

**The Renewable Energy Consumer Code
Non-Compliance Panel Hearing**

In the matter of

Project Solar UK Ltd

held on

4 December 2013

at

21 Dartmouth Street, London

Panel Members:

Amanda McIntyre (Chair),

Elizabeth Stallybrass,

Jim Thornycroft.

In attendance:

Andrew McIlwraith (panel secretary).

Renewable Energy Consumer Code (“RECC”) representation:

Virginia Graham, Chief Executive, RECC.

Project Solar UK Ltd representation:

-

Also present:

Lorraine Haskell, RECC.

Sian Morrissey, RECC.

Charges

The Charges were set out in full in a letter dated 12 November 2013 from RECC to Project Solar UK Ltd ("the Member"). At the start of the hearing the charges were read as follows:

1. The Member is alleged to have been in breach of Section 5.3 of the Renewable Energy Consumer Code ("the Code"), which states "It is very important that members do not 'oversell' energy generators to consumers [and] members must present calculations based on the standards that have been developed for the MCS installer standards for individual technologies..." in that RECC has received complaints from consumers indicating that they had been mis-sold energy generators on the basis of incorrectly calculated performance predictions.
2. The Member is alleged to have been in breach of Section 7.2 of the Code, which states "If the main system differs from that on which the quotation was based, the member must draw this fact to the consumer's attention in writing. The member must allow the consumer to cancel the contract if it no longer corresponds to their needs..." in that RECC has received complaints from consumers who had had energy generation systems installed that differed from those on which a quote was based, and that they were not informed of this prior to the installation.
3. The Member is alleged to have been in breach of Section 7.3 of the Code, which states "The member must record any test results on a commissioning record.... and give the consumer a copy of this commissioning record together with all relevant conformity and other certificates and guarantees. The member will also give the consumer full operating and maintenance instructions, along with a full description of the system" in that RECC has received complaints from consumers that indicate that they had not received such documentation.
4. The Member is alleged to have been in breach of Section 8.1 of the Code, which states "Members will make sure that consumers are offered, at no extra cost, a guarantee against manufacturing faults in any goods supplied...Members will ensure that consumers are offered...a guarantee against any faults as a result of the installation process and workmanship applied. The guarantee must be for a minimum of two years..." in that RECC has received complaints from consumers that indicate that they had not received such guarantees.
5. The Member is alleged to have been in breach of Section 9.1 of the Code, which states "If a consumer has a complaint about a member... the member will try to find an agreed course of action to resolve the complaint speedily and effectively to the consumer's satisfaction", and Section 9.3 of the Code, which states: "An award made under the independent arbitration service shall be final and binding on both the consumer and the Member", in that RECC has received complaints from consumers that indicate that the Member had not resolved complaints from its customers speedily and effectively and, in one case the Member has not complied with a "final and binding" arbitration award.

6. The Member is alleged to have been in breach of Section 4 of the Code, which states "Members must not act in any way that might bring the Code into disrepute", in that the Member has breached Sections 5.3, 7.2, 7.3, 8.1, 9.1 and 9.3 of the Code.

Preliminary Issue

The Panel has reviewed all the papers before it relating to the hearing date and was satisfied that the Member had been served notice of the hearing in accordance with the Bye Laws and Code.

Determination of charges

Mr P. admitted Charge 1 (Section 5.3), Charge 5a (Section 9.1) and Charge 6 (Section 4).

In relation to Charge 2 (Section 7.2), the Panel finds that the Charge was proven. RECC presented evidence taken from complaint numbers 3204 and 2960 by way of examples.

In relation to Charge 3 (Section 7.3), the Panel finds that the Charge was proven. RECC presented evidence taken from complaint numbers 3157 and 3245 by way of examples.

In relation to Charge 4 (Section 8.1), the Panel finds that the Charge was proven. RECC presented evidence taken from complaint numbers 2960 and 3245 by way of examples.

In relation to Charge 5b (Section 9.3), the Panel finds that the Charge was proven. RECC presented evidence taken from complaint number 2257, which is IDRS Case Number 327130012.

Determination of breaches

Ms Graham on behalf of RECC stated that Project Solar UK had been a Member since 2011 and in that time RECC had received more than 50 complaints about it, including 35 in 2013, which was the highest for any Member and covered a wide range of areas. 15 of the complaints were of a technical nature and had been referred to NAPIT.

Ms Graham said RECC's impression was that the Member's business practices were chaotic and for this reason the Member had brought the Code into disrepute. Over and above the underlying causes, the complaints demonstrate that the Member did not have adequate procedures in place to deal with customer complaints appropriately. Ms Graham said that the Member had paid a £235 membership fee and yet it had cost RECC more than £10,000 to resolve customer complaints about the Member.

Ms Graham said that RECC was not able to resolve one complaint, which had been referred to independent arbitration. This had found in favour of the consumer and yet the Member had yet to pay the award. She added that the Trading Standards Institute, which approves the Code, had stated that they regard "non-implementation of ADR measures as a serious breach of the approved Code".

Ms Graham said that, because there are so many alleged breaches, she would suggest that alleged non-compliances run throughout the business process. Ms Graham then outlined the details of the complaints referred to in the charges.

Mr P. said that he did not dispute any of the facts of the detailed examples that Ms Graham had outlined. Mr P. admitted that his company had grown extremely fast and that it had “overtraded”. The Panel noted that Mr P. had admitted that there had been customer problems, though he believed the number of complaints was small compared with the number of installations his company had undertaken (which was approaching 2,500). He believed that all outstanding complaints had been closed off. His background was in electrical engineering, and he was basically a technical person. He had recently appointed Mr W, who had a background in customer service and business development, to improve this side of the business.

Mr P. responded to the cases that Ms Graham had outlined, in some cases saying that he had gone over and above what he was contractually required to do, in order to satisfy customers.

When asked by the Panel, Mr P. said that he was not aware of the outcome of the arbitration and the award referred to in Charge 5b until today. He said he did not agree with the outcome but he would pay it immediately.

Mr P. refuted the claim that he had used an out-of-date SAP calculation, stating that he had received advice that he was using a technically correct one.

Mr P. and Mr W. then gave a short audio-visual presentation about the company’s quotation and customer management software system.

In summary, Mr P. accepted that his business had expanded quicker than he expected, and therefore customer care had not had the attention paid to it that it should have. He acknowledged that he needed to take steps to improve it, and wanted to have a good reputation.

Ms Graham concluded by stating that she was not fully convinced that the Member knew the full contents of the Code and was complying with it.

The Panel has decided that the facts amount to a breach of Sections 4, 5.3, 7.2, 7.3, 8.1, 9.1 and 9.3 of the Code.

Determination of level of seriousness

Ms Graham reiterated RECC's view that the breaches as decided by the Panel represented serious breaches of the Code. Mr P was unable to attend this part of the meeting, but Mr W spoke to him by phone, and relayed the Panel's decision and RECC's views. Mr W said that Mr P accepted the Panel's determination and would accept recommendations, as set out below.

Determination of sanctions

Ms Graham stated that, if the Member is to remain in the scheme:

1. strict, time-limited conditions should be imposed on the Member, at the end of which another hearing would be held if any of these conditions are not met;
2. the arbitration award be settled immediately; and
3. a second audit of the Member be carried out at the Member's expense.

The Panel has decided that:

1. Within seven days of the date of this determination, the arbitration award will be paid to the consumer in complaint number 2257 by the Member.
2. Within 14 days of the date of this determination, the Member will provide RECC with a copy of the company's complaints-handling procedure.
3. For each of the next three months, (December, January, February) the Member will provide RECC with its complaint logs, including a summary of the number of complaints received, the nature of the complaints, the follow-up action taken to resolve them, and including dates of each action. Each monthly log will be provided on a timely basis, but no later than 14 days after the end of each month.
4. RECC will undertake a new audit at a time of their choosing at the Member's expense. This audit will include an assessment of all the paperwork for three of the Member's installations which have taken place since the beginning of December.

Appeal Period

Under Bye-Law 8.1 the Member may appeal this determination within 14 days of the date of the determination.

5 December 2013