products.

Even if consumers are offered such products, they can become aware of the need for sustainable patterns of behaviour and thus contribute to the establishment of sustainable consumption patterns only if they are well informed. Consumers must therefore have knowledge of the process and product ("literacy").

Against this background, this report focuses on the three prerequisites for long term sustainable consumption, namely sustainable consumption awareness, sustainability skills (also sustainability literacy) and opportunity for sustainable consumption. The empirical analyses show that awareness of sustainable consumption and skills needed for sustainable consumption are, in principle, anchored in German society. Furthermore, the specific understanding of the multidimensionality of the concept of sustainability, that is to say the systematic integration of ecological, social and economic aspects, is rather poor. The skills in "assessing" information on sustainability and "acting" sustainably also differ. In many areas, people

may possess the skills and willingness to consume in a sustainable fashion, but there is a lack of opportunities for sustainable consumption.

Thus, the recommendations relate to both the reduction of shortcomings and the overcoming of barriers, as well as promoting sustainability skills and awareness:

Recommendation 25: Raise awareness of sustainability in all three dimensions

The sustainability awareness of the public and policy-makers depends, amongst other things, on which sustainability strategy the Federal Government and its ministries consider to be the guiding principle and how they develop, implement and communicate the relevant measures, programmes, action plans and legislation. Therefore, the SVRV recommends that the Federal Government and its ministries further develop, implement and communicate the consumer policy perspectives within the German Sustainability Strategy. This process should be guided consistently by the Sustainable Development Goals (SDGs) of the 2030 Agenda and take account of the ecological, social and economic dimensions of sustainability. It is further recommended that the public be made aware of the connection between sustainability and legislation, in particular with regard to consumer law. Contradictory aspects of environmental and consumer policies can thus be identified and resolved, thereby promoting sustainability.

Recommendation 26: Promote sustainability literacy through education and consumer advice

One of the basic prerequisites for sustainable consumption is the ability to discern and understand the systematic links between consumption and production in all three dimensions of sustainability – namely the ecological, social and economic dimensions – and to develop sustainable options for action and be able to experience their consequences in everyday life. Therefore, consumer policies should examine existing opportunities and material for education in sustainable development and consumer advice as regards their potential to promote sustainable consumption skills, in particular the “assessing” and “acting” dimensions of sustainability literacy. Therefore, the need for updates in areas relevant to consumer (law) policies should be identified to initiate (further) development of corresponding (innovative) education and guidance.

Recommendation 27: Simplify and facilitate opportunities for sustainable consumption

The creation of opportunities for sustainable consumption concerns the supply of and access to sustainable products and services and the ability to identify them easily when making consumption decisions. Policy framework conditions and incentive structures in production and consumption should be developed for the purpose of expanding supply and improving identifiability. Firstly, consumer policy should assess the legal feasibility of approaches to improve consumer information, actively drive them forward, and test them for consumer acceptance and receptiveness in pilot projects. Secondly, it should promote sustainable product design and its provision by stepping up further development of the EU Ecodesign Directive. Such a sustainable design directive should integrate all three dimensions of sustainability and drive forward the inclusion of further products in the implementation measures. Thirdly, regulatory and legislative measures for sustainable consumption should be systematically examined with regard to a socially just design.

Recommendation 28: Establish and communicate monitoring

In order to record developments and changes relating to awareness, skills and the taking of opportunities for sustainable consumption systematically and over time, the SVRV recommends that the Federal Government take measures to create structures in order to monitor these central factors.

Consumer policy could take the survey carried out for this report as a starting point for regular, scientifically supported monitoring in the field of sustainable development. This should include assessing the level of awareness around sustainable consumption in its multidimensionality and correlating its development with sustainability literacy and the taking of opportunities. In the course of the monitoring, the measuring instruments and the socio-economic differentiation in the method and assessment should be validated and developed further. The monitoring should be supplemented by further aspects (such as the measurement of the action on sustainability or resource consumption) and used for the purpose of evidence-based evaluation of measures. Finally, the findings from the monitoring should be made continuously available to the key stake-

holders in politics, business and organised civil society and to consumers (see also the final recommendation on expanding consumer research at the end of the summary).

4.2 Digital world: Create digital consumer skills and take account of the effectiveness of consumer information

The analysis of the situation of consumers in the digital world shows that there are gaps in digital consumer skills in Germany and that these skills are distributed in a socially unequal manner. Differentiated policy measures should therefore be swiftly taken to close existing skills gaps as far as possible, and the effectiveness of such measures should be evaluated at regular intervals.

With regard to the information obligations on the providers of digital services, a representative survey carried out for this report shows that only just over half of current users of online comparison platforms have any interest in transparency information and that they rarely use this information. Therefore, policy should link the upcoming information obligations with a systematic supervision of digital service providers and the algorithms used. In this context, the Digital Services Act and Digital Markets Act proposed by the EU Commission in winter 2020/2021 and the rules on artificial intelligence applications currently being drawn up are central. From the point of view of the SVRV, such rules should be accompanied by consumer education measures, and, in addition, measures should be taken to reduce the effort consumers perceive to be required to obtain information.

As regards the security of networked consumer devices in the Internet of Things (IoT), consumer policy should quickly drive forward the introduction of a practical IT security label and continue and strengthen the promotion of targeted information and support.

Last but not least, consumer policy should pay more attention to the new developments facilitating consumer fraud in the digital world.

The SVRV therefore makes the following recommendations with regard to the cross-cutting area of the digital world:

Recommendation 29: Take measures to close the existing gaps in digital consumer skills as far as possible

Digital consumer skills are a prerequisite for consumers to be able to realise the potential benefits of digital markets – better access to information, greater choice, potentially lower prices and more innovation in relation to products and services – and to gain sovereignty in the digital world. The results of the empirical study carried out for this report lead us to the conclusion that there are still large gaps in digital consumer skills in Germany and that they are unequally distributed across social strata. Consumer policy should therefore view the results as an opportunity to take differentiated and prioritised measures to improve digital consumer skills in Germany. This applies in particular to data protection skills, since the protection of personal data is currently of great concern to many people.

Recommendation 30: Accompany legal consumer protection and consumer information measures (information obligations) with consumer education measures

The results of the empirical study carried out for this report suggest that, on average, only just over half of current users of online comparison platforms have any interest at all in the possible problems connected with such platforms (amongst other things, rankings and the associated algorithms and market coverage). Thus, consumers' interest in transparency information appears to be low. The survey results show that a central reason for the lack of information-related activity is probably disinterest. Information on the business model, market coverage and the way user reviews are generated appears to be irrelevant to the vast majority of platform users.

A second widespread reason is that it clearly appears to be too much effort for consumers to search for the relevant information. The effort required to find information, which is perceived as too great, is also the most important reason for the discrepancy between consumers' interest in information and their actual information behaviour when making platform based comparisons.

Against this background, measures for the specific design of the scope of information obligations should be carefully reassessed with regard to their effectiveness. In any event, it should not be generally assumed that more information leads to better informed decisions. Therefore, the upcoming measures of legal consumer protection and consumer information (information obligations) should be accompanied by consumer education measures. Their objective should be to raise consumers' awareness of the typical problems associated with online comparison platforms. Alongside the introduction of information obligations concerning the rankings used and the associated algorithms, measures should be taken to reduce the effort consumers perceive to be required to obtain information.

Recommendation 31: Swiftly drive forward the introduction of a practicable IT security label that is awarded by the Federal Office for Information Security

As regards the subject area of the Internet of Things (IoT), IT security and user-friendliness should not constitute opposites in future. To attain this objective, it is appropriate to ensure that all the actors involved – from the legislature, through business and the manufacturers of IoT products, to consumers – assume responsibility. Cybersecurity is precisely a cross-cutting issue. The risks begin at the weakest link in the chain – and this can indeed be the consumer.

If it is accepted that the development of the relevant skills can scarcely be ensured in the short term, state bodies such as the Federal Office for Information Security (BSI) – as Germany's national cybersecurity authority – need to play an active role. In this context, the SVRV takes a positive view on the further development of the BSI towards assuming duties in the field of consumer protection. This development should be shaped in cooperation with consumer policy and accompanied by consumer research. One of the objectives of the cooperation between security authorities, policymakers and business should be to make consumers aware of the importance of software updates for (IoT) devices so that they carry them out immediately and ideally deal with the risks and dangers posed by connected life automatically and are mindful of sustainable product use.

Recommendation 32: Take better account of consumer fraud in the digital world

At present, there are hardly any reliable empirical studies on the extent of consumer fraud, but if one looks at the few existing statistics, it is clear that this problem is of great empirical importance. For example, nine out of ten people living in Germany are concerned that their identity in the digital world could be misused. Many take more or less appropriate measures to protect themselves. However, in the light of the fact that there are still often gaps in digital consumer skills, and no short term improvement is to be expected in this respect, consumer policy should take better account of this subject area across departments (e.g. in collaboration with the Federal Ministry of Justice and Consumer Protection (*Bundesministerium der Justiz und für Verbraucherschutz*) and the Federal Ministry of the Interior (*Bundesministerium des Innern, für Bau und Heimat*). From the point of view of the SVRV, initial institutional developments are to be welcomed.

5 Consumer information law: Accept limits of the information model, ensure targeted and communicable consumer information

Consumer policy and, in particular, consumer law continue to be heavily dominated by the “information paradigm”, that is to say the idea that consumers are effectively enabled by means of comprehensive and suitable information to exert their rights individually, and also collectively, to react appropriately to specific problems and to demonstrate social and environmental responsibility. Even though mandatory minimum standards of social protection complement the information model, there is a tendency in the EU-driven development of consumer policy to address new issues and current problem areas, such as sustainability and digitisation, with ever more information obligations imposed on the providers of consumer goods or services. The SVRV takes a critical view of this propensity to deny structural problems, but nevertheless makes specific proposals so as to improve the use and usefulness of consumer information. However, consumer policy and consumer law cannot and must not be reduced to the information model.

In the light of the foregoing, the SVRV takes into account that consumer information is a central component of consumer policy and consumer law. The investigations in the individual sectors show that there are substantial shortfalls in the regulatory model of information obligations. They have contributed significantly to the findings that information obligations are viewed by both consumer organisations and business as a time-intensive and expensive instrument which, in practice, has little or no effect to the benefit of consumers.

In the light of the analyses in the empirically investigated sectors, the following recommendations are made:

Recommendation 33: Thin out the thicket of information obligations

There is a need to clarify, on the basis of further scientific investigations, which of the existing information obligations are necessary, how they should be weighted, when the information must be made available and in what order this must be done. The large number of regulations must be scrutinised so as to provide the EU with arguments for thinning out the thicket of information obligations down to a manageable, sensible and implementable number.

Recommendation 34: Close information gaps in a targeted manner

It is necessary systematically to identify and close information gaps on the basis of further scientific investigations. This is particularly necessary in the field of IT security and in respect of sustainability (e.g. through specific information requirements relating to the origin of the product, the origin and production conditions, the lifespan, etc.). The results of assessing various bio-labels of origin and regional labels could serve as a model.

Recommendation 35: Avoid one-size-fits-all approaches in shaping the consumer information obligations

Wherever possible, one-size-fits-all approaches in the shaping of consumer information obligations are to be avoided. Recital 34 of the EU Consumer Rights Directive has given Member States the discretion to draft legislation to respond to the different information needs and processing capacities depending on the degree of protection required. As far as possible, information should be accessible in accordance with individual information needs and individual information processing capacities, and it should be accessible whenever it is required.

Recommendation 36: Standardise design obligations

Where sensible and necessary, design requirements should be shaped in a standardised manner to improve consumer access to information weighted in accordance with recommendations 33, 34 and 35, particularly in the field of digital information. Through these design requirements, obligations should, for example, ensure the provision of directly accessible and easily understandable buttons by which consumers can better view the information and, where appropriate, also exert their rights, e. g. termination rights and rights to withdraw consent.

Recommendation 37: Create a legal framework for quality labels

In order to establish legal clarity and legal certainty, a legal framework for quality labels should be developed in accordance with EU law. It should lay down the following on the basis of scientific criteria: mandatory minimum standards for the quality of such labels, minimum requirements for monitoring compliance with these criteria modelled on the co-regulation laid down in the General Data Protection Regulation (*Datenschutzgrundverordnung*) (Articles 40 et seqq.), integration into the German National Accreditation Body, as well as a procedure for state recognition and supervision of labels and certificates, and the identification of state-recognised labels and certificates.

Recommendation 38: Develop alternative, non textual information models

In order to improve consumers' access to information, alternative, non-textual information models should (finally!) be developed systematically. Since scales, colours and pictograms have found their way into the legal system, the SVRV explicitly advocates ascertaining empirically whether such visualisation models in layer models and technical support solutions, in the sense of consumer informatics, can increase the success of information. If this is the case, they can be recommended across sectors as a suitable instrument.

Recommendation 39: Explore the possibilities of consumer informatics in a targeted manner

The SVRV proposes that the possibility of "consumer informatics", which improves digital consumer information, be tested in a pilot project on the basis of two specific examples in the food sector and in the digital field, with the involvement of consumer organisations, consumers, business and the competent state authorities.

6 Concluding remarks: Improve evidence-basing

In many areas, consumer policy requires institutions, information and findings that are currently not available. This is true not least as regards one of the central recommendations, namely to thin out the thicket of information obligations. Therefore, by way of conclusion, it should be pointed out that consumer research in Germany suffers from the fact that there are no research institutes with non-earmarked funding which focus on consumer research and could collaborate permanently with other research institutes dealing with issues such as food, housing and infrastructure, mobility, services of general interest, digitisation, sustainability or consumer information.

Recommendation 40: Establish centres for consumer research

The SVRV strongly recommends the establishment of two non-university academic centres for consumer research which are funded, on the part of the Federal Government, by the federal ministry responsible for consumer affairs. The establishment of two such centres would create a minimum of scientific competition and thus contribute to the quality of research. At the same time, it would ensure that the broad spectrum of topics and methods in consumer research is adequately covered.

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