Minutes of the 50th Meeting of the Supervisory Panel
Renewable Energy Consumer Code
Wednesday 12 December 2018

Meeting held at REAL office: 80 Strand, London, WC2R 0DT

Present

- David Laird- Chairman
- Steve Lisseter- Independent Consumer Expert
- Carmel Golden – Ofgem (by telephone)
- Bryn Aldridge - Independent Trading Standards Expert
- Amanda Clark – Certsure LLP
- Gretel Jones – Independent Consumer Expert
- Chris Avgherinos – BEIS
- Walter Carlton – Deloitte

In attendance

- Virginia Graham - RECC
- Rebecca Robbins - RECC
- Abena Simpey - RECC

Apologies

- Damien Morris – Citizens Advice
- Gemma Stanley – Solar Trade Association
- Frank Gordon – REA
- Lorraine Haskell – RECC

1. Introduction and apologies

The Chairman welcomed attendees to the 50th Supervisory Panel Meeting and noted apologies for absence received.

2. Minutes of last meeting

The Members present agreed the minutes of the 49th Supervisory Panel Meeting as being an accurate record of the meeting.

3. Matters Arising

The Executive confirmed that all the actions in the summary had been completed and would be covered in the agenda other than two which had been held over: some discussions were ongoing on obtaining total battery storage instalment data to compare with the number of complaints registered but this had not been finalised; and guidance on EV charging equipment and public liability insurance was still in preparation. On the issue of battery storage capacity, Ofgem confirmed that the FIT register had been updated in order to allow FIT licensees to declare if storage was being installed alongside solar PV. The Executive confirmed that BRE Solar was holding a meeting in early January to look at the evidence for self-consumption which could form the basis of an MCS standard for battery storage. The Executive agreed to update the Panel further at the next meeting.

Ofgem discussed the arrangements for closing the Feed-In Tariff Scheme. Installers would have to register eligible installations on the MCS Database on or before 31 March 2019. Once they have an MCS Certificate generators would have one year's grace period to register for the Feed-In Tariff with an energy supplier (FIT Licensee). Ofgem explained that its Counter Fraud team was working with MCS in order to identify potential areas for fraudulent practice such as registrations for systems not yet installed. Ofgem was considering with MCS publishing examples of fraud uncovered to act as a deterrent. Ofgem would inform RECC once this had been done. As soon as BEIS had issued its final Decision Ofgem would issue further guidance and hold workshops so that all parties were well informed about the deadline.

4. Highlight Report

The Panel considered the content of the Highlight Report.

Membership

The Executive reported that the annual membership renewal process was currently underway. Some discussion ensued about the likely size of the sector in 2019 in view of the closure of the Feed-In Tariff scheme on 31 March 2019. Panel Members agreed that it was hard to predict accurately, but were certain that there would be a contraction in the solar PV sector. The Executive explained that it had worked hard with other organisations to provide evidence to Government on the likely effect of the closure, and to call for the export tariff to be maintained. The RECC members' survey, carried out in August, and submitted to BEIS as evidence, suggested that a significant proportion of those members working with solar PV would be likely to exit the market.

The Executive reported that, as at that day's date, some 900 RECC members had renewed their membership for 2019. Panel Members asked whether there was further scope for automatic renewals. These would be easier to administer and would mean that many members renewed by default. The Executive explained that this had been investigated, and that members could now opt to pay by Direct Debit, but this was not the same as automatic renewal. They asked to be kept updated as to total RECC Membership renewals.

Panel Members enquired whether the Executive was fully recovering the cost of due diligence. Those with experience on the Applications Panel praised the quality of the due diligence research. The Executive responded that, in some cases, the costs were not fully recovered but that in most cases they were. Panel Members wondered whether there was a case for an additional charge for a complex application, and whether applicants could be required to pay the Applications Panel costs, particularly where there was more than one reference to the Panel. The Executive reported that the Applications Panel had rejected two companies' applications during the period.

Monitoring

The Executive reported that, since the previous meeting, 15 desk-based audits had been allocated, of which 8 had been completed. They showed a varying degree of compliance with pre-contractual information a particular problem. Performance estimates were challenging especially in respect of heat technologies. Members also continued to find cancellation periods a challenge, with the distinction between on- and off-premises particularly confusing. Other problem areas included advertising and marketing materials, awareness of consumer protection and after-sales support.

There was some discussion around mystery shopping. Panel Members relayed their contacts' experiences of carrying out mystery shopping exercises. They questioned whether it would be possible to make it simpler for mystery shoppers by reducing the documentation they were required to complete following a visit. The Executive agreed to consider this further. However, it explained that the reports were more useful the more complete the information submitted, and that mystery shoppers were paid a fee proportionate to the amount of work involved. It was essential that the procedure complied with the relevant professional guidelines. Panel Members queried whether mystery shopping visits could be recorded. The Executive agreed to investigate the basis on which this might be permitted.

The Executive reported that it had received 27 completed consumer satisfaction questionnaires. Disappointingly only two in three respondents had been made aware of RECC before signing the contract. Otherwise, overall, the feedback provided was positive though one in three had made a complaint to the company about their installation. Panel Members suggested that the use of Quick Response (QR) Codes on consumer satisfaction questionnaires be investigated.

Compliance

The Executive reported that the Appeals Panel upheld the determination of the Non-Compliance Panel related to a number of sanctions on ESE Consultants Ltd and awarded costs to RECC.

Panel Members enquired about the misuse of the RECC logo. The Executive explained the steps that it took to discourage the misuse of the logo. NICEIC stated that it had a 'wall of shame' on which it listed all businesses who had been asked to remove its logo but had not done so. Ofgem stated that it had an effective 'cease and desist' strategy which it could share with RECC if required.

Complaints

The Executive reported that it had registered 200 complaints during the quarter, in line with the previous quarter, but that only 29 of those had been for RECC. The majority of the complaints concerned: after-sales; estimates and quotes, including performance estimates and financial incentives; contracts and cancellation rights; and marketing and selling. In this they mirrored the monitoring results previously discussed.

The Executive explained that it continued to receive a high number of complaints about non-members: 29 were about businesses that had never been members, while 39 were about exmembers. 138 complaints were about solar PV, still by far the largest group. However, 28 were about air source heat pumps and 28 about battery storage.

The Executive reported that it had resolved 17 disputes during the period, just over half of these through mediation and a further third through the new, informal mediation process; and that it had closed, though not resolved, 42 disputes. Typically, this was due to the member ceasing to trade or the consumer withdrawing the complaint or failing to meet the relevant deadlines. Two independent arbitration awards had been published during the period, though as yet they had not been complied with.

5. Assignment of Rights

The Executive updated Panel Members on progress with the introduction of the Assignment of Rights (AOR) within the Domestic Renewable Heat Incentive. BEIS provided a policy update about AOR and how it had come about. BEIS explained the need for careful assessment to ensure that consumers were protected. BEIS was expecting the first full approval of a Registered Investor in January or February 2019. The Executive confirmed that it had received 20 expressions of interest from potential investors though not all had been converted into firm applications.

Panel Members questioned whether applicants were being double checked and whether this was efficient use of time. BEIS explained that RECC was required to look at consumer protection aspects of the contract whereas Ofgem was required to look at the regulatory aspects. Panel Members enquired as to whether RECC was charging adequate fees to applicant investors, and whether the amount of work involved in checking contracts was being covered. There was strong support from Panel Members for introducing a ‘per installation’ fee once Registered Investors had launched projects. The Executive agreed that the basis for this was being investigated.

6. Updated Scheme Bye-Laws

The Executive reported that the updated Bye-Laws had been approved by the Board and published on the website. It outlined the principal areas of the Bye-Laws that had been updated, and confirmed that Members received a detailed email explaining about these areas and the rationale for them. Some discussion ensured, and those Panel Members with experience of the Applications Panel confirmed that the amendments had improved and streamlined the relevant processes.

A.O.B and date of next meeting

Next meeting

It was agreed that the 2019 meetings of the Supervisory Panel would take place on **Wednesday, 13 March, Wednesday, 19 June, Wednesday, 18 September and Thursday, 12 December, all at 10.30 a.m.**

AOB

There being no further business, the Chairman thanked those who had attended, wished them a Happy Christmas, and closed the meeting.