

2017 Annual Report



OPENING REMARKS

This Annual Report has been produced for the Chartered Trading Standards Institute (CTSI). It sets out the Renewable Energy Consumer Code's principal achievements during the 2017 calendar year. RECC is approved by CTSI under the Consumer Codes Approval Scheme (CCAS). 2017 was RECC's twelfth full year.

Welcome to this review of RECC's activities in 2017!

I hope you will find the information in the review interesting and useful. As usual we have broken down our activities into sections including: promoting the code, benefits of membership, overview of members, enforcing compliance, resolving consumer complaints and resourcing the RECC team.

During 2017 we ramped up our activities in new areas such as battery storage systems, voltage optimisers and other add-ons. As part of this we started to look at the big picture of how small-scale domestic renewable energy systems can play a part in a larger, connected, decentralised energy system. We are part of the Smart Power Industries Alliance, working for increased flexibility across the network, providing greater access for local generation. We also worked with the Association of Decentralised Energy on guidance for domestic consumers looking to take advantage of demand-side response and 'time-of-use' tariffs. Finally, we started to look at how the EV charging infrastructure can interact with small-scale renewable energy systems. This work continues into 2018.

During the year we worked with MCS and other stakeholders on a revised MCS standard for heat pumps. Version 5 of MIS 3005 was finally introduced in January 2018. As part of the preparatory work RECC continued to analyse heat pump estimates prepared by the

members we audited, and published our findings in an update to the report published in 2016. Going forward we will contribute guidance as to how to comply with Version 5, and analyse the results.

During the year we worked with Government and stakeholders on how to extend the high levels of consumer protection in the renewables sector to related energy efficiency sectors. This was part of the work on Each Home Counts. Throughout, RECC has been adamant that standards should not be allowed to fall, and that the Government must build on, rather than undermine, the successes we have enjoyed in our sector.

This report describes a huge body of work that RECC carried out during the year. My thanks go to our members who have supported us throughout this roller-coaster journey. We couldn't have done any of it without you! My thanks also go to the RECC team members who have worked tirelessly throughout.



Virginia Graham

RECC Chief Executive

2017 HIGHLIGHTS

Promoting the UK renewable energy sector

In 2017 RECC worked hard to maintain a strong and recognised presence in the UK renewable energy sector. Our membership remained well above 2,000. We received 315 new membership applications over the course of the year despite the challenges our members faced in the sector.



In 2017, RECC:

- responded to BEIS's and Ofgem's Call for Evidence on smart, flexible energy systems, and joined the Smart Home Power Industries Alliance;
- participated in the launch of the partnership between Manchester City Football Club and the power management firm Eaton;
- exhibited and spoke at large industry events, including EcoBuild, Energy Storage and Connected Systems, and Solar & Storage Live.

More information available on page 4.

Promoting the Code

Our Compliance Team worked actively to promote consumer protection and compliance with the Code. In 2017 we closely monitored over 300 members and asked 25 members to respond to suspected breaches of the Code and/or Bye-Laws. Of the 25, 10 went on to have formal non-compliance action invoked against them, 2 of which had their

membership terminated following a Non-Compliance Panel Hearing.

Our Dispute Resolution Team has worked tirelessly to resolve complaints,

providing members and consumers with an impartial ADR approved mediation service. Over £360,000 was recovered for consumers through the RECC Dispute Resolution Process, an average of £3,400 recovered per complaint. This is in addition to any non-financial outcomes achieved by consumers, such as the repair of their property or removal of a system. We were also pleased to witness a 32% reduction in complaints registered against Code members since 2016.

Despite keeping our fees at the same level for the fourth year in a row, our Membership Team worked hard to bring our members new and exciting membership benefits for 2017. We want to ensure that members have all the tools necessary to meet the requirements of the Code and stay up to date with key industry developments.

CONTENTS

1. Promoting the Code	4
2. Benefits of Code membership	5
3. Membership and the Sector	7
3.1 RECC Membership	7
3.2 The wider sector	8
4. Monitoring code compliance	9
4.1 Monitoring applicants	9
4.2 Auditing members	11
4.3 Surveying consumer satisfaction	13
5. Enforcing code compliance	15
5.1 Invoking Non-Compliance Action	15
5.2 Non-Compliance Panel	16
5.3 Convening the independent Appeals Panel	17
6. Resolving Consumer Complaints	18
6.1 Categorising consumer complaints	18
6.2 Resolving consumer disputes	23
6.3 Referring consumer disputes to the independent arbitration service	24
7. Governing the Code	26
8. The RECC Team	27

1. PROMOTING THE CODE

As ever, in 2017 RECC has been busy protecting consumers and promoting renewables. We have, amongst other things:

- provided 7 witness statements to Trading Standards departments across the UK to assist them with their prosecutions concerning misleading sales practices;
- given evidence at the trial of the directors of a former RECC member accused of unfair commercial practices. One director was found guilty and received an 18 month suspended sentence, a 10 year ban from being a company director, and a personal fine, some of which was compensation for consumers directly affected by those practices;
- participated in the Smart Power Industries Alliance, a cross-sector alliance of UK energy trade associations launched in 2017, with a common interest in a smart and flexible energy system;
- responded to BEIS's and Ofgem's Call for Evidence on smart, flexible energy systems, urging them to ensure that consumers are well-informed, well-protected, and in a position to take full advantage of the opportunities on offer to reduce the carbon impact of their energy usage;
- launched a comprehensive desk-based audit programme to promote and ensure compliance among RECC members;
- increased our list of insurance providers offering deposits and workmanship cover – a number of which have started offering cover for battery storage products;
- worked closely with industry to develop the new MCS heat pump standards and documents;
- launched our new suite of model heat pump documents to help our members comply with the new MCS heat pump standards.

Following the Code's extension to include batteries and other Related Products¹ in 2016 we:

- welcomed Powervault, and Eaton's training partner Carter Sullivan, to the Code;
- participated in the launch of the partnership between Manchester City Football Club and the power management firm Eaton;
- worked closely with Eaton and Carter Sullivan to ensure that all installers promote the highest standards of consumer protection;
- exhibited and spoke at major industry events – including EcoBuild, Energy Storage and Connected Systems, and Solar & Storage Live – about mis-selling issues and good practice for installers offering battery storage and Related Products.

RECC has also continued to be a recognised player in the industry, featuring in the Solar Trade Association's Commitments for Domestic Energy Storage, and Which?'s information on batteries for consumers. Furthermore, the Code is now referenced by LexisNexis, a leading global provider of legal and regulatory information.

¹ Any product connected or linked to the Energy Generator in any way (this includes inverter, generation meter, ground loop, battery storage unit, voltage optimiser, immersion boost or monitoring device).

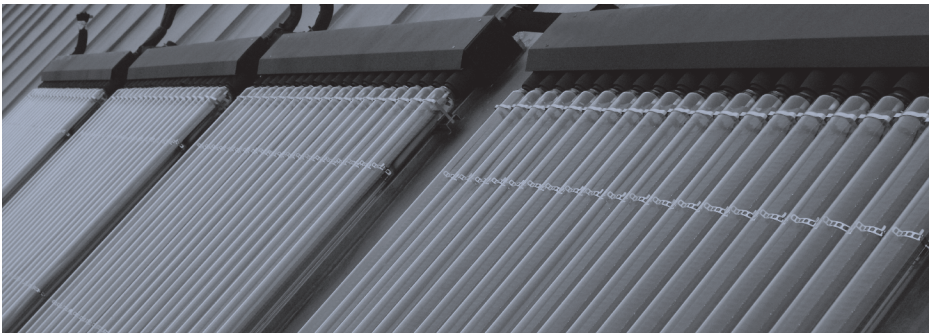
2. BENEFITS OF CODE MEMBERSHIP

RECC is the largest and most experienced Consumer Code in the industry. Established in 2006, we have worked tirelessly on behalf of our members and their consumers to ensure high standards across the sector. Membership of RECC shows that a business is committed to complying with the Code's high standards of consumer protection, offering consumers confidence when considering the purchase of small scale renewables.

Not only does membership of RECC provide consumers with assurance and peace of mind backed by the Code's strict requirements, but it also benefits businesses themselves. Our members and their customers have free access to our alternative dispute resolution (ADR) process, along with the affordable independent arbitration process.

We have consistently expanded the benefits we provide to our members, which include:

- Free promotional material for consumers on the Code and the standards you adhere to.
- Access to QANW Deposit and Workmanship Warranty Insurance
- Free Code and consumer protection training, along with exams for staff to keep track of their progress.
- Free webinars on the Code, new legislation, and new industry issues like battery storage.
- Primary Authority-approved and compliant documents to use free of charge including: contracts with terms and conditions, quotes and performance estimates, warranties, and cancellation forms.
- Guidance on performance estimates and new legislation.
- Regular updates on industry and legislation.
- Access to advice from a Primary Authority.
- Inclusion on RECC's online Membership Directory.
- The opportunity to become TrustMark registered and be listed on TrustMark's 'Find Your Local Tradesmen' website.
- Access to tailored insurance including public liability and professional indemnity from JELF.



New member benefits for 2017

In addition to those listed above, we have continued working towards providing more benefits to our members, listening to their feedback while also liaising with other organisations.

Which? Trusted Trader Discount

Which? launched a new offer in 2017 for RECC members who wish to take advantage of the Which? Trusted Trader scheme – RECC members can now get 25% off the scheme until 2020.

IET Code of Practice Discount

RECC members now receive a 20% discount for the Code of Practice for Electrical Energy Storage Systems, published on 7 August 2017 by the Institution of Engineering and Technology (IET).

RECC Van Stickers

Following popular request made through a survey sent to RECC members in 2017, RECC van stickers are now available for our members.

TrustMark Registration

RECC continues to operate as a TrustMark scheme operator. For a small fee, RECC members have the opportunity to become TrustMark registered through RECC and be listed on TrustMark's Find Your Local Tradesmen website.



“RECC has over the years been one of the significant success stories of the regulatory framework and this success story should be taken forward.”

**David Matthews,
Chair of MCS Management Panel**

3. MEMBERSHIP AND THE SECTOR

In 2017, RECC's membership remained well above 2,000, 1,800 of which fell into the 1-6 employee category. 315 new membership applications were received throughout the year.

“[The RECC Membership Team’s] replies and swiftness in sorting out [the RECC application] is exemplary and very much appreciated. I only wish other organisations were as efficient as you. Look forward to working with you...”

Bright Spark Ventures Ltd

3.1 RECC Membership

Despite industry challenges following repeated cuts to the FIT, RECC's membership remained well above 2,000 in 2017, with an increase in members working with renewable heat technologies. We received 315 new membership applications from

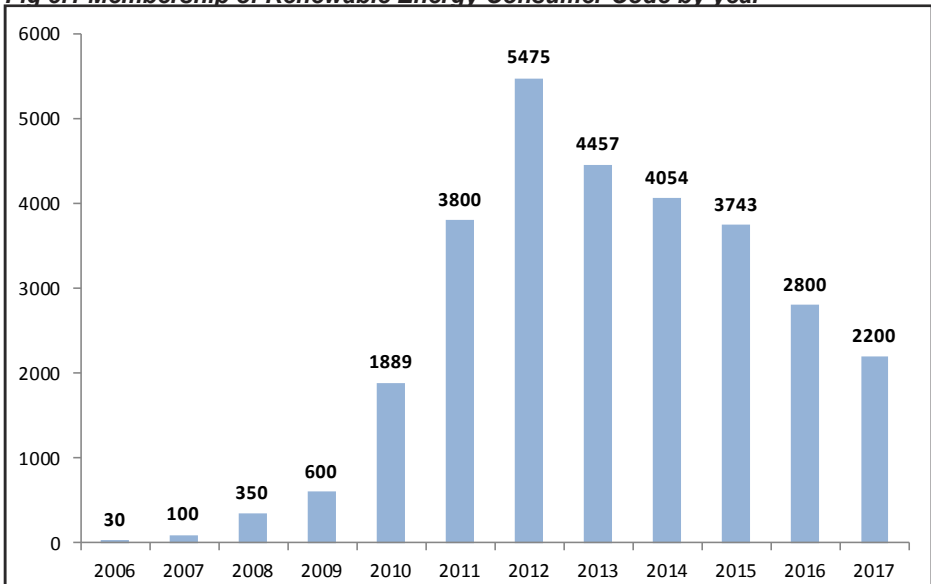
businesses wanting to offer a wide range of technologies through a number of different business models. In 2017 the majority of our members continued to sell and install solar PV systems. Most members are small companies, with 1,800 falling into the 1-6 employee category.



Aida Razgunaite (L) and Olivia Fursessedonn (R)

RECC Membership Team

Fig 3.1 Membership of Renewable Energy Consumer Code by year



3.2 The wider sector

Figures in this section serve to illustrate the wider context within which we operate, and highlight the challenge faced by our solar PV-focused members over the past 5 years. In contrast, we

were delighted to see that Domestic RHI applications have continued at the same level following the news in 2017 that rates were increasing. Our thanks to Ofgem and BEIS for the data used.

Fig 3.2 Installations registered for Domestic RHI from April 2014

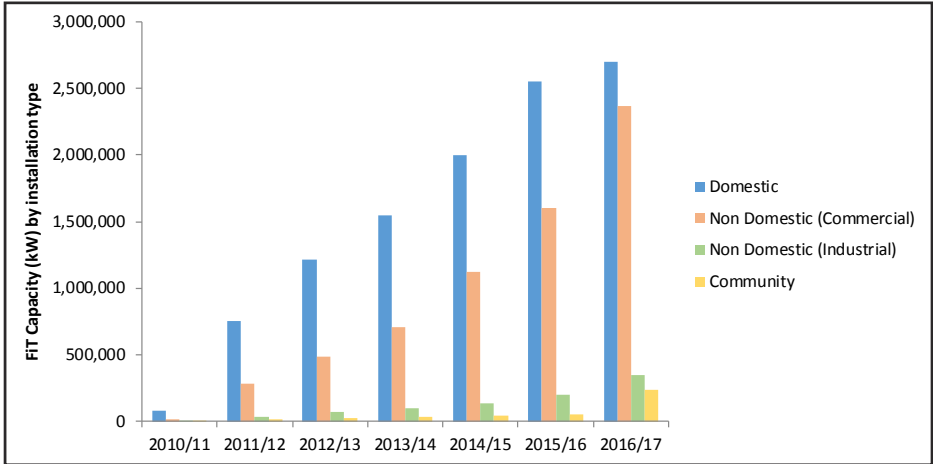
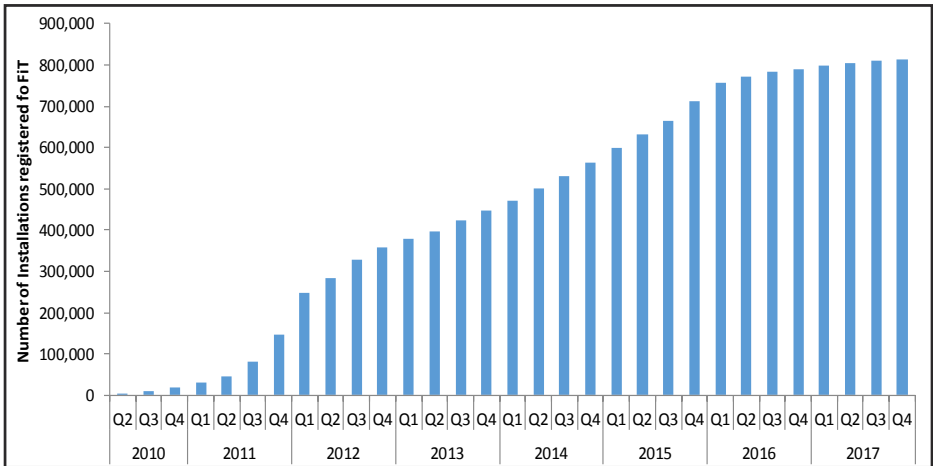


Fig 3.3 Installations registered for FiT from April 2010



4. MONITORING CODE COMPLIANCE

In 2017, RECC closely assessed 321 members' business models for compliance with the Code, either by means of a detailed due diligence check of their application, an in-depth audit site visit, or a desk-based audit; during the year 40 households submitted Consumer Satisfaction Questionnaires.

RECC uses a variety of tools to monitor compliance with the Code and Bye-Laws. In line with the Monitoring Strategy agreed with CTSI in 2014, we:

- carry out extensive due diligence checks on all new applicants against a series of important legal undertakings to check their ability to fully comply with the Code;
- carry out additional risk-based compliance checks where required;
- undertake an in-depth, on-site and desk-based audit programme;
- administer a UK-wide Mystery Shopping programme;
- analyse Consumer Satisfaction Questionnaires (CSQ);
- liaise closely with other enforcement

bodies including local and national Trading Standards departments and Companies Investigation Branch; and

- liaise closely with consumer-facing bodies including Age UK, Which?, and Citizens Advice. You can find full details here: www.recc.org.uk/monitoring/monitoring-strategy.

During 2017, we have worked hard to implement the Monitoring Strategy in line with CTSI's core criteria against the 10 key Compliance Areas (CA) we have adopted (as set out in Table 6.1 below). Using these CAs we are able to analyse and report consistently across our monitoring activities and in this way we can quickly identify key areas of consumer detriment.

4.1 Monitoring applicants

During 2017, 315 applicants completed self-assessment compliance checks. RECC undertook further in-depth Due Diligence Checks on 23 applicants (7.3%).

The first rung of the Monitoring Strategy is the self-assessment compliance check that all applicants are required to complete to demonstrate that they are in a position to comply fully with the Code. All applicants must make a number of very important declarations relating to the trading and solvency history of the business and the people involved in it.

Our extensive due diligence of all applications we receive involves

checking the veracity of all the directors' declarations, scrutinising applicants' compliance checks and assessing the documentation submitted as evidence that they have systems in place to comply with the Code and Bye-Laws. As a result of these checks applicants may be required to make changes to their procedures and documents before being admitted to the Code. For example, they will have been required to:

- change their advertising and marketing materials;
- adopt the model contract or change their contract terms; and/or
- register with an insurance provider.

If we have any concerns about an applicant's ability to comply with the Code, the application will be passed to an independent auditor for a further Due Diligence Check, or referred to the independent Applications Panel, or rejected without reference to the Applications Panel. The 'Circumstances for refusing Membership' are set out on the RECC website: <http://www.recc.org.uk/join/circumstances-for-refusing>

In addition, as a control, auditors check a random selection of applicants even if the application indicates full compliance.

Applications Panel

In 2017, 5 applicants were referred to the Applications Panel for a decision on whether the business should be admitted to the Code.

The Applications Panel can decide that an application should be:

- accepted, without conditions;
- accepted with conditions e.g. subject to special monitoring;
- accepted on a temporary basis; or
- rejected.

In 2017 the Applications Panel met 4 times and considered 5 applications. Of these 5 applications: 1 was rejected, 1 was accepted on a permanent basis, and 3 were accepted on a temporary basis. Applicants that are rejected are permitted to reapply for membership and re-



Sarah Chambers

Chair of the Applications Panel

applications can be referred directly back to the Applications Panel for a decision. Applicants who have been accepted on a temporary basis must reapply at the end of that period. Of the 3 applicants accepted on a temporary basis, 1 was subject to conditions set by the Applications Panel before membership could be processed which it failed to meet, and so was subsequently rejected.

Sarah Chambers was Chair of the Applications Panel, with five other members in the pool from which each Panel is drawn. In independent 2017 these were: Bryn Aldridge, Nina Dutta, Gretel Jones, Alastair Keir, and Fiona Tittensor. Andrew McIlwraith, Michael Thompson and Grace Blackwood provided the independent secretariat services to the independent Applications Panel.

Table 4.1 Applications Panel activity in 2017

Number of Applications Panel meetings held	4
Number of applications considered, of which...	5
... accepted without conditions	1
... accepted on a temporary basis	3
... rejected	1

4.2 Auditing members

In 2017 RECC worked to update and streamline its audit strategy. In addition to the audit site visits run in the past, RECC has developed a thorough desk-based audit strategy for lower-risk members.

RECC's audit programme is designed to be both:

- risk-based, focussing our monitoring resources where the potential risk of consumer detriment and/or non-compliance is highest; and
- comprehensive, to ensure that all members' compliance with all key elements of the Code is monitored at regular intervals.

As a condition of membership, RECC members are required to co-operate with all monitoring activities.

In 2017, we introduced a desk-based audit process to our monitoring activities to allow us to conduct a full assessment of compliance in a swift and timely manner, without the need to physically visit a member's trade premises. The desk-based audit has been developed as a comprehensive inspection of a member's consumer-facing documents,

sales and marketing materials, and business practice.

A site-based audit visit is a comprehensive and robust on-site inspection of a member's business and can take up to a whole day depending on the complexity of the member's business model and the size of its operations.

RECC draws up a sample of members before each audit round. The sample is largely risk based though it also consists of a small number of members selected on a random basis. The type of audit the member is selected for is dependent on the the level of associated risk.

Results for 2017 audits

RECC analysed and screened several members for the initial trial round of desk-based audits. Following this investigation, 14 desk-based audits were allocated and 1 site based audit was undertaken in 2017. The initial small sample size allowed RECC to pilot the desk-based audit system and questionnaire appropriately and to make necessary changes to the newly revised process. The process is now finalised and ready for a full roll out in 2018.

Desk-based audit	Audit site visit
<p>The auditor is provided with the documents submitted by the member, along with their response to a pre-audit self-assessment form.</p> <p>Based on these documents, the auditor completes the questionnaire and submits it to RECC to moderate and score.</p>	<p>The auditor identifies with the member any areas of non-compliance and together they complete the audit questionnaire.</p> <p>The auditor then leaves a copy of the completed questionnaire for the members to check for factual accuracy. The auditor then submits the questionnaire to RECC to moderate and score.</p>

Passing or failing an audit is a reflection of how the member has performed on each key CA. To pass the audit, the member needs to:

- demonstrate compliance in 7 high priority areas; and
- demonstrate compliance in at least 2 of the 3 medium priority areas.

Of the 14 members allocated for a desk-based audit, 7 were completed, 4 members did not renew their membership in time for the following year and so had their membership cancelled before the audit took place, and 3 were still incomplete at the end of 2017.

Figure 4.1 below shows the results from the 2017 audit round against the CAs. Compliance areas are a standard means of measuring consumer detriment devised by CCAS. The most frequent areas of non-compliance were:

- Pre-contractual information provided to consumers (CA4).
- Contracts and cancellation rights (CA6).

Please see page 13 for a full list of CAs.

These areas are both points on which we have offered our members significant training and have made a number of resources available to them in order to ensure compliance, namely webinar training sessions on the relevant legislation (Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 and the Consumer Rights Act 2015), a full suite of model documents and in depth, scenario based guidance. Identifying ongoing issues with this CA has helped shape our focus for further training in 2018.

During 2017, 7 independent auditors carried out compliance audits on behalf of RECC:

- Jackie Robinson
- Yvonne McGivern
- Steve Gillon
- Geoff Stow
- Sue Bloomfield
- Fiona Tittensor
- Colin Meek

Fig 4.1 Areas of non-compliance in 2017 audit site visits by key Compliance Area

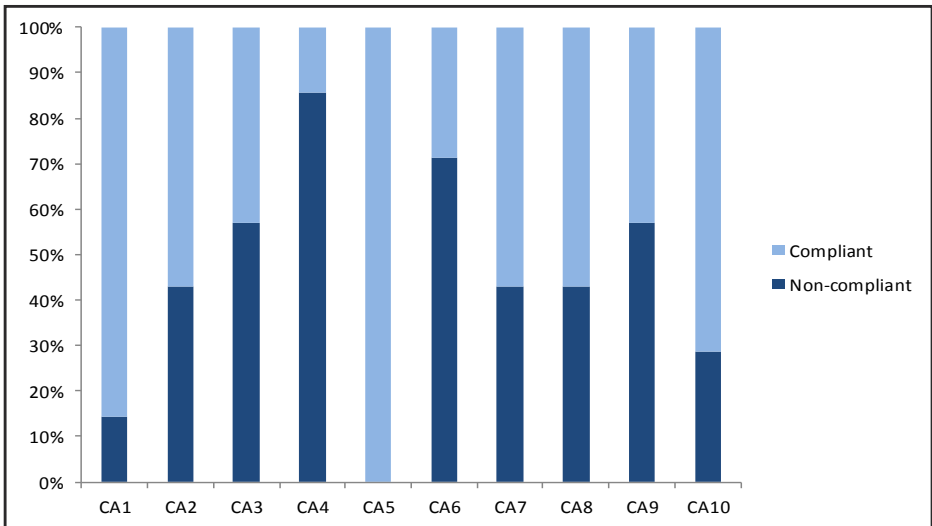


Table 4.2 Key Compliance Areas

CA1	Awareness of consumer protection / RECC (including staff training)
CA2	Microgeneration Certification Scheme (MCS)
CA3	Marketing and selling
CA4	Estimates/quotes, particularly performance estimates and financial incentive
CA5	Finance agreements
CA6	Contracts and cancellation rights
CA7	Taking and protection of deposits and advanced payments
CA8	Completing the installation
CA9	After-sales (guarantees, workmanship warranties and warranty protection, after sales support: customer service)
CA10	Disputes numbers, handling, procedures

4.3 Surveying consumer satisfaction

In 2017 40 consumers returned Customer Satisfaction Questionnaires to RECC. We monitor how satisfied consumers are with the service they have received and also check that member companies are complying with the Code.

RECC distributes a CSQ that consumers can return directly by post or can complete online. In this way consumers provide feedback on the experience

they have had with members. The questionnaire is available on the RECC website and through members. RECC analyses all returned questionnaires.

In 2017 the majority of consumers who returned a CSQ gave positive feedback about our members in response to the questions outlined in the CSQ.

75%

of consumers said they were given enough information about their system before signing

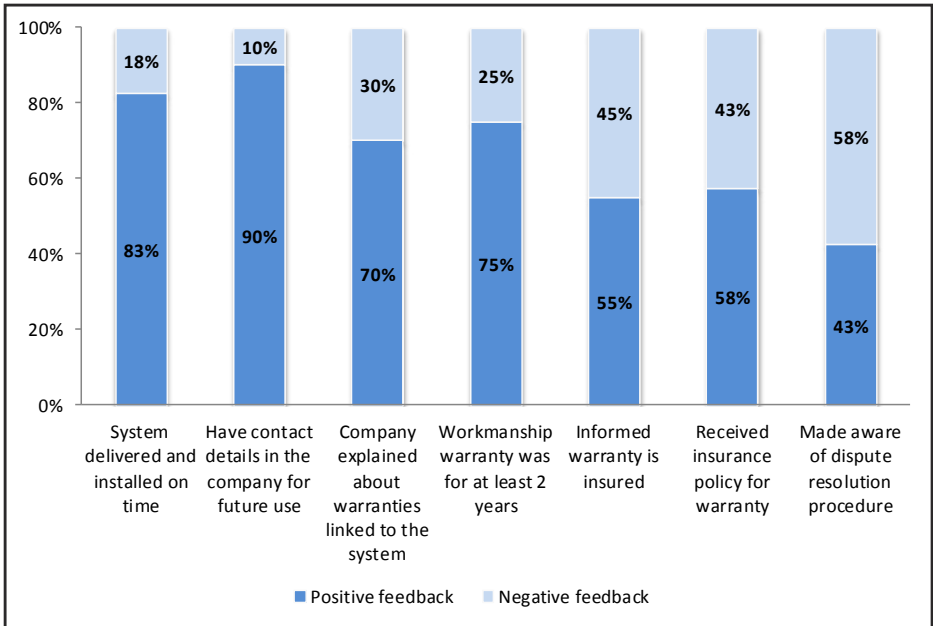
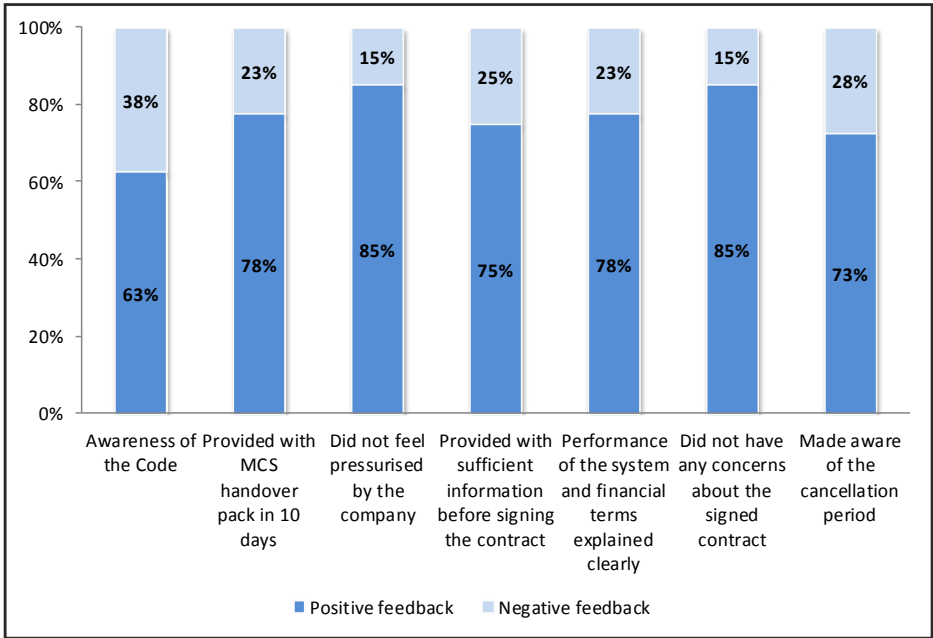
78%

of consumers said their system's technical and financial performance was clearly explained

73%

of consumers were made aware of their cancellation rights before signing

Fig 4.2 Breakdown of 2017 CSQ responses



5. ENFORCING CODE COMPLIANCE

In 2017 RECC asked 25 members to respond to suspected breaches of the Code and/or Bye-Laws, 10 of these went on to have formal non-compliance action invoked against them.

In 2017 RECC's Compliance Team continued to investigate suspected breaches of the Code and/or the Bye-Laws. RECC may investigate evidence of a potential breach from a wide range of sources of information including:

- complaints, including feedback complaints and arbitration outcomes
- the results of monitoring activities such as audits and mystery shopping reports;
- intelligence from Citizens Advice, Trading Standards Departments, the Advertising Standards Authority, Courts or tribunals, Financial Conduct Authority, Companies Investigation Branch, Scam Busters, MCS Administrator or the MCS Certification Bodies; and/or
- any publicly available information including media reports.

When the Compliance Team receives evidence of a suspected breach, it sends a report to the member, who is invited to provide the necessary clarification and explanation. This is the start of the disciplinary procedure. In 2017, 25 members were invited to respond to evidence of potential breaches.

5.1 Invoking Non-Compliance Action

In 2017, 10 members had non-compliance action invoked against them; of these 2 members agreed a Consent Order with RECC, 1 had its membership terminated following an invitation to agree to a Consent Order and 2 were referred to an independent Non-Compliance Panel Hearing.

Where a member has been asked to provide a response to evidence of breach and is unable to demonstrate full compliance with the Code and/or its Bye-Laws, or where the initial evidence suggests a serious and/or repeated breach of the Code, RECC may formally invoke non-compliance action.

In 2017 RECC invoked non-compliance action against 10 members, 3 of whom were invited to sign a Consent Order. The details of 2 of these Consent Orders, agreed by Project Solar UK Ltd and Green Solar World Ltd, can be found at: <https://www.recc.org.uk/scheme/non-compliance-action/consent-orders>

Of the 10 members against whom RECC formally invoked non-compliance action, the following sanctions were imposed:²

Consent orders	3
Terminations without referral to Non-Compliance Panel (NCP)	3
Referrals to the NCP	2
Period of enhanced monitoring	2

5.2 Non-Compliance Panel

In 2017 RECC convened 3 hearings of the NCP at which Panel members were asked to make a determination as to a breach of the Code and/or Bye-Laws and/or a Consent Order.

The members required to attend hearings were DHS Renewables Ltd and PV Solar UK Ltd.

The NCP found that DHS Renewables Ltd was in breach of various sections of the Code, including 6.2 which requires that RECC members refund any money paid by consumers within 14 days in the event that a contract is cancelled during the cancellation period.

PV Solar UK Ltd was also found to have been in breach of a number of sections of the Code – among which was 5.2, which



Keith Richards

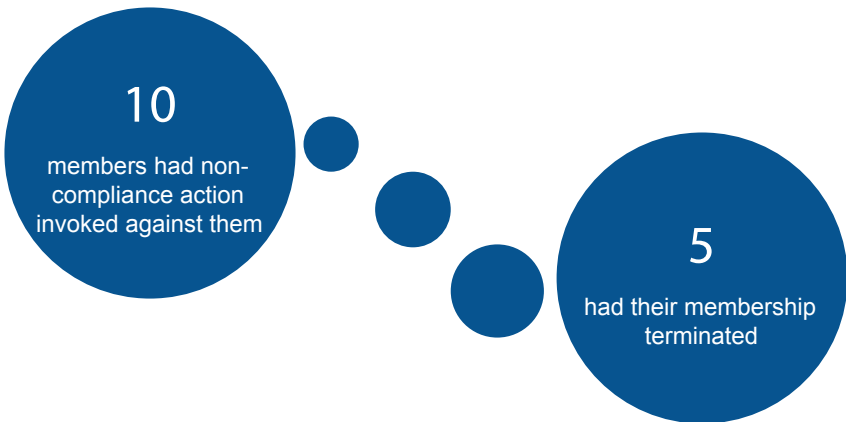
Chair of the Non-Compliance Panel

requires RECC members not to mislead or pressurise consumers.

You can find full details of the determinations at www.recc.org.uk/scheme/non-compliance-panel/hearings

Table 5.1 Summary of independent Non-Compliance Panel activity in 2017

NCP Hearings held	3
Members invited to attend Hearings	2
NCP Determinations:	
member agreed to undergo enhanced monitoring, including audit(s) at their expense	1
membership terminated	2



The NCP may make an order for costs against the Code Member or RECC as it considers fair and reasonable in all the circumstances. This award is included in the NCP's determination.

RECC's claim for costs may include the cost of: investigating any alleged breach of the Code and/ or Bye Laws, Conditions, or Consent Order, enforcing the Code and/or Bye Laws, the costs of the NCP Hearing or any other item of cost which RECC considers to be connected to the matter being heard.

In 2017, the NCP awarded costs to RECC at all 3 Hearings held – no costs were awarded to the RECC members. RECC was awarded a total of £16,800 by the NCP, an average of £5,600 per hearing.

DHS Renewables Ltd was referred to the NCP twice in 2017. PV Solar UK Ltd was also referred to the NCP in 2017. This was its second referral, having been referred to the NCP in 2011/2012.

In 2017 we undertook to improve and streamline the NCP processes. A meeting to consider the rules that govern the processes was held in May 2017. These changes will come into force in 2018.

The governance of the NCP is set out

in full in the RECC Bye-Laws and in the NCP Rules. All NCP members are independent of the RECC Executive and a majority, including the Chairman, is independent of the sector. The Chair of the NCP in 2017 was Keith Richards. There was a pool of six other NCP members from which each Panel is drawn. They were: Amanda McIntyre, Sally Oakley, Michelle Peters, Elizabeth Stallibrass, Helen White and Alan Wilson. Andrew McIlwraith, Michael Thompson and Grace Blackwood provided the independent secretariat services to the Non-Compliance Panel. Two Main provided the recording and transcription service and Eversheds provided the rooms in which the Hearings were held.

Members from other Panels may also be used on the NCP. For one 2017 hearing Sarah Chambers, Chair of the Applications Panel, sat as an NCP member.

5.3 Convening the independent Appeals Panel

The governance of the Appeals Panel is set out in full in the RECC Bye-Laws and in the Appeals Panel Rules. In 2017 none of the NCP's determinations were the subject of an appeal.

In claiming costs,
RECC was awarded

£16,800

by the NCP

This was an average
of

£5,600

per hearing

6. RESOLVING CONSUMER COMPLAINTS

In 2017 RECC received 780 complaints in total. The complaints registered concerned 336 different RECC members and ex-members. 235 of these only had 1 complaint registered against them; 101 had more than 1 complaint registered against them, and 2 had 20 or more registered against them.

6.1 Categorising consumer complaints

“You acted very professionally and efficiently throughout the length of my case.”

Mr V, Complainant

By Status

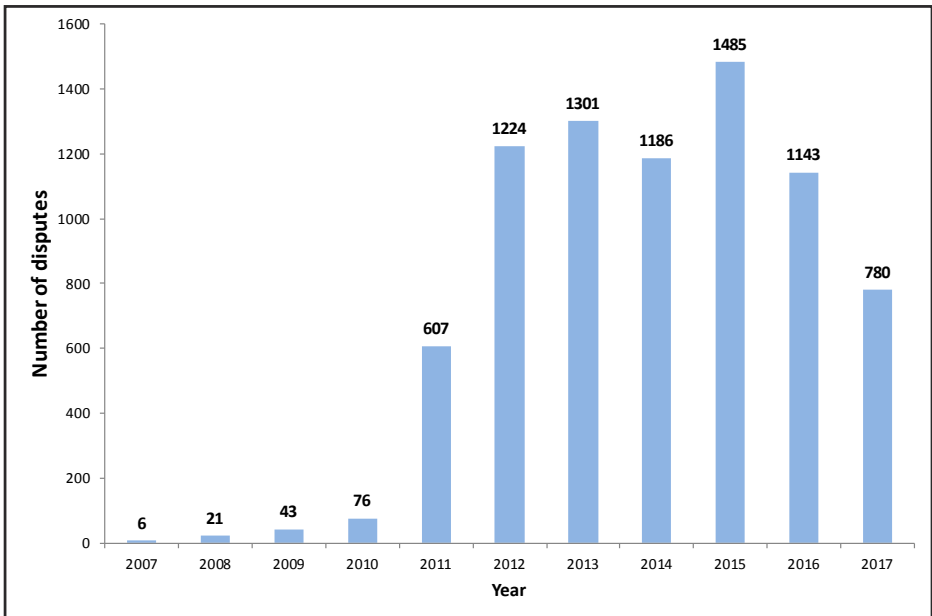
Of the 780 complaints received in 2017:³

23% fell within RECC’s remit and were addressed by a Dispute Resolution Caseworker;

41% were feedback complaints: a complaint in which the complainant is not seeking a specific outcome or response but wants to bring a business’ practice to our attention.

The remainder of complaints received in 2017 were complaints which were, in the first instance, most appropriately handled by a third party. For example, complaints predominantly or partly about technical issues which are passed to the member’s MCS Certification Body for resolution. These complaints may be passed back to RECC in due course if there are any outstanding issues relating to the Code.

Fig 6.1 Total number of complaints registered with RECC by year



³ 33% of all complaints received in 2017 were about businesses which are not members of the Code.

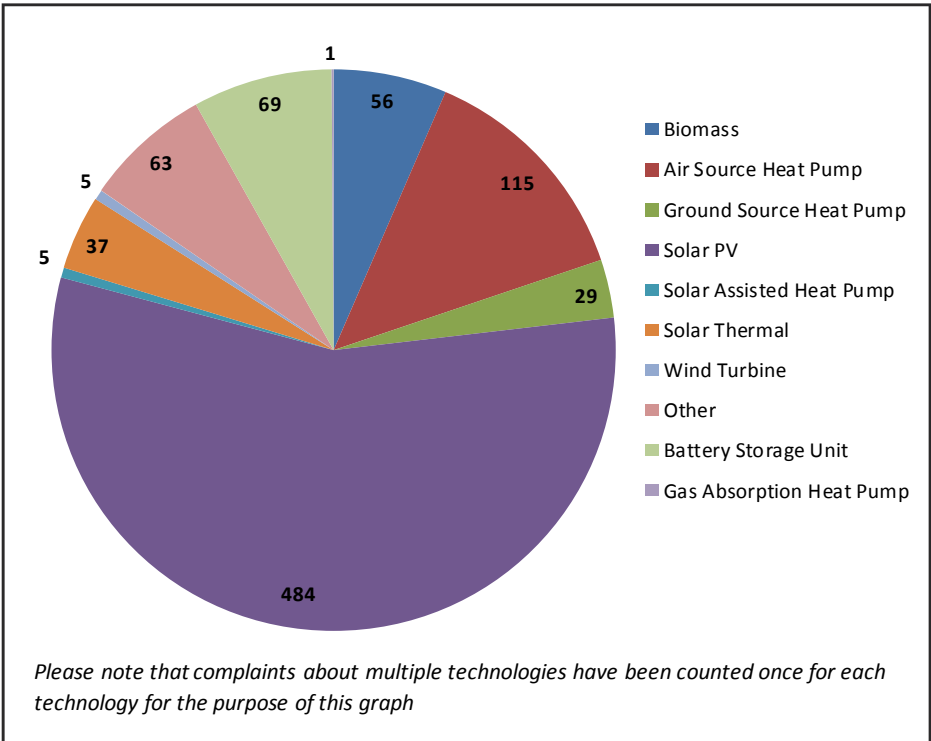
By Technology

In 2017, following our extension of the Code’s scope to cover Related Products, RECC continued to receive an increasing number of complaints about battery storage systems, registering 69 complaints in total. We have also continued to receive complaints about other technologies, including gas absorption heat pumps and solar assisted

heat pumps. Similar to 2016, complaints about battery storage systems have generally concerned:

- incorrect information given about the financial benefits of the system; and/or
- technical issues caused by manufacturer’s faults or the product affecting the performance of an existing solar pv system.

Fig 6.2 Complaints registered with RECC in 2017 by technology



“ I would like to take this opportunity to say thank you for all your efforts. My issue would not have been resolved without your help.”

Mrs I, Complainant

Table 6.1 Complaints registered with RECC in 2017 by technology

Technology	Complaints registered with RECC in 2017	Complaints registered with RECC in 2016	Variance in 2017 over 2016
Air source heat pump	115	108	+6%
Biomass	56	113	-50%
Ground source heat pump	29	28	+4%
Other (non-MCS)	63	72	-13%
Solar PV	484	764	-37%
Solar thermal	37	64	-42%
Wind turbine	5	15	-67%
Battery storage	69	95	-27%
Solar assisted heat pump	5	0	N/A
Gas absorption heat pump	1	1	0%

Table 6.2 Complaints registered by technology as a % of all domestic installations

Technology	Complaints registered with RECC	Total domestic installations	Percentage
Air source heat pump	115	5,538	2.1%
Biomass	56	617	9.1%
Ground source heat pump	29	1,141	2.5%
Solar thermal	37	703	5.3%
Solar PV	484	21,325	2.3%

Table 6.3 Solar PV Complaints registered with RECC by year as a % of all domestic solar PV installations

Year	Solar PV complaints registered with RECC	Total domestic solar PV installations	Total domestic solar PV installed capacity	Percentage
2011	439	124,385	381 MW	0.4%
2012	1,051	201,178	687 MW	0.5%
2013	937	85,755	313 MW	1.1%
2014	754	110,120	406 MW	0.7%
2015	948	142,250	517 MW	0.7%
2016	764	73,433	288 MW	1.0%
2017	484	21,325	77 MW	2.3%

Fig 6.3 Solar PV complaints registered with RECC by year as a % of all domestic solar PV installations

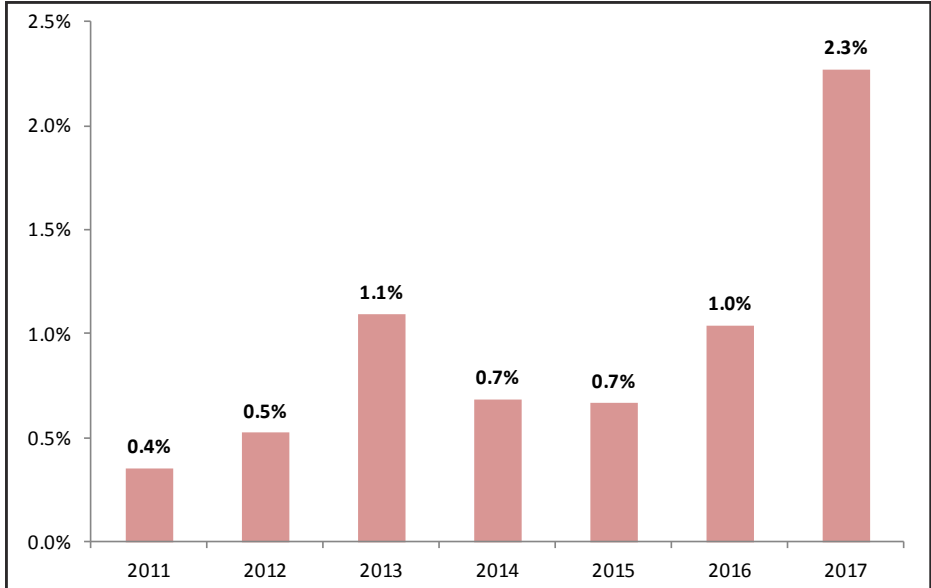


Fig 6.4 Individual Issues underlying complaints registered by RECC in 2017 by Key Compliance Area⁴

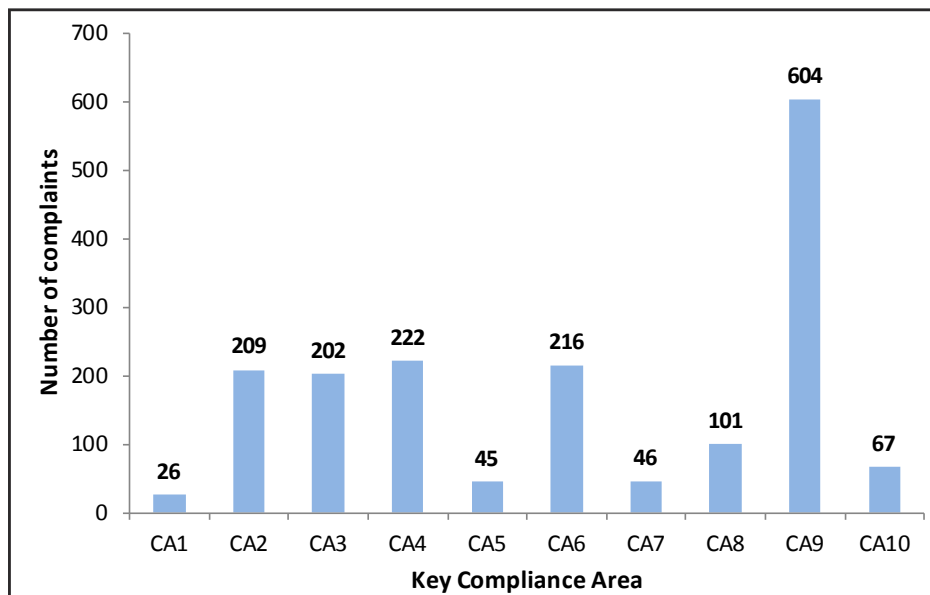
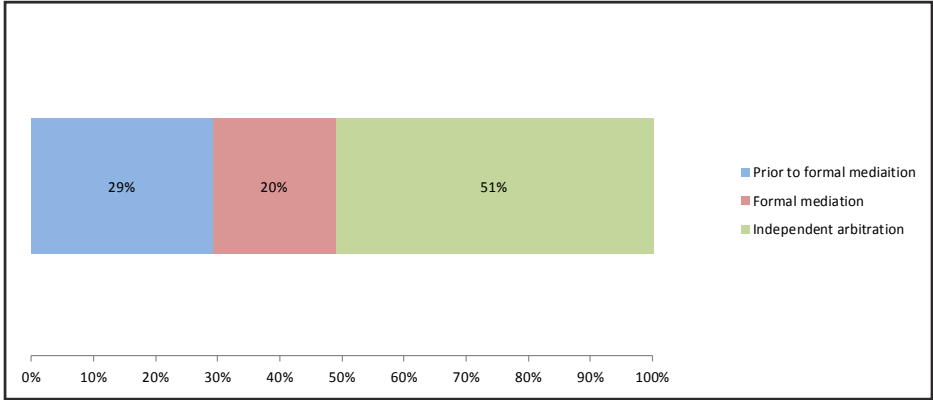


Table 6.4 Key Compliance Areas

CA1	Awareness of consumer protection / RECC (including staff training)
CA2	Microgeneration Certification Scheme (MCS)
CA3	Marketing and selling
CA4	Estimates/quotes, particularly performance estimates and financial incentive
CA5	Finance agreements
CA6	Contracts and cancellation rights
CA7	Taking and protection of deposits and advanced payments
CA8	Completing the installation
CA9	After-sales (guarantees, workmanship warranties and warranty protection, after sales support: customer service)
CA10	Disputes numbers, handling, procedures

Fig 6.5 Breakdown of means by which disputes registered with RECC were resolved in 2017



£43,000
recovered for consumers through RECC's formal mediation

RECC Mediation in 2017

In 2017, 21 disputes (20%) were resolved by our Dispute Resolution Caseworkers through RECC's formal mediation process, recovering £43,000 for consumers.

RECC's formal mediation process involves Dispute Resolution Caseworkers mediating between the two parties in order to achieve a mutually agreeable resolution. Disputes successfully resolved in this manner took, on average, 8 weeks to reach a resolution from the start of the formal mediation period.

6.2 Resolving consumer disputes

In 2017, a total of 106 disputes registered with RECC were successfully resolved. 31 disputes (29%) were resolved following RECC's involvement, but prior to the start of formal mediation.

RECC's team of experienced Dispute Resolution Caseworkers works hard to resolve disputes through our Dispute Resolution Process, which is divided into 2 stages: mediation and arbitration.

When the complaint is acknowledged, the Code Member is notified and is able to provide its comments on the matter. Members are actively encouraged by RECC to resolve any outstanding issues if possible before the formal mediation process begins. Prior to the start of mediation, a Caseworker liaises with the consumer, and if appropriate the RECC member, to collate information and documentation on the complaint.

6.3 Referring consumer disputes to the independent arbitration service

In 2017 53 domestic disputes (51%) and 1 micro-business dispute were referred to the independent arbitration service. The total amount awarded to domestic consumers in 2017 was £282,400; and £11,860.00 to the micro-business consumer.

Complaints resolved through formal mediation took

8 weeks

on average to reach a resolution

Domestic arbitration

The total amount awarded to domestic consumers at arbitration in 2017 was £282,400 across 37 financial awards made, with the average amount awarded of £7,600.⁵

Of the 53 disputes referred to arbitration in 2017, over three quarters of consumer claims succeeded in full or in part. In 95% of cases where the consumer's claim succeeded, the member was ordered to refund the consumer's registration fee.

Micro-business arbitration

There was one complaint referred to the independent micro-business arbitration scheme.⁶ This is designed for those consumers who do not fall within the definition of domestic consumer but who

⁵ This is based on an average of the 37 cases in which financial awards were made.

⁶ To qualify for this service, a micro-business consumer must declare that they have: (i) an annual consumption of (a) electricity of not more than 55,000 kWh; or (b) gas of not more than 200,000 kWh; or (ii) (a) fewer than 10 employees (or their full time equivalent); and (b) an annual turnover or annual balance sheet total not exceeding £1.5 million.

are close to domestic. For example they could be small farmers, or they could run a small hotel or offer bed and breakfast accommodation.

The total amount awarded to the micro-business consumer in 2017 was £12,000, and the member was ordered to refund the consumer's registration fee.

RECC recovered over £360,000 for consumers in 2017. This means that, on average, RECC recovered £3,400 per dispute resolved. This is a huge success for consumers faced with complaints which they have been unable to resolve. RECC continuously strives to help consumers further with such issues.

£282,400

in total was awarded to consumers at arbitration

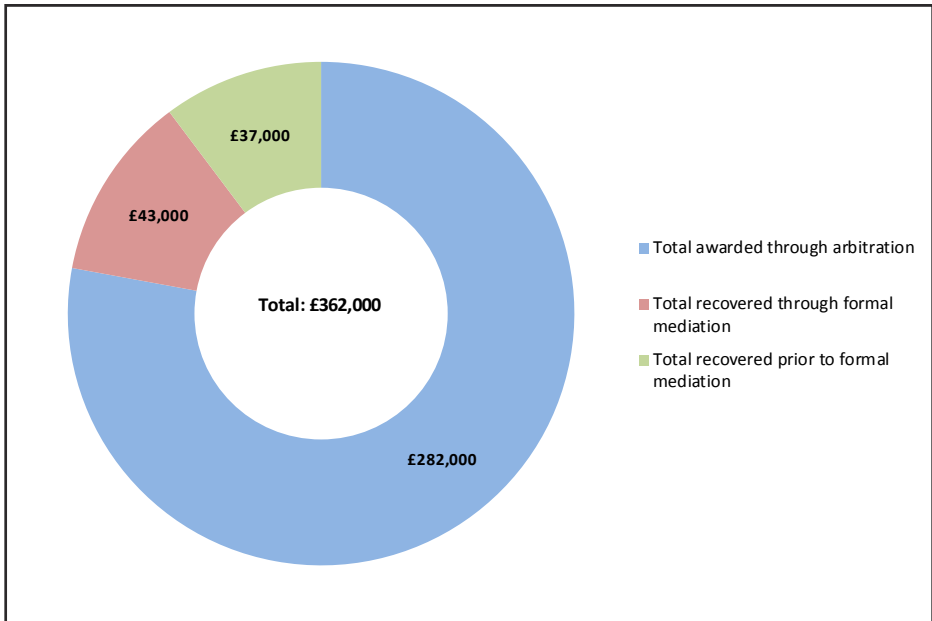
In total, RECC recovered

£362,000

for consumers

Table 6.5 Summary of the 53 domestic arbitration awards made in 2017

Outcome	Number	Percentage
Claim succeeded	42	79%
Claim dismissed or failed	11	21%
Total	53	100%
Member ordered to refund the consumer's £120 registration fee	40	75%
Consumer ordered to refund the member's £120 registration fee	9	17%
Each party meets its own costs	4	8%
Total	53	100%
Financial award made	24	45%
Non-financial award made	5	9%
Both financial and non-financial award made	13	25%
No award made	11	21%
Total	53	100%

Fig 6.7 Breakdown of amount RECC recovered for consumers in 2017

7. GOVERNING THE CODE



David Laird

Chair of the Supervisory Panel

RECC is administered by Renewable Energy Assurance Ltd (REAL), company number 05720606, with a Board of Directors, both Executive and Non-Executive. In 2017 the REAL Board of Directors met on 8 March, 10 May, 12 July, 28 September, and 28 November.

The members of the REAL Board of Directors are David Strong (Chair), Philip Sellwood, Philip Wolfe, Michael Chesshire, and Nina Skorupska.

REAL is a wholly-owned subsidiary of Renewable Energy Association (REA), the leading trade association in the renewables sector, a not-for-profit company.

The Code sets out the relationship between RECC members and domestic consumers. The Supervisory Panel oversees the Code which is a living document and has to reflect developments in the policy, legal and industry context within which it operates. CTSI also requires us to reflect the lessons drawn from our monitoring activities, any feedback we receive and the disputes we register. In addition we

take account of guidance and specific suggestions we receive from CTSI, the Supervisory Panel, the REAL Board of Directors, the Primary Authority and consumer-facing organisations.

The Supervisory Panel

The Supervisory Panel, which meets quarterly, oversees and advises on the running of the Code. Its governance arrangements are set out in full in the RECC Bye-Laws. Its members are independent of the RECC Executive and a majority of them, including the Chair, are also independent of the sector. The Panel's responsibilities include:

- reviewing and updating the documentation relating to the Code and the scheme;
- overseeing the implementation of the Monitoring Strategy;
- reviewing RECC Members' compliance with the Code based on the results of monitoring activities;
- establishing such Expert Groups as it may consider necessary to advise it; and
- reviewing any reports presented to it by the Executive.

In 2017 the Panel met four times: 15 March, 14 June, 13 September and 13 December.

David Laird has been the Chairman of the Panel since August 2012.

The Minutes of the Supervisory Panel Meetings are available on the website here: www.recc.org.uk/scheme/supervisory-panel/meetings-notes

8. THE RECC TEAM

The RECC team works tirelessly to promote and enforce the Code in a robust and even-handed manner. Between us, we have a wealth of knowledge and experience, with backgrounds in economics, law, trading standards, dispute resolution, customer service, renewable technologies and environmental management.

The RECC team is always happy to answer questions and provide one-to-one advice on a range of different subjects for consumers and members alike. What makes the team really special is our commitment to our members and our consumers.

Operations & Membership
Virginia Graham – Chief Executive
Aida Razgunaite – Head of Operations
Olivia Furssedonn – Membership Manager

Monitoring, Compliance, and Independent Panels
Lorraine Haskell – Head of Independent Panels
Rebecca Robbins – Head of Compliance
Bernardo Machado Esteves – Compliance Officer
Lucas Drewitt – Audit Officer

Dispute Resolution
Abena Simpey – Head of Dispute Resolution
Boris Eremin – Dispute Resolution Case Worker
Caroline Thomson – Dispute Resolution Case Worker
Robert Hinde – Dispute Resolution Case Worker



80 Strand, London WC2R 0DT

Tel +44 (0) 20 7981 0850 Email info@recc.org.uk Web www.recc.org.uk