

**Minutes of the 43rd Meeting of the Supervisory Panel
Renewable Energy Consumer Code
Wednesday 15th March 2017**

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

Present:

David Laird – Chairman
Bryn Aldridge (part) – Independent Trading Standards Expert
Walter Carlton – Deloitte
Amanda Clark – NICEIC
Frank Gordon – Renewable Energy Association
Zoe Guijarro – Citizens Advice
Steve Lisseter – Independent Consumer Expert
Richard Stury – MCS Administrator

Anna O'Connor – Ofgem (observer)
Christine Shams – BEIS (observer)

Apologies:

Gretel Jones – Independent Expert
Dave Sowden – Sustainable Energy Association
Jim Thornycroft – Independent Solar PV Expert

In attendance:

Virginia Graham
Mark Cutler
Lorraine Haskell (part)
Rebecca Robbins (part)
Abena Simpey (part)
Bernardo Esteves (minutes)

1. Introduction and apologies

The Chairman welcomed attendees to the 43rd Supervisory Panel Meeting and noted apologies for absences received.

2. Minutes of last meeting

Panel Members agreed the Minutes of the 42nd Supervisory Panel Meeting as being an accurate record of the meeting and had no further comments. There was also agreement that, despite its reduced attendance, owing to train strikes, the 42nd Supervisory Panel Meeting had been highly productive, especially in reviewing the disciplinary and non-compliance procedures.

3. Matters Arising

The Executive confirmed that all the Actions from the previous meeting had either been addressed in the Highlight Report or were on the agenda in their own right. A summary of membership renewals in particular was contained in the Highlight Report.

4. Highlight Report

Membership activity & renewals

The Executive explained that approximately 2,000 members had renewed their RECC membership for 2017, although an exact figure would only be available the following week. The Executive further noted that this was a relatively high number, given the drop in installed capacity for systems with a capacity below 10kW since the reforms to the Feed-In Tariff regime. Panel members noted that the Government had announced some tariff increases for heat pumps, and a lower than anticipated tariff reduction for biomass boilers. It would be interesting to see whether these changes would stimulate increased activity for small-scale renewable heating systems.

Audits

The Executive explained that the focus for 2017 would be on desk-based audits targeted at medium-risk members. Members who were in the disciplinary process would be subject to audit site visits wherever possible at their expense. 100 desk-based audits were scheduled, based on a bespoke questionnaire being developed.

The Executive further reported that only half of the audit site visits scheduled in 2016 had taken place. The low hit rate had been caused by factors including: the existence of another CTSI-approved Consumer Code compliance with which some members perceived as being less robustly enforced; and the sharp reduction in the level of Government support for solar PV resulting in increased uncertainty in the sector. Learning from the 2016 round of audit site visits confirmed that 'pre-contractual information' and 'contracts and cancellation rights' remained the areas of most concern.

The Executive also reported that CTSI was reviewing the way the Memorandum of Understanding (MOU) in place with HIES and GGF, the other CTSI-approved consumer codes, was operating in the sector. It was hoped that the review would result in a clearer status for the MOU together with more systematic compliance with it. The Executive would be pushing for greater clarity over members who transfer to another consumer code when notified that they will be audited.

Consumer Satisfaction Surveys

The Executive reported that very few consumer satisfaction surveys had been returned since the previous meeting. This was due to the fact that the distribution of hard copies had ceased for a period but had now been resumed. The feedback that had been received had been posted online via the RECC website. There were already signs that the rate at which the surveys were being returned had increased.

The Executive pointed out that surveys were generally completed soon after a system was commissioned, whereas any problems with the functioning of the system or the installation would only be likely to emerge sometime later. The Executive also pointed out that consumers who had purchased systems with finance were less likely to complete surveys since the finance providers would already have required them to provide feedback as a condition for releasing the funds. Panel members suggested that it would be helpful to obtain wider Trading Standards data on consumer satisfaction in the sector, particularly if this could be used to compare data on the awareness of dispute resolution mechanisms across sectors.

Dispute resolution

The Executive gave a summary of the quarterly data on RECC's dispute resolution process. The Executive explained that it was only able to mediate in cases where the company in question was a member. During the previous quarter RECC's membership had reduced by some 25%, principally owing to the reduction in the Feed-In Tariff rate payable for solar PV.

Panel Members raised concern about consumers whose disputes had been closed due to the company involved no longer being a member. The Executive explained that consumers were still offered the option of applying for independent arbitration before a company was removed from the RECC database. Where a new or existing member had links to a previous Member they would have been asked to agree to honour any of the previous member's liabilities.

The Executive also explained that, so long as the company was still trading, consumers could pursue their complaint through the Small Claims Court. Panel members agreed that the process for applying for this was straightforward and low cost, but that there were relatively low thresholds for claims which could rule out some consumers. While the independent arbitration process was an alternative to court action, some consumers preferred to take action through the court system, and this was their right.

The Executive pointed out that it subsidised independent arbitration cases, by £150 excluding VAT for domestic consumers, and by £250 excluding VAT for micro-business consumers. RECC has the right to recover these costs from the member if the consumer's claim succeeds. In some cases, the member made an offer to settle the dispute before the case came before the arbitrator.

Finally, the Executive reported that the dispute resolution process was now more streamlined, with timeframes for each stage shorter and disputes being allocated to a mediator in 4 instead of 8 weeks, once the relevant documentation was on file. External dispute resolution caseworkers were no longer working on dispute resolution, owing to shortage of funds available, but that the workload was being handled well by the permanent dispute resolution case workers.

Disciplinary and non-compliance activity

The Executive reported that it was looking to streamline the non-compliance process further in order to ensure that it was as cost-effective and efficient as possible, while ensuring that it remained at all times fair to all parties. The Executive pointed out that it was already permitted to terminate a

business' membership without recourse to an independent Panel in certain circumstances, for example where monies were outstanding.

Panel members made a number of suggestions which could feed in to the discussion scheduled for the end of May. These included imposing a legally-binding cap on costs that could be claimed from the other party, in order to discourage the use of expensive legal counsel, and ensuring that businesses whose membership had been terminated could not simply join another approved Code in the sector. The Executive promised to report back to the Supervisory Panel at the next meeting.

Applications Panel

The Executive reported that it also had the right to reject applications for membership without recourse to the Applications Panel in certain circumstances where the evidence was clear from the outset, and that it had acted on this in a number of cases. Here again it was important that applicants refused membership from one approved Code were not simply able to join another approved Code.

5. Brainstorming session

The Executive distributed the list of actions resulting from the brainstorming session held with the REAL Board and the full REAL team in December 2016. The Executive reported that the session had been designed to encourage thinking about different directions which RECC could take in order to expand its current remit and scope of activities and thereby its future income streams. Team members found the session useful and a good opportunity to think about a wider set of issues from those which they deal with on a day-by-day basis.

Panel Members asked whether there was scope for making more use of the very useful training resource available on RECC's website, available to Members free of charge. In particular, they wanted to know whether it could provide a means of generating additional income. Panel Members also suggested that RECC could have a role to play in extending the scope of its actions to the whole smart energy concept, ranging from energy storage, EV charging, time-of-day tariffs, smart appliances &c.

Panel Members suggested that this could be of great value in the energy storage sector, such as in better understanding the interaction between different elements of a "smart home". It also noted that there was potential for mis-selling in terms of energy storage systems. The Executive stated that it would be looking into what a contract for these would look like in order to reduce the risks of mis-selling. They noted that Ofgem was looking the impacts on consumers of smart metering and the wider smart energy sphere.

Panel Members put forward a number of interesting ideas which the Executive agreed to follow up and to report back on at a future Supervisory Panel Meeting.

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

The Executive reminded Panel Members that the next meeting was scheduled for Wednesday, 14 June, and that it would take place at 10.30 am.

There being no further business, the Chair thanked all Panel Members for their attendance and closed the meeting.