

**Minutes of the 45th Meeting of the Supervisory Panel
Renewable Energy Consumer Code
Wednesday 13th September 2017**

Meeting held at REA office: 6 Spring House, Graphite Square, Vauxhall Walk, London SE11 5EE

Present:

David Laird – Chairman
Bryn Aldridge – Independent Trading Standards Expert
Walter Carlton – Deloitte
Frank Gordon – REA
Zoe Guijarro – Citizens Advice
Steve Lisseter – Independent Consumer Expert
Jim Thornycroft – Independent Solar PV Expert

Observers:

Carmel Golden – Ofgem

In attendance:

Rebecca Robbins - RECC
Aida Razgunaite - RECC
Aziz Kallala (part) - RECC
Boris Eremin – RECC (minutes)

Apologies:

Virginia Graham - RECC
Michelle Kennard - BEIS
Amanda Clark – Certsure LLP
Richard Shury - MCS

1. Introduction and apologies

The Chairman welcomed attendees to the 45th Supervisory Panel Meeting and noted apologies for absence received.

2. Minutes of last meeting

Panel Members agreed the Minutes of the 44th Supervisory Panel Meeting as being an accurate record of the meeting. The Chairman asked when they would be publically available on the website. The Executive advised that they would be posted as soon as possible now that they had been agreed.

3. Matters Arising

Data-sharing agreements

The Executive provided an update on the data-sharing agreement with Citizens Advice. The Executive highlighted that this was a good framework for working together with other organisations. The idea of this was to obtain more information about disputes from the sector. The Chairman queried whether it was a two-way flow of information. ZG confirmed that it was and that it enabled CA to provide information on repeat offenders. Furthermore, the information is confidential between RECC and CA. The Executive advised that it was a good way to identify high-risk companies for RECC and thus would help stimulate monitoring efforts. CA would also be able to approach consumers on RECC's behalf for witness statements. CA advised that the first information batch was ready and identified linked companies with slightly different names.

The Executive pointed out that any ideas from Panel Members for other organisations to share information with would also be welcome. They suggested the Information Commissioners Office (ICO), Which? and consumer-facing Ombudsman Services. They asked whether Trading Standards Departments (TSDs) forwarded information on regularly. The Executive explained that results were mixed from England, but that TSDs in Wales and Scotland were more proactive. The Executive asked whether TSD data was shared with CA. CA confirmed that it was, and could be referred on as part of the agreement. (Consumers generally access TSDs through the CA service.)

The Chairman suggested that organisations which keep track of company reviews could help identify risk. For example, Trusted-Trader, Check-a-Trade, and Trust Pilot carry out checks on reviews, though Panel Members agreed that these should be treated with caution.

RECC Organisational Sun Diagram

The Executive highlighted the main changes to RECC's structure. The main change was that the Head of Dispute Resolution was going on maternity leave shortly and that her team would be reorganised so as to provide cover for her. A new Dispute Resolution Caseworker would be appointed to bring the team's capacity up to strength following one Caseworker's move to the Compliance Team. The Executive advised that information sharing request forms had been standardised between CTISI-approved Codes which should make complying with the MoU more consistent going forward.

4. Highlight Report

Membership activity

The Executive informed the Panel that RECC currently had 2,168 members, and that the rate of applications received was on average 2 per day. Panel Members asked whether the calibre of organisations applying to join had changed overall. The Executive confirmed that it vetted all applications through its due diligence procedures and had observed some improvement in applicants' general compliance with fewer applicants being referred to the Applications Panel. Panel Members were keen that the Executive should not admit rogue companies into RECC, specifically

'phoenix' companies. Panel Members noted that the Applications Panel was very well managed and that the information the Executive provided to the Panel was very detailed.

The Executive confirmed that the same level of scrutiny was applied to all applicants, regardless of whether they were previously members. Records of a company's historical compliance were used to better inform the decision, especially in the context of new legal entities with employees linked to past or current members.

The Executive highlighted that, from October 2017, RECC would allow applicants to pay for 2018 membership only, receiving the remaining 3 months of 2017 for free. None of those former members being admitted to RECC had had previous compliance or complaint issues whilst being a RECC member. Panel Members asked whether the Executive was made aware of the reasons for RECC members deciding not to renew their membership. The Executive confirmed that it was.

The Panel queried whether the Executive's activities were all carried out in line with the General Data Protection Regulation (GDPR) and whether proper provisions for this had been made in the Bye-Laws. The Executive agreed that it would be required to produce a Privacy Policy which would set out the way its activities complied with the GDPR, and to implement any changes required when it next updated the Bye-Laws.

Disciplinary and non-compliance activity

The Executive noted that it had been a busy quarter for non-compliance activity but that this was largely due to more streamlined mechanisms that allowed RECC to take faster action rather than there having been an increase in RECC members' non-compliance per se. For example, the Executive explained that it was effectively applying its right to terminate members for certain non-compliances without reference to the Non-Compliance Panel and that the introduction of template emails and letters had helped to streamline the process.

The Panel suggested including text to the 2017 Annual Report to explain the changes to the process that had been made. *are* coming out of non-compliance successfully and that the industry was not bad on the whole.

The Executive confirmed that, though members were coming out of non-compliance successfully, this could be a long time after they first went in due to ongoing sanctions. For example, the Executive explained that enhanced monitoring obligations could last 6 months with the prospect of additional extensions, or Consent Orders, imposing ongoing obligations. Panel Members confirmed their understanding that if a member fulfilled its requirements, they were removed from the non-compliance list. The Executive advised that approximately 25% of members in the non-compliance process eventually had their membership terminated (not including non-renewals).

Panel Members pointed out that, though some members did require support, they were not all serious offenders. The Executive advised that interactive training was available to all members and that model documents existed to help them ensure that their paperwork was compliant. The Executive noted that, despite this, some members claimed that they were not adequately

supported. Panel Members suggested that the Executive could offer to review members' terms and conditions as a service, that the monitoring process should be presented as being 'rapport-building' and as part of an increasingly positive programme of engagement, and that these benefits be stressed during the renewal period.

Annual report

Panel Members highlighted that, overall, the annual report contained better information than it had in the past. They suggested that it may be helpful to review other organisations' annual reports in order to ensure that the 'introduction' and 'positive action' sections were as up-beat as possible.

Panel Members suggested that, in the report, the Executive should seek to highlight RECC's achievements more positively. For example, Panel Members suggested taking a shorter, more summary-based approach to the report with the option to click through to more detailed sections to make it 'snappier' and easier to access. They agreed that a marketing revamp could be useful in ensuring that the report is presented as positively as possible.

Non-Compliance Panel

The Executive reported to the Panel that one member had had its membership terminated, that the outcome had been published on the website and that the Non-Compliance Panel hearing had been adjourned in a case against another member.

Desk-based audit trial

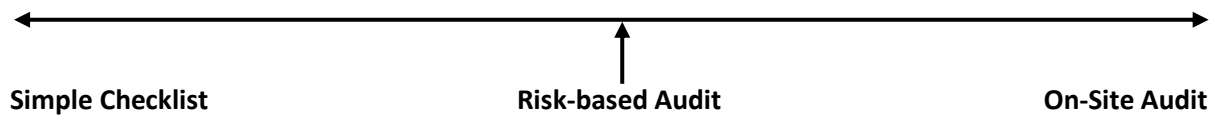
The Executive explained the results of its trial set of desk-based audits: the trial audits had been carried out at an average cost to the Executive of £445 per audit. The Executive summarised the 10 Key Compliance Areas used for scoring the audit and explained what common issues the audits had identified. The Executive confirmed that both the auditors and the members involved in the trial had been asked to provide feedback on the process.

The Panel queried the purpose of the desk-based audit trials and how they compared with the more expensive monitoring options. The Executive confirmed that it intended to use the results of the trial to compare the type of information obtained from a desk-based audit with that obtained from a site-based audit. The Executive reported that, in general the information did appear to be largely similar although obviously the Executive had to put some degree of trust in the member's own statements and submissions and would be unable to check these as thoroughly, for example in the case of suspected of mis-selling. The Executive confirmed that, if it had any doubts about a particular member following a desk-based audit, it would follow it up with a mystery shopping exercise. The Executive confirmed that the selection of desk-based audits would be 100% risk-based.

The Executive noted that the trials had been delayed due to extension requests from the members selected. (The trial took place over the summer.) Panel members remarked that the 2-week response timeframe was quite short, and suggested that the Executive consider how extensions affected total costs. The Executive explained that the entire desk-based audit process takes 3 weeks

on average; however, it was expected that these timeframes would get quicker once the process was streamlined and auditors grew more familiar with the assessment methods.

The Executive confirmed that significant changes would be made to the procedure following the trial's conclusion, including the amount of follow-up with members the auditors engaged in. Panel Members highlighted an opportunity for the Executive to embed the basics in model documents from the offset if it was clear that they were not being produced correctly. The Executive explained that it was approximately three times more expensive to carry out a site visit than a desk-based audit. Panel Members agreed that the results of site-based audits would always be more rigorous and reliable. However, they agreed that it was for the Executive to assess how to use its scarce resources most effectively going forward. They agreed that there was value in including random sampling if possible as issues may still be discovered. They suggested that the Executive use the following spectrum of rigour in deciding on its strategy:



Dispute resolution

The Panel discussed the information presented about dispute resolution activity. The Executive confirmed that the most common categories of complaint had been generally consistent – concerning cancellation rights and performance estimates.

In terms of battery storage, Panel Members queried whether RECC was up to speed with the technical aspects. The Executive explained noted that work was being done with major battery manufacturers to increase RECC's understanding. It was noted that there were no insurance providers currently covering batteries. The Executive said that it is involved in ongoing conversations with insurance providers about such coverage. The Executive informed the Panel that the Institution of Engineering and Technology (IET) had published a best-practice standard for battery storage in August 2017 and that this guidance was available for RECC members.

The Panel reflected that there is a lack of fire safety guidance and information and asked whether there was a single point of information for consumer guidance on batteries. The Panel highlighted the utility of 'pitfalls' information and making it more accessible for consumers; the Executive noted that it would be exploring ways of incorporating this into RECC's social media presence.

The Panel members were pleased that some arbitration and mediation costs were being recovered. The Executive pointed out that in terms of charging for mediation, this would only occur with companies with over 4 ongoing complaints over the preceding 12 month period. The Panel comments that wants to see a shift in the balance between disputes resolved through mediation and arbitration in the favour of mediation. In terms of arbitration awards, it was welcomed that the majority (80%) were successful.

The RECC Executive confirmed that a meeting with interested parties to discuss the non-compliance processes had been very useful and that maybe the same could be done for the dispute resolution process. A number of Panel members expressed a willingness to be involved in such a meeting.

5. Update on GDPR

The Executive outlined the key changes that would come into force in May 2018 and invited any comments or advice from Panel Members. They advised that a full audit to verify compliance was not necessary, but that it might be helpful. The Executive explained that the Head of Dispute Resolution had been responsible for dealing with Data Protection issues within the Executive, but that an alternative would be identified to cover for her upcoming maternity leave. The Executive agreed that a further paper would be provided to the next meeting in which it would outline its plans for producing a Privacy Policy Statement and for updating the Code and Bye-Laws as appropriate.

6. A.O.B and date of next meeting

A.O.B.

The Executive took Panel Members through its work on the actions from the last meeting.

CTSI

The Executive reported on attending a second meeting with CTSI and the other CTSI-approved Codes and made the minutes available to the Panel in hardcopy.

Liability of Independent Panels

The Executive confirmed that it would be looking into this and would seek legal advice if necessary.

Marketing

The Executive confirmed that it had arranged an internal meeting to discuss marketing efforts and that it had undertaken to put more emphasis on membership benefits and on its '5 key promises' to members, improve the RECC website, and consider introducing more tailored benefits, for example for members dealing only with battery storage.

Panel Members suggested increasing RECC's presence at events, and carrying out a members' survey to help identify what they value most about RECC membership and what they would like to see more of. There was a discussion about the response rates to surveys and the Panel agreed that even a 10% response rate would be quite good.

Welcome Pack

Panel Members agreed that improving and maintaining a 'Welcome Pack' for members would help increase exposure of the RECC brand and key benefits. Panel Members noted that Which? send a van sticker template out to companies, and that they are then able to approach a printing company in order to print these as and when they need them.

Website

Panel Members suggested consulting a website developer about the best language to encourage maximum visitor click-through. They suggested that the Executive could consider simplifying the language and making the website more accessible. They also suggested exploring what other services might be included such as an online chat function, or a call-back request. Panel members also proposed experimenting with making RECC's contact number more visible, for example in the header or footer.

Consumer Satisfaction Survey

The Executive confirmed that it was reviewing the current Consumer Satisfaction Survey to ensure it was up-to-date and that, when updates were next made to the website, it would consider making it a key feature on the sites homepage. Panel Members suggested including information about how long the CSS would take and that we should consider incentivising feedback.

In summary, it was agreed that the Executive should remain focussed on consumer detriment and enforcing compliance, but that it should also engage with consumers more directly. The more consumers are aware of the Code and what to expect from installers, the less likely it will be that they suffer consumer detriment.

Date of next meeting

It was agreed that the Executive should aim for a 10:30 start on 13 December 2017. There being no further business, the Chairman thanked those who had attended and closed the meeting.