



The Renewable Energy Consumer Code Annual  
Report 2012 for the Office of Fair Trading  
Consumer Codes Approval Scheme

# Annual Report 2012

Annual Report 2012 for the Office of Fair Trading Consumer Codes Approval Scheme

## 1. Introduction

This annual report has been produced for the Office of Fair Trading (OFT) and covers the calendar year 2012.

The Renewable Energy Consumer Code (previously known as the REAL Consumer Code) achieved OFT full approval in November 2011, the final part of the two-stage approval process which began in January 2006. The Consumer Code itself achieved approval in November 2007, and the compliance monitoring arrangements in November 2011. This report therefore covers the first full year of operation as a fully-approved Consumer Code.

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## 3. Overviewing membership and the sector

The Renewable Energy Consumer Code covers the small-scale heat and power generating sector. Any business selling, leasing and / or installing small-scale heat and power generators to domestic consumers is eligible to sign up to the Code. Consumers wishing to benefit from Government financial incentives for small-scale generation systems must ensure that they agree a contract with an installer certified by the Microgeneration Certification Scheme (MCS). One of the conditions of the MCS installer standards is for the business seeking certification to be a member of an OFT-approved Consumer Code.

Generating heat or power in one's own home represents a very significant investment when compared with most other investments you make. Consumers need plenty of time to consider carefully before they decide to sign a contract. They also need to have sight of all the relevant documents so they can scrutinise them and compare them with other quotations they have received. This is the context for the Renewable Energy Consumer Code through which RECC works tirelessly to ensure the highest standards of protection for consumers buying or leasing small-scale renewable generating systems. In this way, RECC aims to promote the reputation of the sector and benefit of its members.

The introduction in April 2010 of the Feed-In Tariff payable for domestic consumers installing electricity-generating systems in their homes fundamentally changed the sector. Generous tariff rates for solar PV systems coupled with rapidly falling capital costs resulted in a gold rush as businesses and consumers alike hurried to install systems. MCS certification for products and installers was the cornerstone of eligibility and, by extension, membership of an OFT-approved Consumer Code also became a central requirement for those participating in the sector. This inevitably fed through to Renewable Energy Consumer Code membership which expanded rapidly during 2010, 2011 and 2012. (See the charts below for more information).

Then, in October 2011, the Government suddenly announced its intention to reduce by half the Feed-In Tariff rate for domestic solar PV generation. Following a legal challenge Government switched the date on which the reduction would be triggered forward from 12 December 2011 to 3 March 2012. The lower rate of 21p was paid from 1 April 2012 to all those consumers whose applications for the Feed-In Tariff had been received by electricity suppliers on or after 4 March 2012. The period between the end of October 2011 and the end of March 2012 saw widespread confusion and panic in the sector, with consumers scrambling to sign contracts in haste, often under pressure and without carrying out the requisite due diligence.

Fig 3.1 Membership of Renewable Energy Consumer Code by year

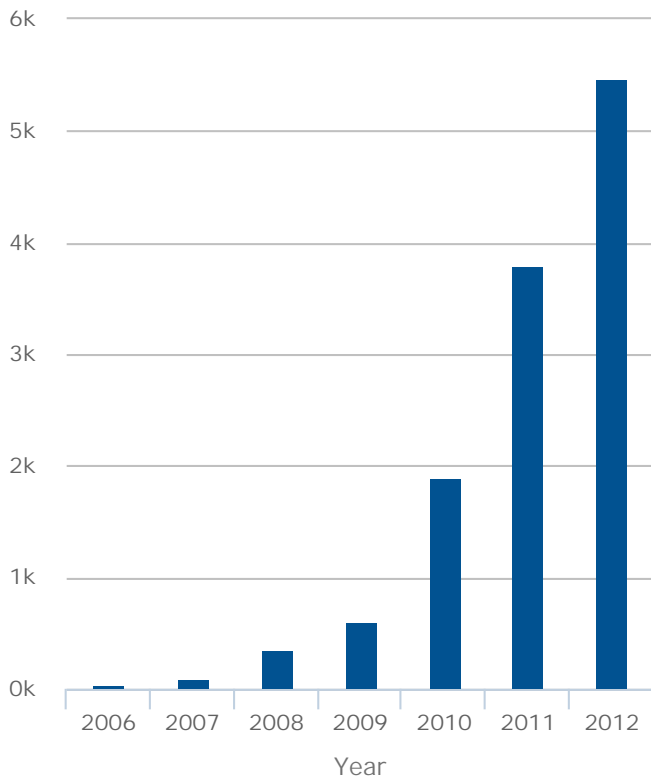


Fig 3.2 Membership of Renewable Energy Consumer Code by number of employees working in renewables in 2012

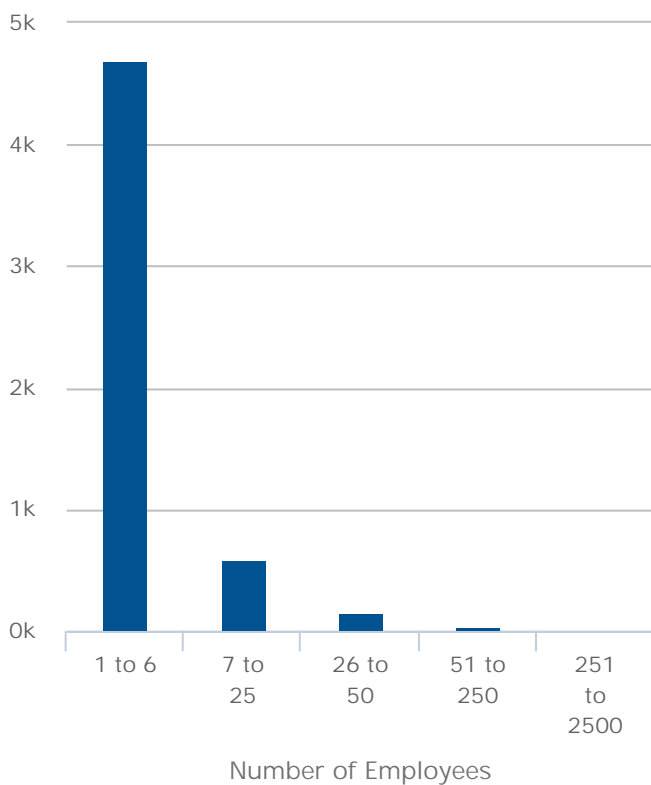
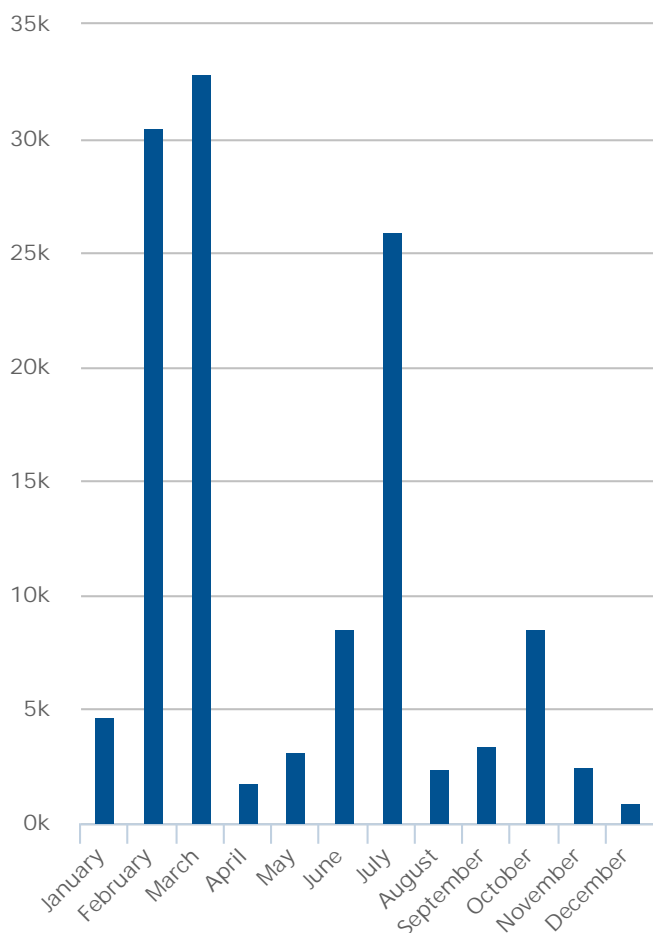


Fig 3.3 Solar PV Feed-In Tariff applications from domestic consumers received by electricity suppliers in 2012



Domestic Photovoltaic installation applications in 2011

Since 11 December 2011 any business that signed a contract with a consumer has had to be MCS certified, and a member of an OFT-approved Consumer Code. This welcome amendment to the standard helped to clarify a situation that had been very unclear and that had not been enforced in a uniform manner by MCS Certification Bodies. From that date all the requirements of the MCS installer standards and the Renewable Energy Consumer Code applied to all contracts signed with domestic consumers. This went a considerable way to bringing into line the selling practices in the sector, though the activities of lead generators remained outside the MCS installer standards and the Renewable Energy Consumer Code.

Nevertheless, the RECC membership figures shown in the charts above mask the considerable retrenchment and realignment that has taken place within the sector following the solar PV tariff reductions. Many businesses have ceased trading, while others have merged or been taken over. Other businesses have repositioned themselves so as to participate in the Green Deal and / or the domestic Renewable Heat Incentive.

#### 4. Promoting the Code

Throughout 2012 RECC has continued to take every opportunity to promote the

Consumer Code, and the consumer protection it offers, including through:

- ensuring that only members use the logo, and that they use it correctly and in line with the guidelines;
- providing members with high-quality leaflets explaining the key provisions of the Consumer Code which they are required to provide to consumers;
- producing and circulating widely 'Top Tips' as an easy reference for consumers to consult to avoid 'being taken for a ride' when buying generation systems;
- making sure the Code is clearly linked from other websites including: MCS, MCS Certification Bodies, Energy Saving Trust, BSI, OFT, DECC etc;
- liaising with regulatory and other bodies, including Trading Standards departments, Citizens Advice Consumer Service, the Advertising Standards Authority, Energy Saving Trust and the Companies Investigation Branch of the Insolvency Service;
- attending and presenting the Code at industry and other related conferences and exhibitions;
- responding to media enquiries; and
- providing evidence to Government and other consultations on, for example, changes to Feed-In Tariffs, the domestic Renewable Heat Incentive and the energy efficiency market.

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#### 4.1 Amending the Code and Bye-Laws

The Renewable Energy Consumer Code is a living document and has to reflect developments in the policy, legal and industry context within which it operates. RECC is also required to ensure that the Code reflects the lessons of its monitoring programme, the feedback (positive and negative) and complaints about Code members it receives and guidance and suggestions from the Supervisory Panel.

Since it was first drafted in early 2006 the Code has been developed and revised annually following discussions with the Supervisory Panel and OFT. The Code was reviewed with the Panel and the OFT and amended in June 2012 to take account of various developments in the sector. The principal amendments were designed to:

- clarify procedures for technical site visits – with regard to consumers' rights if they sign a contract before the site visit is conducted;
- clarify the 'behaviour of sales representatives' section to include examples;
- further clarify cancellation rights with regard to doorstep selling;
- clarify requirements for protecting deposits and advance payments;
- clarify the complaints procedure, including the conciliation and independent arbitration schemes; and

- update the section on non-compliance to ensure that the Bye-Laws and the Code are distinct, consistent and do not overlap.

The Code was further reviewed with the Panel and the OFT in 2012 and amended in February 2013 to take account of developments in the sector. The principal amendments were designed to:

- reflect more fully the requirements of the Provision of Services Regulations 2009;
- clarify the MCS rules on sub-contracting;
- clarify further the requirements for deposits and advance payments;
- clarify the requirements around the setting of delivery and completion dates; and
- clarify the application procedures for conciliation and independent arbitration.

The Renewable Energy Consumer Code Bye-Laws were reviewed in parallel and also updated in February 2013. The principal amendments were designed to:

- simplify and shorten them where possible
- provide some additions to the 'Definitions' section;
- clarify members' obligations in respect of complaints registered;
- clarify members' obligations in respect of probationary status.

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## 4.2 Supervisory Panel

The Supervisory Panel oversees and advises on the running of the Renewable Energy Consumer Code. Its responsibilities are broadly to:

- adopt, maintain and update the documentation relating to the Scheme, including the Code;
- review the compliance of Scheme Members based on the results of monitoring using the methods agreed with the OFT;
- agree members of the Non-Compliance Panel, the Applications Panel and the Appeals Panel;
- establish such Expert Groups as it considers necessary to advise it in carrying out its responsibilities; and
- review any reports presented to it by the Executive.

The governance of the Supervisory Panel is set out in full in the RECC Bye-Laws. Its members are independent of the Renewable Energy Assurance Limited Executive, and a majority of them, including the Chair, must be independent of the sector. From its second meeting in 2006 until July 2012 the Panel was chaired by Dr Gill Owen. Following her departure the Panel has been chaired by David Laird. In 2012 the Panel met four times, on: 14 March, 20 June, 12 September and 5 December.

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## 5. Encouraging compliance with the Code

RECC has continued to devote the majority of its resources in 2012 to encouraging and monitoring members' compliance with the Code. (Further details of RECC's monitoring work are set out in the next section.) To complement this work during 2012 RECC has continued to:

- carry out due diligence in respect of businesses applying to join the Code;
- develop guidance on the website as well as updating and adding to a suite of model documents freely available to members and applicant members; and
- develop a comprehensive online training resource freely available to members.

In addition, during 2012, RECC continued to develop and enhance the services it offers to members in several important ways.

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### 5.1 Deposit and Workmanship Warranty Insurance (DAWWI) Scheme

RECC worked with Quality Assured National Warranties (QANW) to set up the Deposit and Workmanship Warranty Insurance (DAWWI) scheme to include workmanship warranty protection as standard. By the end of 2012 one in five RECC members (1,071) had successfully registered with the DAWWI scheme, and between them they had registered a total of 19,284 contracts. (Members may make arrangements with any equivalent provider so long as they are compliant with the Code.)

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### 5.2 Payment Protection Scheme (PPS)

RECC negotiated the bespoke Payment Protection Scheme (PPS) with Bondpay. The PPS allows members to protect consumers' funds paid in advance in line with the requirements of the Code, and gives consumers peace of mind that their funds are protected while the contract is fulfilled. Consumers transfer the full contract funds to Bondpay which holds them in a secure trust account until the project has been completed. With joint authorisation, the funds can then be released into the member's bank account. By the end of 2012 68 members had registered with PPS, 24 contracts had been started, 7 were at the payment stage and one had been completed.

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### 5.3 Top Tips for consumers: 'Don't get taken for a ride'

RECC published and disseminated widely a list of 'Top Tips for consumers' as a quick reference of what to look out for before signing a contract: <https://www.recc.org.uk/consumers/top-tips>

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## 6. Monitoring compliance with the Code

*In 2012 over 500 members were subject to close scrutiny, either via a spot-check audit of their application (309 members), an in-depth audit visit (167 members) or mystery shopping (42 members); 1,322 households submitted Consumer Satisfaction Surveys in the 12 months to March 2012; 15 applications were further reviewed by the independent Applications Panel; 10 members were considered for disciplinary action by the independent Non-Compliance Panel.*

RECC uses a variety of tools to monitor compliance with the Code. RECC:

- requires all new applicants to give a series of legal undertakings and to complete a self-assessment to check their compliance with the Code;
- undertakes an in-depth, on-site Compliance Audit Programme;
- operates a Mystery Shopping Programme;
- operates a Consumer Satisfaction Survey; and
- liaises closely with other enforcement bodies.

### 6.1 Monitoring applicants

*During 2012, 1,411 applicants completed self-assessment compliance checks, mostly online. RECC spot-checked the compliance status of 309 applicants (22 per cent) and referred 15 applicants (1 per cent) for a decision by the independent Applications Panel.*

The first rung of the monitoring is the self-assessment compliance check that all applicants have to complete to declare that they are in a position to comply fully with the Code. Applicants are also required to make a number of declarations relating to the trading and solvency history of the company and the past behaviour of its directors at the initial application stage.

A copy of the application form, with declarations, and the self certification compliance check that applicants are required to complete is available on-line on the RECC website and can be downloaded from the following link: <https://www.recc.org.uk/pdf/application-form.pdf>

RECC's independent auditors will carry out spot checks of applicants who do not or

cannot make all the required declarations, or where they are not in a position to comply with the Code. In addition, auditors spot check a random selection of applicants who indicate full compliance and make all the required declarations.

The spot-check is a documents-based audit of the contract, the quotation, the warranty, the cancellation form, and a company's website and other promotional materials. Auditors also check the adequacy of the client account and intended use of deposit and warranty insurance. As a result of these checks companies often make changes to their procedures and documents. Typically they will have been required to:

- change their advertising and marketing materials;
- adopt the model contract or change their contract terms; and/or
- open a client account or switch from a deposit to a client account.

If the applicant is unable to make any of the required declarations they will automatically be investigated, for example by reference to administrators' reports, Companies House, County Court records and other relevant sources.

Membership of the Renewable Energy Consumer Code is dependent on the business obtaining a clean bill of health and so until the non-conformities or anomalies are addressed they will not be signed up to the scheme. Where a business is unable or unwilling to address such non-conformities or where RECC considers that one or more of the Circumstances for refusing Membership may have been met, the application will be referred to the independent Applications Panel for a decision (see below).

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#### 6.1.1 Applications Panel decisions

At the start of 2012 RECC set up the independent Applications Panel to decide whether applicants should be admitted to join the Code, or whether their application should be rejected on the basis that it falls within one or more of the 'Circumstances for refusing Membership' set out on RECC's website:

<https://www.recc.org.uk/join/circumstances-for-refusing>

The Panel can decide that an application should be:

- accepted, without conditions;
- accepted with conditions e.g. subject to a satisfactory probationary period or other conditions; or
- rejected.

The Panel met for the first time in May 2012 and met a further four times during the remainder of 2012.

RECC monitors any members whose application is accepted subject to a probationary period including by carrying out an audit compliance check visit and / or by carrying out one or more mystery shopping exercises. The Panel reviews the results of that monitoring and any other information provided at the end of the probationary period and decides whether to confirm or reject membership. In 2012, the Panel considered a total of 15 applicants. The first of these applicant probationary periods are due for review at the end of March 2013.

**Figure 6.1 Applications considered 2012**

<b>Total applications considered</b>	15
<b>Applications accepted</b>	8
Of which:	
• no conditions attached	0
• on 6-months probation	5
• on 12-months probation	2
• on condition that satisfactory paperwork was put in place	1
<b>Applications rejected</b>	6
<b>Decisions pending at end 2012</b>	1

\* One of these applicants did not pay the membership fee and its membership has since been cancelled.

## 6.2 Carrying out compliance audit visits

*RECC's 16 independent auditors carried out 167 full audit visits during 2012. These ranged across the whole of the UK, from Cornwall to the Orkney Islands and Northern Ireland, and even extended to the Republic of Ireland.*

As a condition of membership, RECC members are required to co-operate with RECC's compliance monitoring activities as agreed with the OFT. The RECC audit, the 'gold standard' of RECC's monitoring activities, is a comprehensive and robust on-site inspection of RECC members' businesses. The audit visit can take up to a whole day depending on the complexity of the member's business model.

The audits are carried out by independent auditors recruited by RECC, based around the

country, using a questionnaire devised by RECC to reflect the provisions of the Code. RECC revises the questionnaire before every audit round to take on board any Code changes, lessons learned from previous audit rounds, legal or regulatory changes and feedback from members. The audit questionnaire is available on RECC's website in a version that includes guidance for members as to what auditors will be looking for: <https://www.recc.org.uk/monitoring/audits>

A sample of members to be audited is drawn up for each audit round. The sample consists of a combination of randomly-selected members supplemented by members about whom RECC has received complaints (irrespective of the outcome) or other relevant feedback. The sampling method is set out in more detail here: <https://www.recc.org.uk/pdf/process-for-selecting-members-for-audit.pdf>

The disruption in the sector that resulted from the Government's proposals to change to the Feed-In Tariff rates for domestic solar PV at the end of 2011, and the related legal actions throughout the first quarter of 2012, meant RECC was unable to start its audit rounds for 2012 from January as planned. The number of audit compliance visits completed in 2012 was thus lower than had been intended. However, this was counter-balanced by the high number of applicant compliance checks carried out.

During the audit the auditor identifies with the member any areas of non-compliance and together they complete the audit questionnaire. The auditor then leaves the completed questionnaire with the members so that they can check it for factual accuracy. The auditor then submits the questionnaire to the RECC audit panel which moderates and scores all the completed questionnaires and then writes to the member to indicate the areas of non-conformity and the actions required to resolve these.

Members submit their responses to any non-conformities to RECC and then work with the auditors to reach full compliance with the Code. If a member appears to be unwilling or unable to address any non-conformities, it may be referred to the NCP, in accordance with the Bye-Laws, for a decision on how any non-compliance with the Code should be addressed.

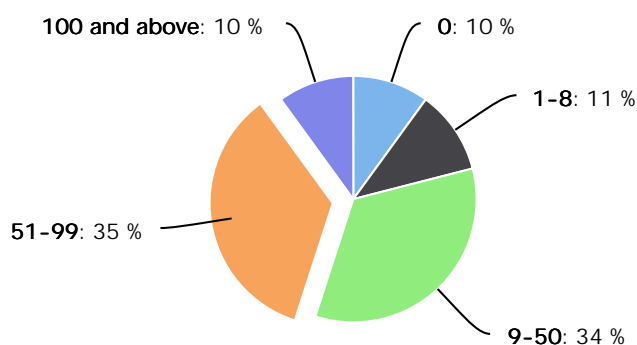
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#### 6.2.1 2012 round of audit visits: results

Members' audit questionnaires are scored according to a reverse weighted system that gives greater weight to certain key provisions of the Code. Members thus score 0 if they are totally compliant. Thereafter, the lower the member's score, the better their compliance. Members that score 8 negative points or fewer pass the audit. In the 2012 round of compliance audit visits:

- 35 members (21%) passed, 16 of which (10%) scored a perfect 0;
- 131 members failed, scoring 9 negative points or more, of which 57 members (34%) scored between 9 and 50 and 58 members (35%) scored between 51 and 99;
- 17 members (10%) scored 100 negative points or more, indicating a potentially very serious level of non-compliance with the Code;
- follow-up letters were sent to all audited members (a few of the sample either ceased trading or left the Code shortly after the audit visit took place);
- 16 of the 131 who initially failed have now passed and others are close;
- 2 of the 17 members who scored 100 negative points or more have been referred to the NCP to date though one of these is no longer a member of RECC.

**Fig 6.2 Audit visits carried out in 2012: breakdown of negative scores**



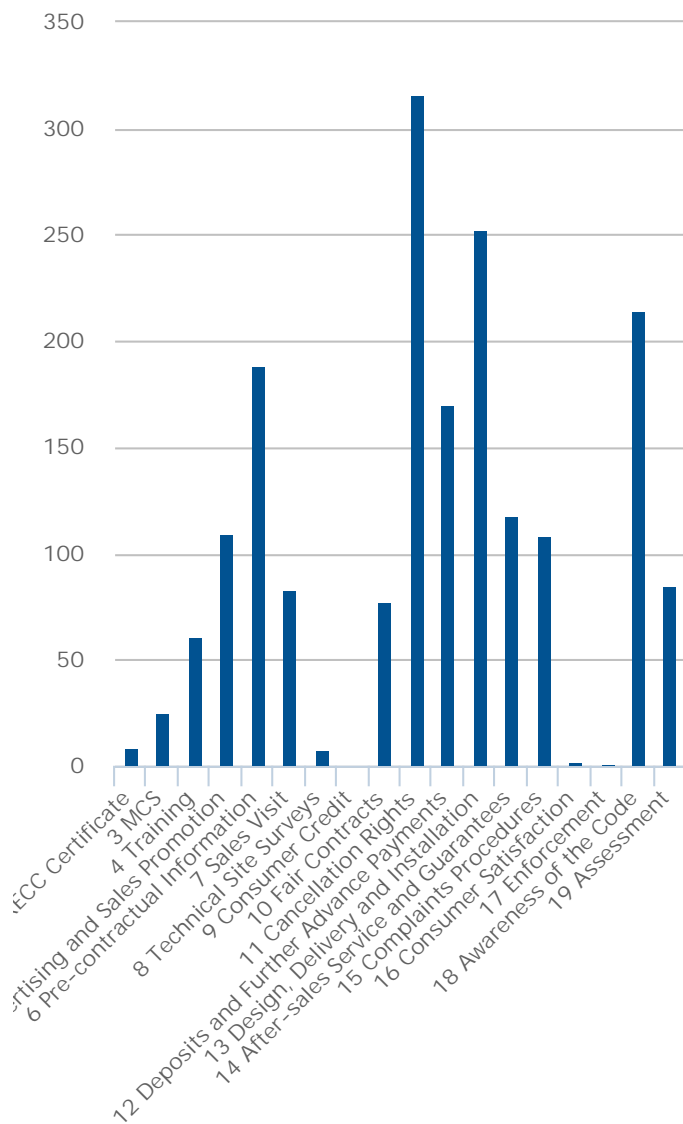
On the face of it, the chart above indicates a disappointing set of results. However, it should be noted that the audit questionnaire itself has grown in length, the sector has been in a state of flux and the MCS standards to which businesses operate have also been revised during this period. Thus it has become somewhat harder for members to be fully compliant than perhaps it was in the earlier years of the Code. Consequently, greater credit should be given to those who pass first time round.

Nonetheless, the members with very high scores are the cause of grave concern. RECC has written individually to each of these members to make it clear that they must take urgent action to bring their businesses into full compliance with the Code. Of the 17 members who scored over 100 negative points, as at 28 March 2013:

- 9 members had responded to RECC;
- 2 of these 9 had been referred to the NCP;
- 1 of these 9 had requested a paid-for audit to help them reach compliance;
- 2 businesses had ceased trading since the date of the audit;
- 1 business was no longer a member of RECC;
- 1 member had been granted an extension due to family tragedy; and
- 4 members had not yet responded to RECC, and this was being followed up.

Figure 6.3 (below) shows the principal areas of non-compliance picked up during the audit compliance visits. The most frequent area of non-compliance concerns cancellation notices and the cooling off period. Another common area of non-compliance is the protection and refund of deposits and advance payments. Another frequent area of non-compliance is the adequacy of the pre-contractual information provided to consumers, in particular the performance estimates, the information about financial incentives and payback and the quotations. Finally, there was low awareness of the Code among staff.

**Fig 6.3 2012 audit visits: breakdown of areas of non-compliance with the Code**



Sections of the Audit Questionnaire

### 6.2.2 Compliance auditors working for RECC in 2012

During 2012 16 consumer protection or systems experts carried out compliance audit visits on behalf of RECC:

Virginia Barstow	Yvonne McGivern
Hamish Bell	Colin Meek
Sue Bloomfield	Carole Pitkeathley
Clare Carden	Jackie Robinson
Louise David	Geoff Stow
Fiona Flynn	Fiona Tittensor

Steve Gillon	Paul Voysey
Catherine Haynes	Chris Williams

### 6.3 Mystery shopping

*During 2012 RECC's panel of mystery shoppers 'shopped' 42 members all over the UK; 31 members visited a mystery shopper in their home.*

RECC has a team of mystery shoppers spread throughout the country who assist us by carrying out mystery shopping exercises. Members are selected for mystery shopping on the recommendation of auditors, as a result of complaints or other intelligence received, or because they exhibit a high risk of non-compliance for some other reason. The principal focus of this exercise is to monitor selling techniques and pre-contractual information provided by the subscribers.

Mystery shoppers complete RECC's bespoke evaluation forms soon after their contact with the members. RECC reviews the results and then decides what follow-up action is appropriate. Follow-up action might range from an advisory letter to referral to the NCP, in line with the Bye-Laws.

As with the audit, where non-conformity is identified, RECC notifies the member and requires them to address the problems or, where it is evident the business is unwilling to cooperate, passes them to the NCP. During 2012:

- RECC recruited several new shoppers;
- RECC commissioned 42 'shops', 40 of member companies, 2 of applicants;
- RECC received reports of 31 visits to shoppers' homes;
- 26 of the visits showed some degree of non-compliance by the member, usually in relation to inadequate information being provided; and
- 8 visits (including 2 by applicant businesses) provided evidence of pressure-selling, in breach of the Code and the law. For example some offered consumers a 'money-off' voucher or discount for signing up on the night, some over-stayed, and others made telephone calls to senior staff to 'secure special deals'.

Of the mystery shops undertaken, the results from 6 members (around 20 per cent of visits) gave RECC considerable cause for concern. Of the 6 members at 28 March 2013:

- 3 members were in the NCP process
- 1 member was due to be referred to the NCP



- 1 business was no longer a member of RECC
- 1 member was due to receive an advisory letter, with the option of being referred to the NCP at a later date.

#### 6.4 Surveying consumer satisfaction

*Over 1,300 Consumer Satisfaction Survey questionnaires were returned directly to RECC; consumers rated members with an average 9/10 on the functioning of the system and on the way it was sold to them.*

RECC distributed a Customer Satisfaction Survey (CSS) questionnaire that consumers can respond to providing feedback on the experience they have had with members. The questionnaire, which covers all technologies, is available via a number of different routes:

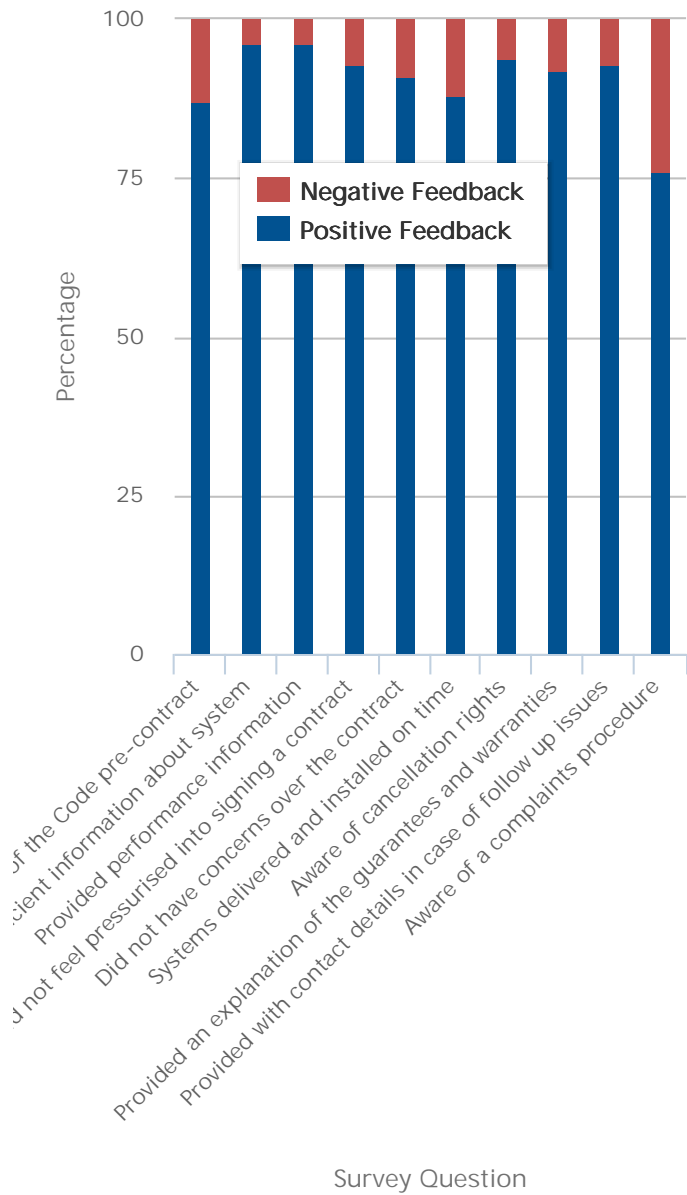
- online – on the RECC website either in hard copy to download or to respond to directly online;
- through members who provide consumers with a CSS questionnaire to fill out;
- through QANW - all consumers whose installations are registered under the DAWWI Scheme receive a CSS questionnaire with their policy documentation.

RECC analyses all returned questionnaires, including the 'free-text' comments section. Where a member attracts negative feedback or comments, RECC assesses whether the case requires further scrutiny. If they do then the member may be added to the list of members subject to an audit or a mystery shop in the next round. Consumers can indicate on the form whether they want their feedback to be registered as a complaint to be followed up and resolved.

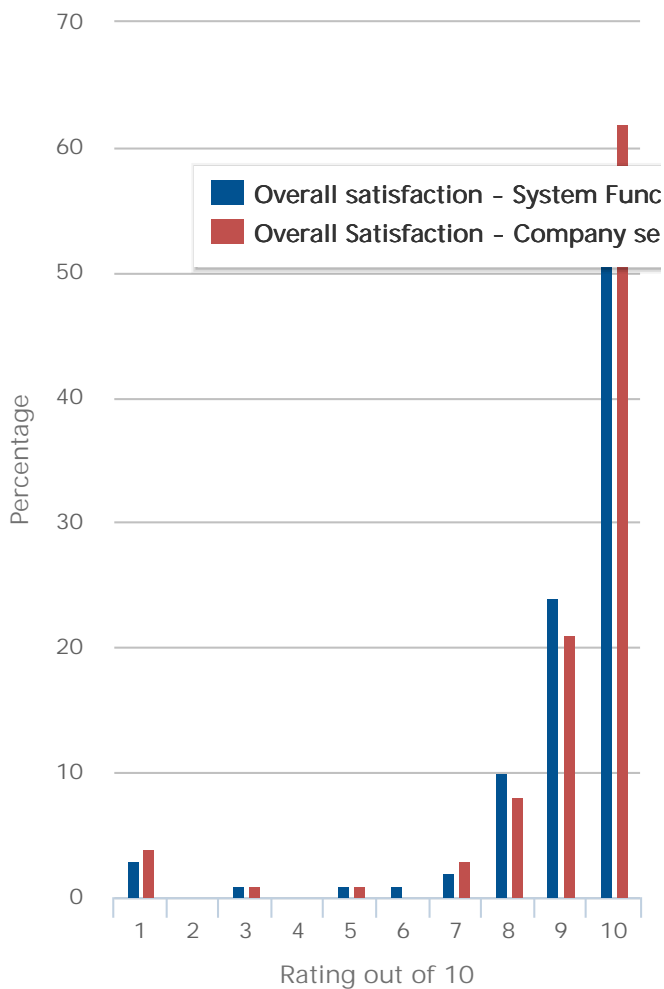
During the full year to March 2012 :

- 1,332 questionnaires were returned directly to RECC ;
- the majority of respondents gave positive feedback about members' compliance;
- 96% said they were provided with sufficient information about the system before signing a contract;
- 96% said that the performance of the system was clearly explained to them including what this meant in financial terms; and
- 94% said they were made aware of their cancellation rights.

#### **Fig 6.4 Breakdown of consumer satisfaction questionnaire responses**



**Fig 6.5 Satisfaction rates with system function and company selling methods**



The CSS questionnaire also asks consumers to respond to two general satisfaction questions:

- how satisfied are you with the way the system was installed? and
- how satisfied are you with the way the system was sold to you?

The chart above shows :

- the majority of consumers are satisfied with the way the system was installed overall, with an average satisfaction score of 9/10;
- 58 per cent of consumers rated the way the system was installed as 10/10;
- the majority of consumers are satisfied with the way the system was sold to them overall, with average satisfaction scoring at 9/10;
- 62 per cent of consumers rated the way they were sold the system as 10/10.

## 7. Enforcing compliance with the Code

*The independent Non-Compliance Panel met 4 times in 2012. The Panel considered 10 members, 4 of them at just one meeting, the others at two or*

*more meetings.*

In 2007 RECC established an independent Non-Compliance Panel (NCP) to consider cases of potential non-compliance with the Code referred to it by RECC. The governance of the NCP is set out in full in the Renewable Energy Consumer Code Bye-Laws. The Chair of the NCP from January to July 2012 was Gill Owen. For the remainder of the year the Chair of the NCP was Mary Symes. All Panel Members are independent of the RECC Executive and a majority, including the Chair, is independent of the sector. The NCP meets quarterly and sometimes more frequently. In 2012 the NCP met on 31 January, 14 March, 20 June and 12 September.

Members may be referred to the Panel because of:

- suspected Code breaches during a probationary period;
- failure to co-operate with an audit or to complete the audit follow-up;
- indications of non-compliance from mystery shopping results;
- suspected frequent or systematic non-compliance from complaints registered; or
- other intelligence indicating potential Code breaches.

Of the cases it considered in 2012 the NCP:

- re-instated the membership of one business that had been suspended for non-compliance, subject to continued monitoring;
- reviewed monitoring results of 2 members subject to a probationary period, and lifted the probationary period of one and extended the probationary period of the other
- sought an urgent response from 5 members concerning alleged non-compliances evident from multiple complaints (2 of which ceased trading before responding, and 1 of which is still in the disciplinary process);
- cautioned 20 members in respect of evidence of misleading advertising;
- sought legal advice in relation to evidence of one member's non-compliance;
- agreed that evidence could be provided to an ongoing investigation into a non-member being carried out by Companies Investigation Branch which resulted in the business being wound up in the public interest.

## 8. Resolving complaints in respect of members

*RECC received over 1,200 complaints during 2012. Of these, two thirds fell*

*within RECC's remit and have either been resolved or are still in the process of being resolved. Of those that have been resolved, 20 were referred to the conciliation service and, of these, 4 were subsequently referred to the independent arbitration service.*

The Ombudsmans Investigation Service defines a complaint as: 'Any expression of dissatisfaction, whether oral or written, and whether justified or not, from or on behalf of an eligible complainant about the provision of, or failure to provide a service.'

The high standards of service set out in the Renewable Energy Consumer Code and the MCS installer standards should ensure that the overwhelming majority of generating systems supplied and installed, as well as the contact with the member leading up to installation, are free from problems. Occasionally, however, problems can and do occur.

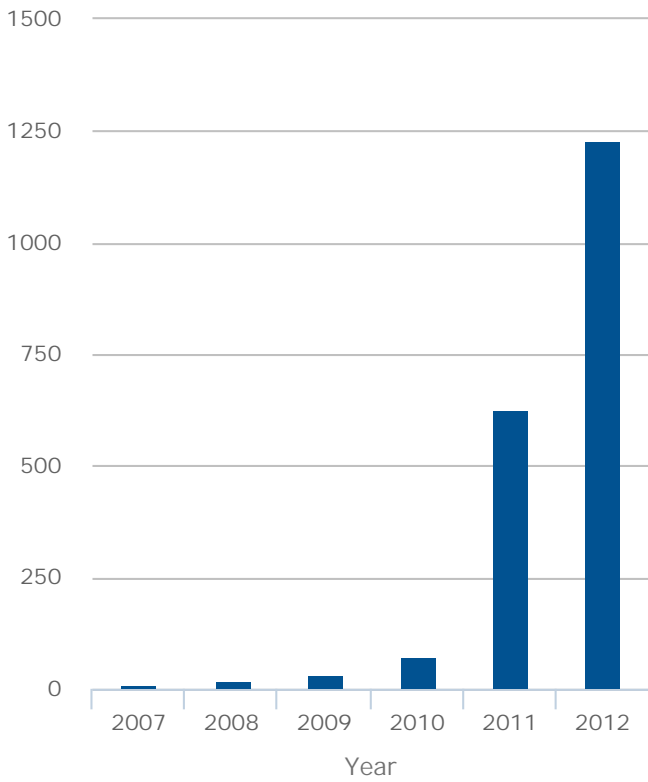
Consumers with complaints are required to seek a resolution with the RECC member before registering their complaint with RECC. If they do not succeed, they can register their complaint using the online complaints form on RECC's website, by telephone, by email, fax or by post using the hard copy complaints form.

The uncertainty and confusion that surrounded the solar PV tariff reductions at the end of 2011 and start of 2012, outlined on page 3, resulted in a high degree of consumer detriment, particularly with solar PV installations:

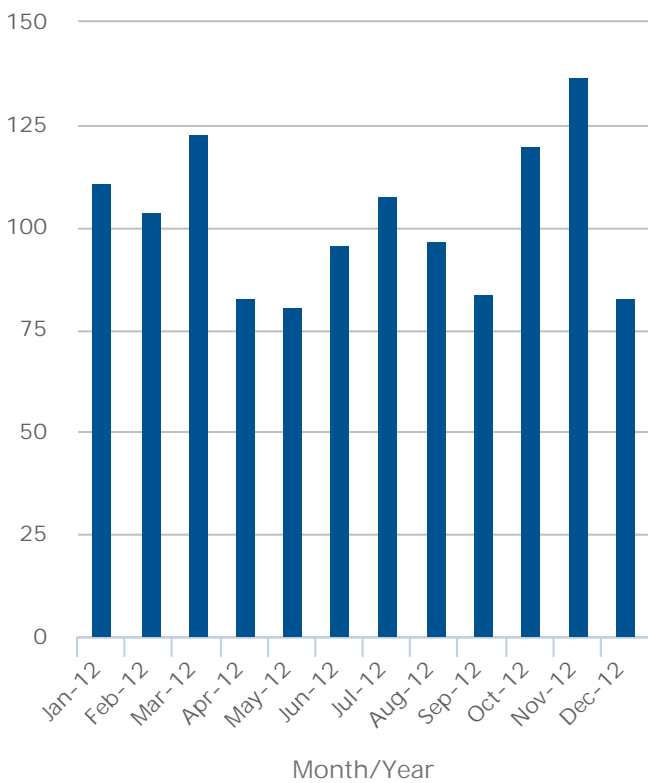
- in 2012 0.5% of all domestic solar PV installations were the subject of a complaint registered with RECC (1,051 out of a total of 201,178 (687MW));
- in 2011 0.4% of all domestic solar PV installations were the subject of a complaint registered with RECC (439 out of a total of 124,385 (381MW)).

These figures do not reflect the total consumer detriment since they exclude those reported to other bodies and those that went unreported. In all RECC has registered complaints in respect of 641 members, some 13% of RECC's total members. (368 of these members have only ever had one complaint registered about them, while the remainder have had more, and 2 have had over 80.)

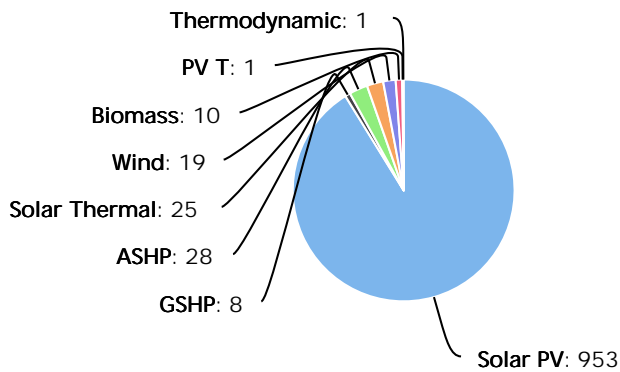
### **Fig 8.1 Complaints and feedback registered with RECC in 2012**



**Fig 8.2 Total number of complaints registered with RECC by month in 2012**



**Fig 8.3 Complaints registered with RECC in 2012 by technology**



**Fig 8.4 Complaints registered with RECC in 2012 by technology**

Technology	Complaint numbers
Solar PV	1038
GSHP	11
ASHP	32
Solar Thermal	27
Wind	22
Biomass	11
Solar Thermodynamic	3
Multiple technologies	17
Not specified	65
<b>TOTAL</b>	<b>1,226</b>

In some one-third of cases RECC is not the appropriate body to handle the complaint made. For example, complaints predominantly about technical issues make up about 16 per cent of all complaints registered. These complaints are passed to the member's MCS Certification Body, though RECC continues to liaise with both parties and to help seek a

resolution. A further 15 per cent of all complaints registered concern non-members. Where the non-member has sub-contracted work to a RECC member (as in some 14 per cent of complaints), RECC holds the member responsible and will seek to resolve the complaint through them. Complaints about non-members are recorded as feedback and, where necessary, the consumer is advised to contact Trading Standards. Feedback information is available should a company subsequently apply to join.

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## 8.2 Complaints resolution

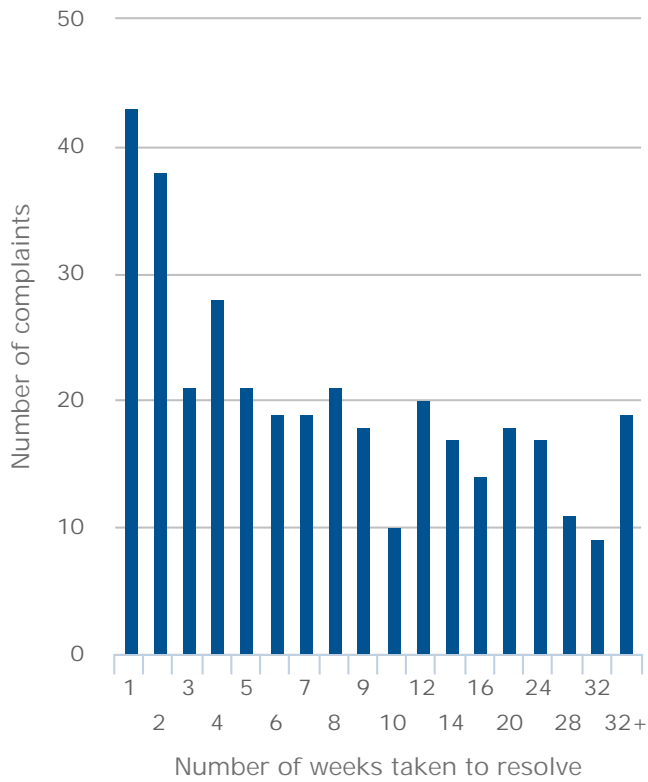
Not all complaints received require a resolution but are more in the nature of feedback from consumers who simply want to alert RECC. During 2012, the remaining 60 per cent of complaints were either resolved (31%) or remain under active handling (27%).

Complaints are generally resolved by the member addressing the problem, for example refunding a deposit, reducing the price or providing missing items. Some 90 % of complaints not resolved by the member are resolved by RECC mediating between consumer and member. In a small minority of cases where they are not resolved at this level consumers refer them to conciliation and, in a very few cases, arbitration. In a few other cases consumers decide to use the small claims procedure or seek resolution from another source such as their credit card company, for example.

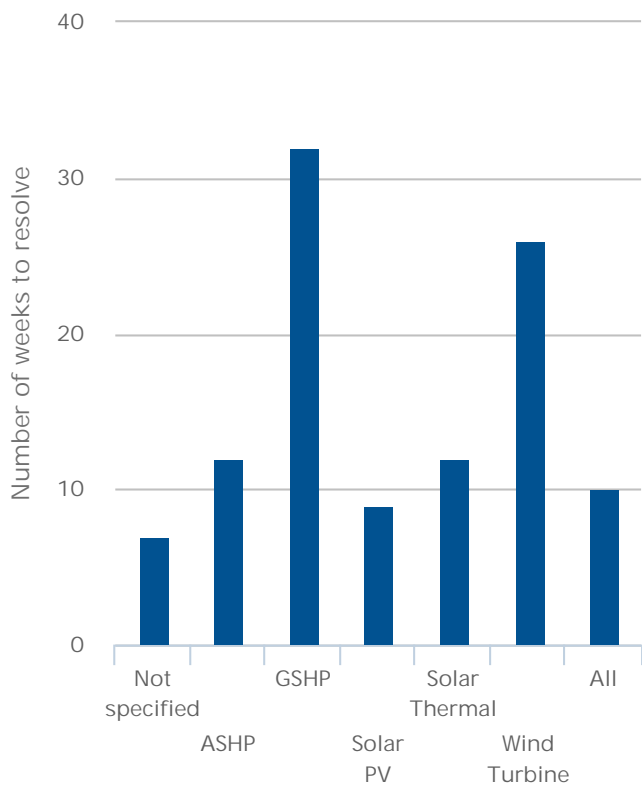
Of the 357 complaints resolved in 2012, on average it took 10.4 weeks to resolve each complaint. When no other organisations were involved (such as the MCS Certification Body) on average it took 9.9 weeks to resolve each complaint. However, when another organisation was involved on average it took 14.7 weeks to resolve each complaint, reflecting the complexity of having more than one body dealing with the same complaint. (Further details are set out in the three charts that follow, which are based on complaints resolved between 2010 and 2012.)

### **Fig 8.5 Length of time in weeks taken to resolve complaints**

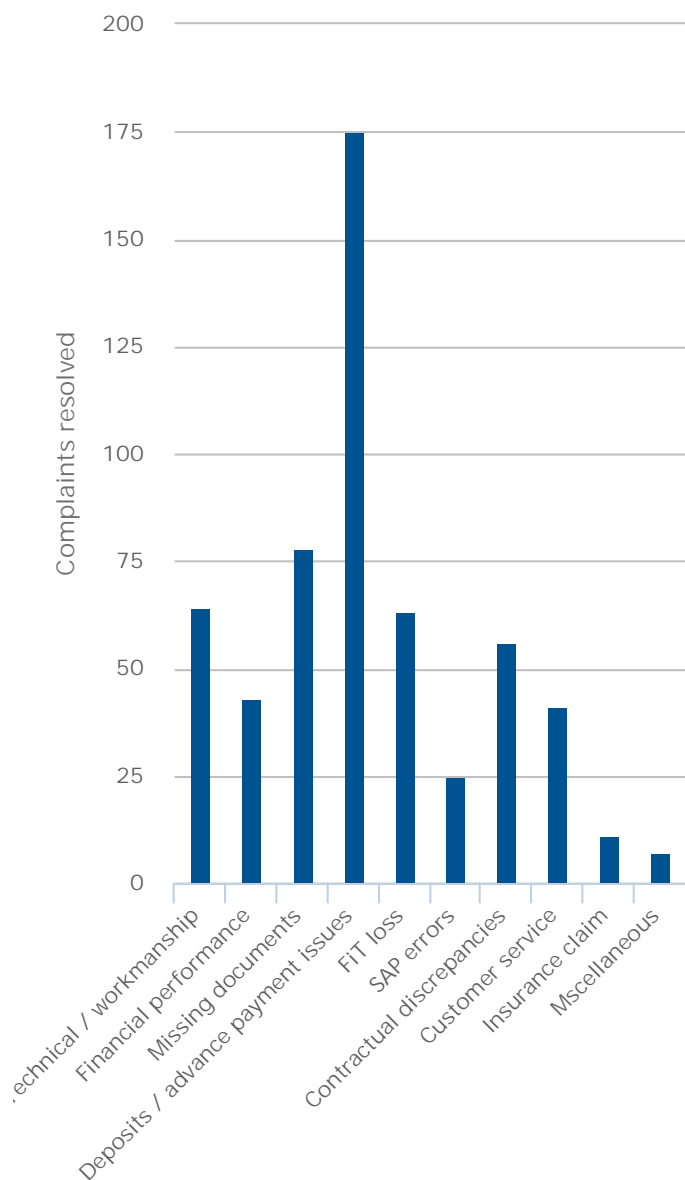




**Fig 8.6 Length of time in weeks taken to resolve complaints by technology**



**Figure 8.7 Sample of complaints resolved in 2012 by issue**



### 8.3 Conciliation service

RECC provides a free conciliation service to members and consumers where complaints cannot be resolved. The conciliation service is provided by IDRS Ltd. RECC also retains the services of two independent conciliators. In 2012 a total of 20 complaints were referred to conciliation. Of these:

- in all 20 cases the conciliator's recommendation was in favour of the consumer either wholly or in part;
- in 17 of the cases, the conciliator recommended financial compensation, either on its own or in addition to non-financial compensation;
- the levels of compensation recommended ranged from £200 to nearly £5,000;
- in other cases refunds were ordered for of deposits, survey fees and an MCS certificate charge
- in 4 cases consumers referred the complaint on to the arbitration service; and

- in 4 cases consumers said they would pursue the case in the small claims court.

**Fig 8.8 Conciliation cases considered 2012**

Category	Numbers	Numbers	% of total	Explanation
Cases referred to conciliation		20	100	
Of which the settlement was:				
Accepted and:	10		50	
• concluded:		9	45	In full and final settlement, no further action required
• not concluded:		1	5	Member ceased trading in meantime, but consumer compensated separately through FOS
Not accepted:	9		45	
• by consumer:		5	25	
• by company:		4	20	
Neither:	1		5	Member ceased trading
<b>Total</b>	20			

#### 8.4 Independent arbitration service

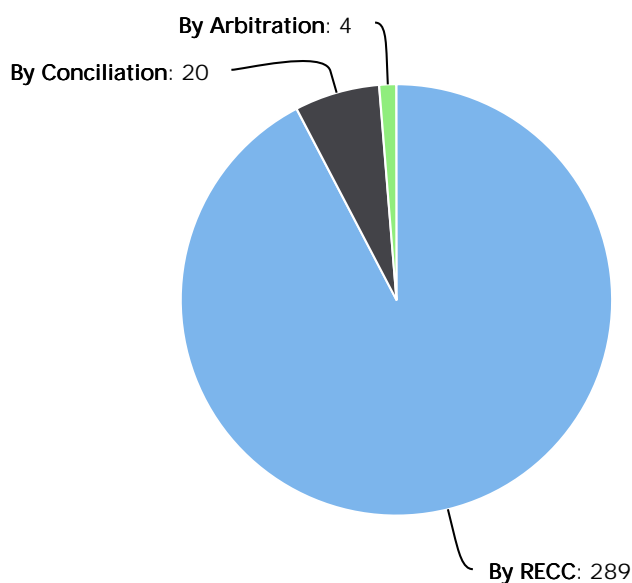
Where a complaint remains unresolved, a consumer may refer them to the low-cost independent arbitration service. Usually, though not always, the service is provided by IDRS Ltd. Consumers and members each contribute £100 + VAT to the cost of the service. RECC contributes the balance. The arbitrator's award is binding and enforceable, and is an alternative to a court judgment. In 2012:

- 4 complaints were referred to the independent arbitration service;
- in all 4 cases, the arbitrator found the member had failed in some respect in its duty of care to the consumer and ordered the member to refund the consumer's

registration fee;

- in 2 cases the arbitrator also made a non-financial award (removal of system/refund of contract price/ownership of system passed to consumer);
- in 1 case the arbitrator ordered the member to pay compensation of £1,290 to the consumer; and
- in 1 case the arbitrator ordered a costs-only award.

**Fig. 8.9 Resolved complaints showing conciliation and arbitration**



## 9. Resourcing the team

The rapid growth in RECC's membership and workload has driven an increase in the size of the RECC team which works hard to promote and enforce the Code in a robust and even-handed way. With backgrounds in economics, law, trading standards, dispute resolution, customer service, renewable technologies and environmental management, between us, we have a wealth of knowledge and experience available to consumers and members alike. And what makes the team really special is our commitment to our jobs.

Virginia Graham – Chief Executive

Mark Cutler – Head of Operations

### **Membership**

Aida Razganaite – Membership Manager

## Monitoring

Andrea Kourra – Monitoring Manager

## Panels

Sian Morrissey - Head of Liaison with Panels

Lorraine Haskell – Panels Manager

## Technical advice

Ciaran Burns – Certification Schemes Manager

## Complaints

Sarah Rubinson – Complaints Manager

Abena Simpey - Complaints Case Worker

Rebecca Robbins – Complaints Case Worker

Sumandeep Sohi - Complaints Case Worker

Anna Hills – Complaints Case Worker, working oñ-site

Annabel Howcroft – Complaints Case Worker, working oñ-site

Eileen Brennan – Complaints Case Worker, working oñ-site

Victoria Thorp – Complaints Case Worker, working oñ-site



## 10. Looking ahead

This Annual Report represents the final chapter in the long association between RECC and the OFT Consumer Codes Approval Scheme (CCAS). The OFT has been a guide and mentor to the Renewable Energy Consumer Code since our first contact in December 2005. During the 7 intervening years the scheme has developed significantly. The sector has presented us with immense challenges during that time, and more particularly in the last two years as described in Section 3, above. We have relied on wise counsel and strict evaluation to make sure that the scheme and the Code continued to be fit for purpose and to cater for every eventuality.

From 1 April 2013 the CCAS will be part of the Trading Standards Institute (TSI) whose board has set up a dedicated community interest company (CCAB) to administer the

scheme. We are pleased to be going forward in partnership with TSI in the 'new consumer landscape' that we are now part of. We are confident that we can successfully build on the many synergies we have with enforcement agencies around the UK and learn from our future association. So we are stepping into the new era with confidence and optimism.

28 March 2013

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