

**Minutes of the 38th Meeting of the Supervisory Panel
Renewable Energy Consumer Code
2 December 2015**

Present:

Bryn Aldridge – acting Chairman
Walter Carlton - Deloitte
Martin Cotterell (by telephone) (Part)
Zoe Guijarro – Citizens Advice
Gretel Jones
Heather Kerr – MCS Administrator
Mike Landy – STA
Steve Lisseter – independent expert
Brendan Murphy – MCS Administrator
Jim Thornycroft - independent expert
Philip Wolfe – independent expert

Observer:

Margarita Vigrande-Ashe – DECC

Apologies:

Amanda Clarke - Certsure
David Frise – B&ES
David Laird – Chairman
Paul Rochester – DECC
David Sowden - SEA
Chris Wood - Ofgem

In attendance:

Mark Cutler
Virginia Graham
Sarah Rubinson (minutes)

1. Welcome, introduction and apologies

Bryn Aldridge acted as Chairman at the meeting in David Laird's absence. He welcomed attendees to the 38th Supervisory Panel Meeting and noted apologies for absence received. Panel Members present introduced themselves. Martin Cotterell joined the meeting by telephone for the relevant items.

2. Minutes of last meeting

Panel Members agreed the Minutes of the 37th Supervisory Panel Meeting as being an accurate record of the meeting.

3. Matters arising

The Executive confirmed that all actions listed in the Summary of Actions from the previous meeting had been completed. Where appropriate, they had been included in the relevant sections of the Highlight Report.

4. Highlight Report

Membership

The Executive explained that RECC was receiving 1-2 applications each day, around half of the rate earlier in the year when RECC had been receiving 3-4 applications each day. The Executive also reported that, to date, 15% of existing members had taken advantage of the 5% discount and renewed their RECC membership within the first month of receiving their invoice. This had been an encouraging start.

Panel Members discussed whether RECC could provide more information to encourage members to renew their membership for 2016. The Executive explained that it was regularly providing updates for members about the likely timescale for DECC's announcement on the future of the Feed-In Tariff (FIT) scheme. Given that it was likely that there would be at least a low FIT rate for small-scale solar PV any companies wishing to remain active in the sector would need to renew their RECC membership.

Monitoring

The Executive reported that 2015 had seen a marked improvement in the audit follow-up process. There were now better-defined time limits within which members had to respond to any areas of non-compliance. Following these non-compliant members passed directly into the disciplinary procedure. This provided much greater certainty for all concerned, with a correspondingly higher rate of resolution of outstanding issues. Members now understood that non-compliance was being taken seriously. As a result almost all 2015 audits had been closed out or escalated by the end of the year. This was a record.

Consumer satisfaction survey

The Executive explained the new online consumer feedback process. All consumers were now being directed to post their feedback through the website: <https://www.recc.org.uk/feedback> . Previously consumer satisfaction questionnaires had been distributed by the insurance-backed warranty provider, QANW. Both the hard copy and online questionnaires were quite long. This was a deliberate attempt to dissuade people from gaming the system by leaving negative feedback about their competitors. Those who complete the questionnaire are eligible for a prize which is Amazon vouchers. To date one prize had been awarded.

The Executive reported that the new approach seemed to have resulted in more negative feedback being received. However, to date, only a small number (26) of consumers had provided feedback in this way. It was possible that only those consumers with 'an axe to grind' were prepared to get to the end of the questionnaire. The Executive intended to carry out further work to increase awareness of the feedback mechanism. This would be likely to result in a more balanced picture. Panel members discussed the linkages between negative consumer feedback, compliance monitoring and complaints.

MCS reported that MCS is considering drafting a new consumer leaflet. It should inform consumers about the complaints procedure, a requirement of the ADR Directive, and could also direct them to registering feedback and rating their installer.

Panel activity

The Executive reported that during the previous three-month period three Appeals Panel Meetings had been held, with four applications considered. The Executive further reported that an Appeals Panel Hearing, a Non-Compliance Panel Hearing and an Applications Panel Meeting were all scheduled for December.

Complaints

The Executive reported that RECC was continuing to receive a fairly consistent number of complaints from consumers. The Highlight Report showed the proportion of these that were referred on to a CB on the basis that the complaint was purely or partly of a technical nature.

Panel members asked a number of questions about the breakdown of complaints provided in the Highlight Report. In particular they were interested in the ways in which complaints were resolved, other than by means of mediation or independent arbitration. They pointed out that the total number of complaints registered consistently exceeded the number of complaints resolved. On this basis they concluded that the total number of ongoing complaints should be increasing consistently. They requested that in future the breakdown show the net number of ongoing complaints. They also requested a breakdown of the awards made by the independent arbitrator.

Panel members asked about the distribution of complaints by technology-type and how this had changed over time. The Executive explained that, though solar PV complaints remained the vast majority of complaints registered, as a proportion of the total they had decreased from 72% in 2013 to 64% in 2014. The Executive also reported that, as a proportion of total domestic solar PV installations, solar PV complaints registered with RECC had reduced from 1.1% in 2013 to 0.7% in 2014. (The aggregated figures for 2015 would be available early in 2016.)

The Executive reported that comparable figures had not been calculated for heat technologies to date, but that they would be for 2015 on the basis that it was the first full year of the domestic RHI, and that Ofgem should have the installation data available. Anecdotally it appeared that RECC had

received a high number of complaints about Air Source Heat Pumps as a proportion of total domestic installations.

The Executive reported that MCS was introducing an independent arbitration scheme, but that it would not be retrospective. At the moment RECC was providing access to its independent arbitration service to consumers with technical complaints. The Executive also reported that RECC had done a lot of work to produce detailed guidance for consumers who need to enforce arbitration awards.

5. Update on Feed-in Tariff scheme review

STA explained that DECC's Consultation had closed in October. DECC had received over 50,000 responses to the proposals which included an 87% cut to the small-scale solar PV FIT rates thereby reducing FIT expenditure proposed by around 98%. Of the responses, 2,500 were classed as 'serious', unique responses. DECC was promising to announce its decisions around 16 December.

STA, along with other trade associations, had been lobbying to get the proposals reversed for solar, without adversely affecting the other affected technologies. They had posted a likely timeline on their website, and explained that 40 days would be required for new regulations to become law, excluding holidays. They explained that the earliest that the new arrangements could take effect was mid-February. However, the Government could decide to 'pause' the scheme earlier than that. It was still not clear whether Government would propose a lower FIT rate or would close the FIT scheme completely.

Panel members asked about the implications for RECC of an early deadline for a significant drop in the FIT rate. The Executive explained that it would work with the MCS Administrator and would put the same systems in place as in 2011/2012. It was likely that there would be miss-selling in the lead up to the deadline. This would be likely to generate queries from installers and consumers as well as complaints further down the line. Panel members sought reassurance that RECC had adequate resources to cope with this.

STA reported that the atmosphere at the recent Solar Energy UK show had been positive. Many installers considered that solar PV was close enough to grid parity that it would soon be in a position to survive without FIT support. This timescale should coincide with the advent of affordable storage. The Executive reported that it was working on consumer guidance on storage to enable consumers to make up their minds as to whether it represented a good option for them at the present time.

6. Update on shows, conferences and exhibitions

The Executive reported that RECC had attended three separate shows in October:

- RECC attended Solar Energy UK was held at the NEC in Birmingham. RECC had a stand and a presentation slot each day. RECC staff members took turns to attend the show.

- RECC shared the REA's stand at Energy UK – Construction Week and at Nextgen. Here again, RECC staff took turns to attend the shows.
- RECC has been involved in discussions about future renewables roadshows in 2016.

7. Update on multiple approved codes in the sector

The Executive reported that it had agreed to the Memorandum of Understanding (MoU) with CTSI in September. HIES and GGF had also agreed to the MoU. According to this MoU, any RECC member with unresolved complaints, in the disciplinary process and/or owing RECC money could not be admitted as a member of another CTSI-approved Code. 35 other RECC members with multiple outstanding issues were already listed as HIES members, and so the system had broken down at the outset.

The Executive explained that, on the basis of the MoU, RECC had attempted to prevent one member from resigning, but had been faced with an injunction. As a result RECC had decided that defending its position was not a good use of its funds, and had referred the matter to the CTSI Board and DECC. Citizens Advice confirmed it had provided evidence about this company to CTSI, and the Executive reported that Trading Standards had 400 complaints about it.

The Executive reported that it had also complained to CTSI about the fact that HIES was offering Code membership 'free' to those companies who purchased insurance-backed warranties from HIES. In RECC's view this was both a conflict of interest on HIES' part and unfair competition for RECC. Further, RECC had complained about the misleading comparative information which HIES had been distributing to companies active in the small-scale renewable generation sector. These matters of great concern to RECC were currently being investigated by CTSI.

8. AOB and date of next meeting

The Executive reported that it had applied to Trustmark to be a scheme operator; and that it had launched a member offer of a 25% discount for members who wished to have Which? Trusted Trader status alongside their RECC membership.

The Chairman asked that dates for next meeting and others in 2016 be circulated as soon as possible.