

**Note of 31st Meeting of the Supervisory Panel
Renewable Energy Consumer Code
Wednesday 19 March 2014**

Present:

David Laird (Chair)

Bryn Aldridge – former Director of Trading Standards and Veterinary Services for The City of London

Dave Sowden – Micropower Council

Gretel Jones – Independent Social Issues Expert

Walter Carlton- Deloitte

Philip Wolfe- Independent Renewable Technologies Expert

Jim Thornycroft- Independent Solar PV expert

Tom Chapman- MCS

Jodie Surendran Lahan- Ofgem (observer)

In attendance:

Virginia Graham –RECC

Sue Bloomfield -RECC

Mark Cutler – RECC (part)

Lorraine Haskell- RECC (part)

Ciaran Burns- RECC (part)

Michael Cusick – RECC (part)

Sumandeep Sohi – RECC (minutes)

Apologies:

David Frise- B&ES

Gideon Richards – MCS

Neil Schofield – Worcester Bosch

Steve Storey - SSE

Paul Rochester – DECC (observer)

Alistair Boon – DECC (observer)

1. Welcome, Introduction and Apologies

The Chair welcomed everyone to the 31st meeting of the Supervisory Panel. Panel Members introduced themselves and noted apologies for absence.

2. Minutes of the 30th Supervisory Panel Meeting

Panel Members agreed the Minutes of the 30th Supervisory Panel Meeting as an accurate record of the meeting.

3. Matters Arising

The Executive ran through the matters arising from the Summary of Actions from the 30th meeting.

The Executive explained that the EST factsheets were now available on the RECC and EST websites and that a link would be provided to Panel Members. The Executive confirmed that the Panel's suggestions for the RECC newsletter had been included in the January edition. A complaints feature focusing on a common cause of complaints had been included, and would be a regular feature going forward. The first feature had looked at the failure to refund deposits. There had also been a profile on Keith Richards, Chair of the Applications Panel, and an article on the breakdown of RECC's budget. The Executive welcomed any further suggestions the Panel might have for the next issue of the newsletter to be published in April.

Panel Members noted that the Panel Activity Plan was yet to be circulated and the Executive undertook to circulate it to the next Panel meeting. Further, the Executive undertook that the paper on compliance enforcement would be provided to the next Panel meeting.

4. Highlight Report March 2014

Panel Members reviewed the Highlight Report, outlining key RECC outcomes since December 2013.

Membership

The Executive explained that the membership renewals period was almost complete and that 3,000 members had renewed their membership for 2014, with 800 renewals outstanding as of the date of the Panel Meeting. The Executive explained that members who had not paid by the end of March would be removed from the RECC membership database during April, in line with the Bye-Laws.

The Executive reported that in 2013 RECC had estimated a 50% reduction in membership income. In the event there had been a 33% reduction. In 2014 RECC had estimated a 28% reduction in membership income. The final figure would be provided to the next Panel meeting. Panel members suggested that the Highlight Report show comparative statistics from previous years alongside the current ones.

Panel members noted that, on average, RECC was receiving three new membership applications each day. It was agreed that this figure might increase once the RHI had been launched. Panel members also noted that some members had updated their membership category following RECC's decision to show this on the website and on the membership certificate for the first time.

Monitoring

The Executive explained that the 7th round of compliance audits had concluded with 119 audits carried out. The Highlight Report showed that 23% of members audited had scored 100 or more negative marks. They explained that the revised Bye-Laws would allow for these non-compliance

issues to be fast-tracked. Should these members require further audits, the members in question would be required to pay for them.

The Executive explained that the 8th round of compliance audits was underway with a further 100 audits almost complete. Members had been selected for audit on a risk basis through information received from complaints, negative feedback and tip offs as well as on a random basis.

Mystery shopping

The Executive explained that mystery shopping exercises were carried out on a risk-basis and that companies were either approached through an initial phone call or by responding to cold calls.

Consumer Satisfaction Surveys

Panel Members noted that the analysis of the Consumer Satisfaction Survey questionnaires returned during the period showed a high level of positive feedback: 52% of consumers had rated the way their system had been installed as 10 out of 10; while 66% of consumers had rated the way they had been sold their system as 10 out of 10.

Independent Panels

The Executive reported that the Applications Panel had met four times during the period, and had discussed seven cases; four out of the seven applications had been rejected, while the remaining three had been accepted with conditions. Going forward the Applications Panel would meet at least once each month.

The Executive reported that the Non Compliance Panel had met twice, and that there had been two Hearings during the period. A further two Hearing were scheduled to take place in April.

Complaints

Panel Members noted the complaints information provided in the Highlight Report: a total of 292 complaints had been received in the period; 44 complaints had been resolved in the period; and nine had been referred by the consumer to arbitration.

The Executive explained that a new Complaints Database had been commissioned and would shortly go live. It would enable complaints data to be built into the website and, once a complaint was registered, automatically populate the database. This would reduce the time spent by complaints handlers manually inputting complaints data and would thus speed up the data entry process considerably and mean better use of complaints handling resources. The Executive demonstrated the new format Complaint Form on the RECC, along with the declarations that would have to be made by consumers when completing it to ensure that the complaint was eligible.

5. Update on TSI's proposals on multiple codes in the same sector

The Executive reported that, in January 2014, RECC had submitted a response to TSI's invitation for comments about a new consumer code covering the small-scale renewable generation sector. The code had been submitted for Stage One TSI approval; the Panel Chair and several other Panel members had also submitted their comments. However, in the end, none of the comments had been put forward to the TSI Consumer Codes Approval Board (CCAB), although comments from DECC had been put forward. The CCAB did not consider the application, but it would be put before a future CCAB meeting once the code had been amended to take account of the views of TSI's Consumer Advisory Panel.

The Executive reported that, at the Meeting, it had been agreed that Baroness Crawley, CCAB, would request a meeting with Greg Barker MP, Energy Minister, to discuss the implications of having multiple codes in the small-scale renewables sector. There would be a further CCAB meeting in May. Panel Members requested that they be kept up to date on any developments.

6. Draft RECC Monitoring Strategy

The Panel reviewed the draft RECC Monitoring Strategy. The Executive explained that TSI had amended the Consumer Codes Approval Scheme core criteria. RECC had undertaken a detailed review on its monitoring strategy in order to ensure it met the revised core criteria.

TSI required that Code Sponsors identify Key Performance Indicators in the areas of:

- consumer satisfaction
- complaint trends
- code compliance
- member audits.

In addition TSI required Code Sponsors to show how the key performance indicators have had a significant impact on consumer detriment in their sector.

The Executive explained that TSI was taking a more statistical approach with its focus on the key compliance areas and confidence levels. In response RECC was proposing three levels of monitoring dependant on the risk of consumer detriment. Members identified as being in the high risk category would have a face-to-face compliance audit; those in the medium risk would have a desk-based compliance audit based on a questionnaire, and be required to submit supporting evidence such as the training log, signed certification certificate, contracts and subcontractor agreements. Other members would be monitored on a rolling basis with at least one compliance check carried out each five years. The Executive confirmed that RECC would shortly submit the draft Monitoring Strategy to TSI for approval.

The Executive outlined the results of a survey carried out to understand members' business models more clearly. The purpose of the survey had been to inform the draft Monitoring Strategy. The survey had also probed the ways in which members are complying with the deposit and warranty insurance Code requirements. As of the date of the Panel Meeting, the Executive confirmed that

1,943 unique survey responses had been received, out of the 4,300 questionnaires sent out. As part of a separate exercise the Executive explained that it had commissioned research to compare the terms and conditions of the different insurance providers with a view to establishing minimum requirements. This exercise should be completed by the end of June 2014.

Finally the Executive confirmed that the 2013 Annual Report would be drafted during April and made available to the next Panel Meeting.

7. Heat Pump Guidance and Model Documents

The Executive explained that the proposal pack, guidance and model quote and performance estimate for heat pumps would be live on the RECC website by the end of the week. Work was underway to produce a similar suite of documents for biomass boilers and solar thermal hot water heating systems. Guidance and model documents enable members to provide consumers with correct and readily-understandable information about the technologies they are installing. By using them members are assured that they are fully compliant with the Code.

8. Update on Domestic RHI

The Executive confirmed that DECC intended to launch the Domestic Renewable Heat Incentive (RH) before Easter.

Panel Members discussed concerns over the competence of installers consistently to market and install complex heating technologies in line with the MCS installer standards. The Panel also discussed technologies that were commonly being marketed as 'add-ons' to heating technologies, but that were not MCS certified or eligible for the RHI. These include Thermodynamic magic boxes and voltage optimisers.

Panel Members discussed the potential risks for mis-selling from installers giving consumers an estimate of likely RHI income if they did not already have an up-to-date EPC, since the income will be dependent on a property's heat demand. They noted that DECC was working on an online calculator together with Scottish Government, EST and EST Scotland. This should go some way to allaying the risks.

9. Proposed amendments to the RECC Bye-Law

Panel Members considered the draft revised RECC Bye-Laws. They noted that the REAL Board would consider the revised Bye-Laws at the forthcoming Board Meeting. If the Board were content with the revised Bye-Laws, they would adopt them and they would then be made available on the RECC website. The Executive undertook to keep the Panel updated as to the revised Bye-Laws.

10. Any Other Business

There was no further business to be discussed. The Chair therefore closed the meeting. He confirmed that the date of next Panel Meeting was **Wednesday, 18 June at 1.30 p.m.**