

# Annual Report 2019



## Opening Remarks

Welcome to the 2019 Annual Report. It provides an overview of all RECC's activities during the year.

We have produced this Annual Report for our approval body, Chartered Trading Standards Institute (CTSI). RECC (which stands for Renewable Energy Consumer Code) is approved by CTSI under its Consumer Codes Approval Scheme. 2019 was our fourteenth year of operation!

During the year we worked hard to gain certification for our Quality Management System against the ISO 9001:2015 standard. We ensured the materials and model documents we provide for members are approved by our Primary Authority, Hampshire Trading Standards. We were proud to unveil a ground-breaking partnership with Microgeneration Certification Scheme (MCS) which allowed us to work on developing a pay-as-you go membership model.

We continued to embrace the emerging larger, connected, decentralised energy system. As part of this we issued guidance for consumers on installing EV charging equipment in their homes. At the same time, we responded to the Government consultation on the Smart Export Guarantee, and we continued to work with Government and Ofgem to approve investors as part of the Assignment of Rights function in the Domestic Renewable Heat Incentive (RHI).

The report describes the huge amount of work that the RECC Team carried out during the year. I am sure you will agree that this is very impressive considering the small size of the RECC Team. I thank them for all their hard work during the year.

I would also like to extend my particular thanks to all RECC Members who have supported us throughout 2019, the vast majority of whom have now renewed their membership for 2020. RECC exists to uphold high standards which gives our members an advantage in doing business with consumers. We value our members' input and feedback on everything we do.

The first few months of 2020 have certainly been very challenging ones for us all, but I hope that, together, we can come through and have a successful 2020 in the end.

*Virginia Graham*

*Virginia Graham*  
– Chief Executive,  
Renewable Energy Assurance Ltd



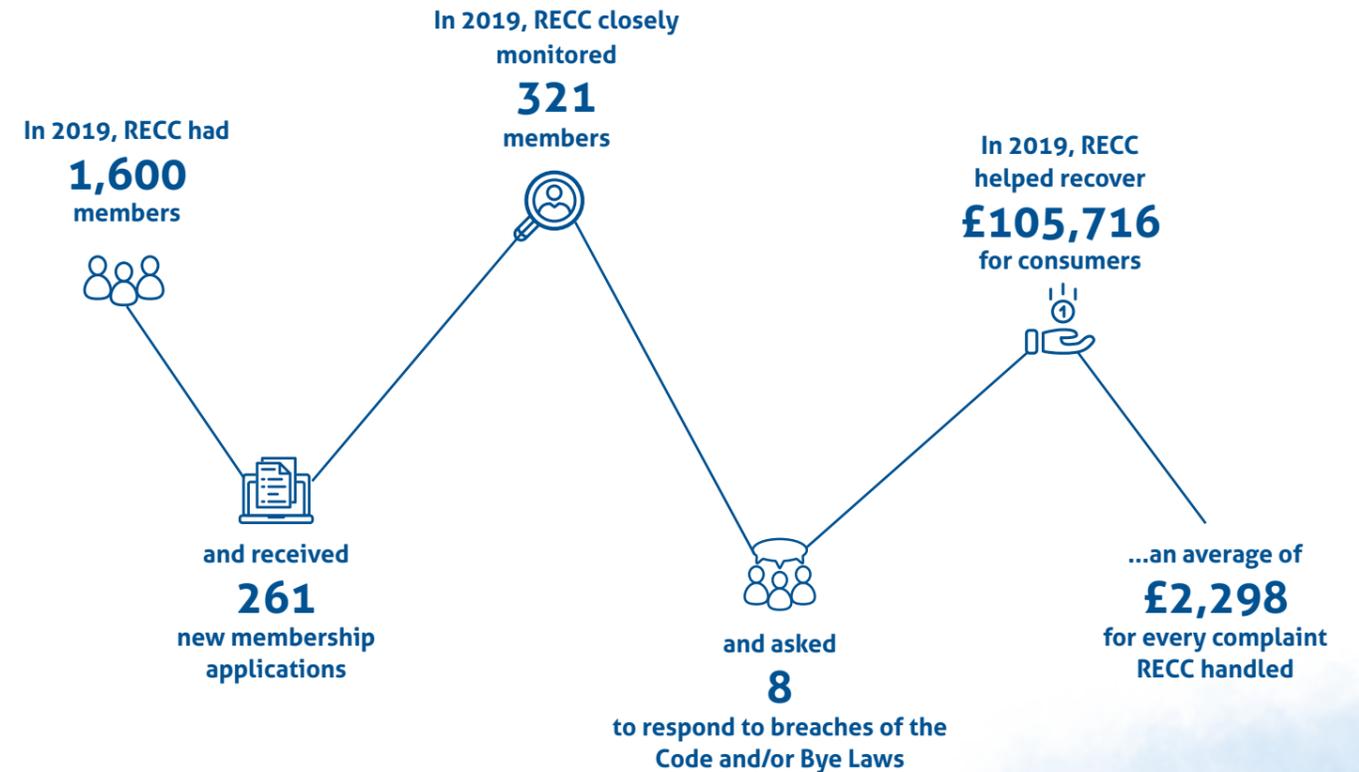
# 2019 Highlights

## Promoting the UK Domestic Renewable Energy Sector

In 2019 RECC worked hard to maintain a strong and recognised presence in the UK domestic renewable energy sector. We kept our fees at the same level for the sixth year in a row, offering unbeatable value. We were proud to have 1,600 RECC members and to receive 261 new membership applications over the course of the year. This was despite the closure of the Feed-In Tariff (FiT) scheme on 31 March.

RECC has excelled in promoting the UK's renewable energy industry at every opportunity. In 2019, for instance, we have:

- sponsored the Installer of the Year Award at the British Renewable Energy Awards, in 2019 won by Mole Energy Ltd
- implemented a ground-breaking partnership with MCS to provide a more streamlined approach for solar PV installers
- achieved certification of REAL's Quality Management System to the ISO 9001:2015 standard
- supported the Government consultation on the proposed Smart Export Guarantee to reward generators for the renewable electricity they export to the grid
- worked with MCS to develop an installer standard for domestic battery storage systems
- launched a new consumer guide on installing EV chargepoints in the home
- worked with MCS, EST and Scottish Government to finalise guidance for installers on the MCS heat pump standard
- presented to the Scottish Parliament Cross Party Consumer Group on consumer detriment and protection in the small-scale renewable sector
- worked with Government and Ofgem to approve investors for the Assignment of Rights within the Domestic RHI scheme
- attended, exhibited and presented at major industry shows including Futurebuild in March and Solar and Storage Live in September 2019
- gave evidence in a case brought by Trading Standards in which 5 individuals, who previously worked in the sector, have been charged with fraud
- provided six witness statements for different ongoing Trading Standards investigations concerning mis-selling and/or fraud in the sector



### Promoting the Code

Our Compliance Team has worked actively to promote consumer protection and compliance. In 2019, 321 members were closely monitored, either by in-depth compliance check or audit. Of these, eight members were asked to respond to suspected breaches of the Code and/or Bye-Laws and four had non-compliance action invoked against them. Over the year a total of 11 businesses had their RECC membership terminated for non-compliance with the Code and/or Bye-Laws.

Our Dispute Resolution Team has worked tirelessly to resolve complaints, providing members and consumers with an impartial ADR approved compliant mediation service. Where issues were found, over £105,716 was recovered for consumers through the RECC Dispute Resolution Process, an average of £2,298 recovered per complaint. This is in addition to any non-financial outcomes sought by consumers, such as the repair of their property or removal of a system.

Left: David Stevenson, Director of Mole Valley Energy Ltd with Virginia Graham and Rebecca Robbins from RECC. Mole Valley Energy Ltd was the winner of the Installer of the Year Award in 2019.



## Contents

Opening Remarks.....	3
2019 Highlights.....	4
1. The small-scale renewables sector .....	8
1.1 - The wider sector .....	8
2. Benefits of the Code .....	12
3. RECC Membership .....	15
4. Monitoring compliance with the Code .....	17
4.1 - Monitoring applicants.....	18
4.2 - Compliance Checks and Audits .....	20
4.3 - Surveying consumer satisfaction.....	23
5. Enforcing compliance with the Code .....	26
5.1 - Investigating breaches of the Code.....	26
5.2 - Invoking Non-Compliance Action .....	27
5.3 - Termination of membership for non-compliance .....	29
5.4 - Misuse of the RECC logo .....	29
6. Resolving consumer complaints .....	30
6.1 - Categorising consumer complaints.....	31
6.2 - Resolving consumer disputes.....	37
6.3 - Referring consumer disputes to independent arbitration.....	39
7. The RECC Team.....	41
8. Governing the Code .....	42

# 1 The small-scale renewables sector

## 1.1 The wider sector

The charts in this section illustrate the wider context within which RECC operates. We are grateful to the sources, BEIS and Ofgem, for permission to publish them.

### Domestic Renewable Heat Incentive

The first chart below (Figure 1.1) shows that the number of new applications to the Domestic RHI reduced considerably from the start of 2016 when the biomass tariff was cut. It also shows that, of the eligible technologies, air source heat pumps continue

to be the most frequently installed while biomass boilers have decreased dramatically.

The second chart (Figure 1.2) shows that about half of the capacity installed under the Domestic RHI is accounted for by air source heat pumps and a third by biomass boilers, whereas the third chart (Figure 1.3) shows that the position is exactly reversed in the case of the amount of heat generated under the Domestic RHI, with biomass boilers accounting for about half and air source heat pumps for about a third of the total.

Fig 1.1 Number of full applications (new and legacy) per quarter by technology

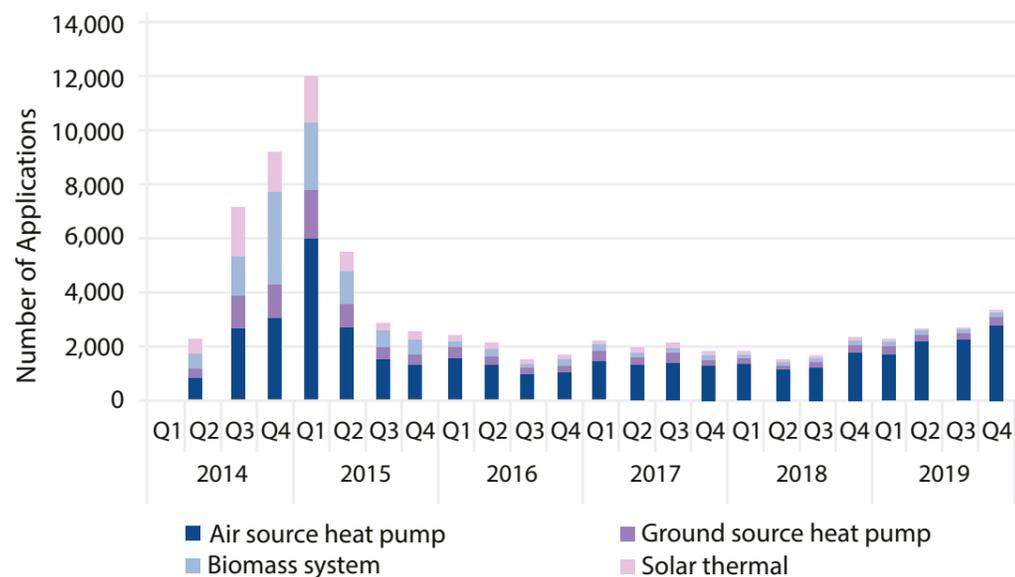


Fig 1.2 Estimated capacity of accredited applications by technology type, April 2014 to December 2019 (MW)

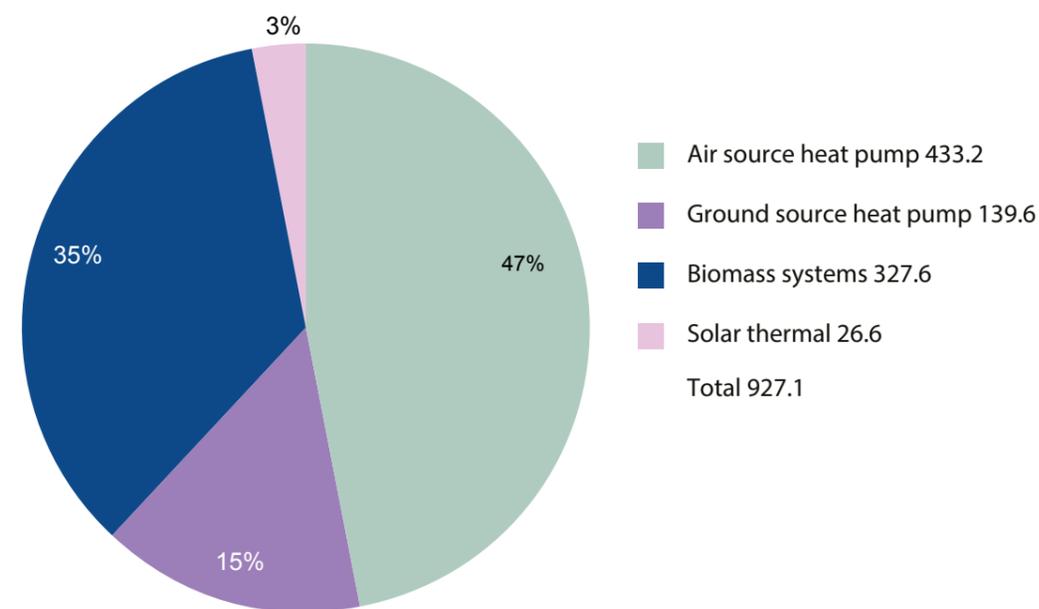
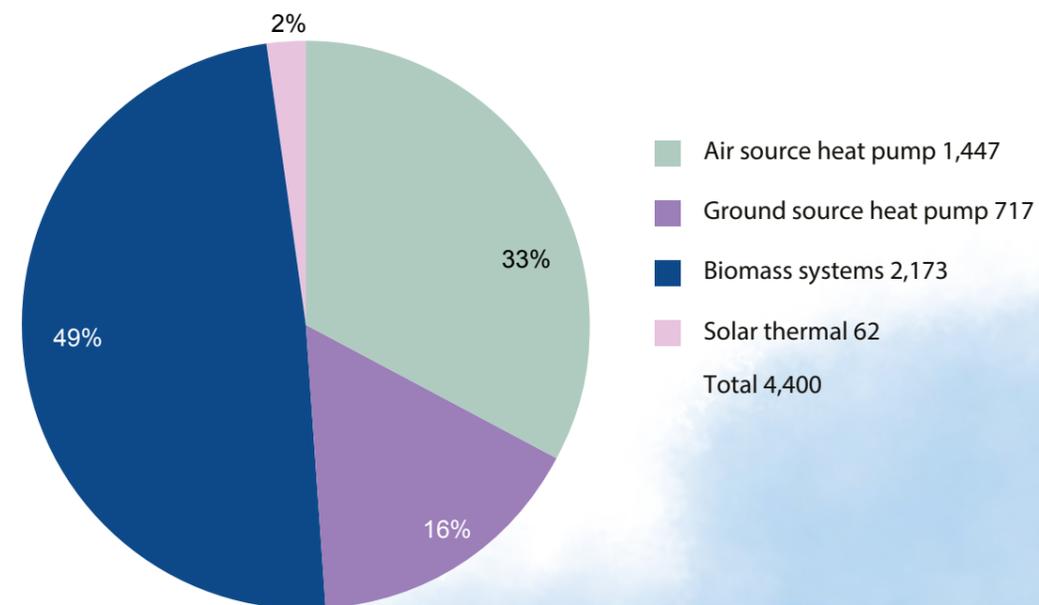


Fig 1.3 Heat generated and paid for by technology, April 2014 to December 2019 (GWh)



### Feed-In Tariff

The charts below give the full picture for the FiT from its inception on 1 April 2010 to its closure on 31 March 2019. The first one (Figure 1.4) shows the total number of installations and the total installed capacity whereas the second one (Figure 1.5) shows

total installed capacity by technology type. The last one (Figure 1.6) shows that, for both the <4 kWp and the 4 – 10 kWp categories, the amount of installed capacity has been almost flat since the start of 2016.

Fig 1.4 Cumulative growth in number of installations and total installed capacity from April 2010

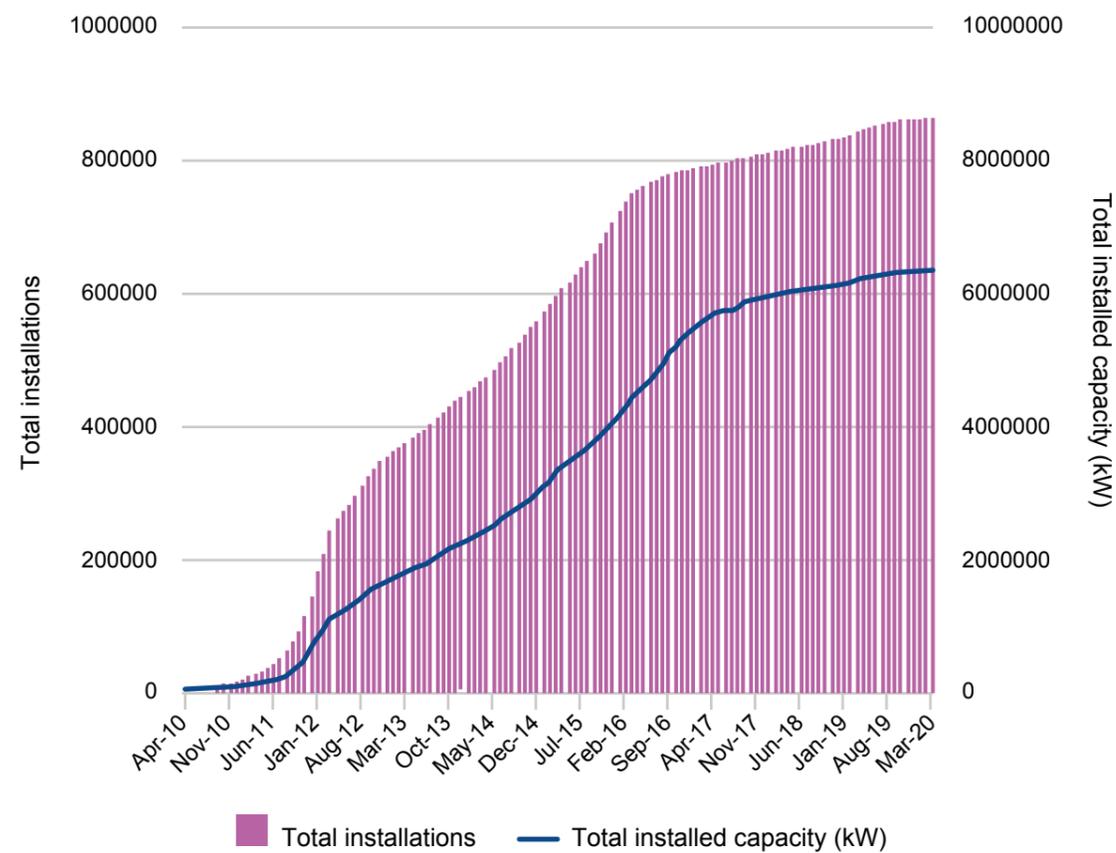


Fig 1.5 Total installed capacity for all accredited installations by technology type since April 2010

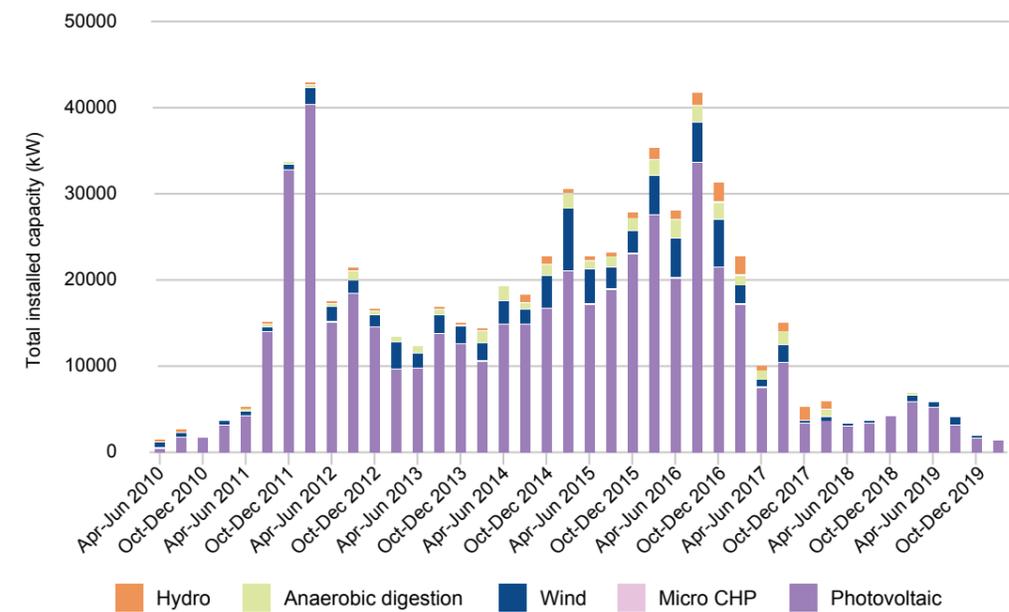
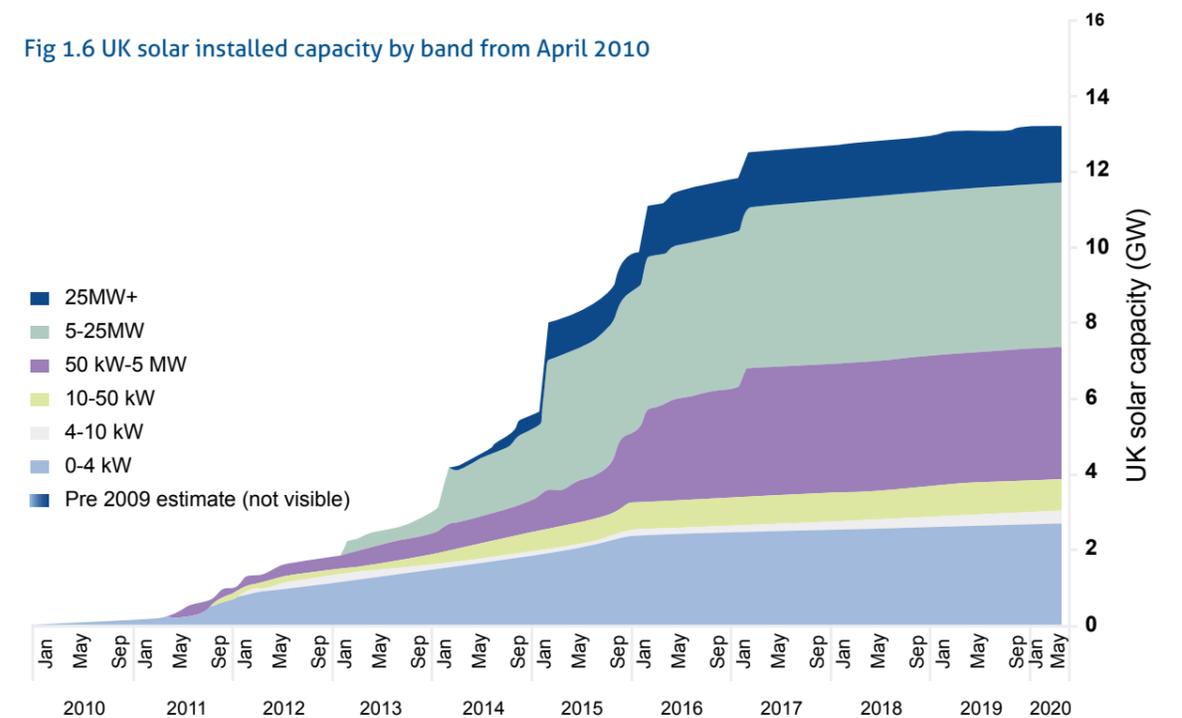


Fig 1.6 UK solar installed capacity by band from April 2010



## 2 Benefits of the Code

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 benefit businesses directly, but it also provides their consumers with assurance and peace of mind, backed by the Code's strict requirements. These are some of the benefits of being a RECC member:

- a listing on RECC's online consumer search tool to introduce consumers to RECC members' businesses
- comfort of knowing that all RECC materials have been approved by our Primary Authority partner, Hampshire Trading Standards
- authority to use the RECC and CTSI logos showing consumers that the RECC member is a business they can trust
- access to a range of promotional materials for consumers to tell them why they should choose a RECC member
- free RECC van stickers to help RECC members publicise their membership
- CPD Certified consumer protection training for staff of RECC members who score 70% or over in RECC's interactive training exams (5 hours)
- access to RECC's free ADR-approved mediation service as well as a low-cost, legally-binding arbitration process provided for RECC by CEDR, should mediation not succeed
- industry and regulatory updates to ensure RECC members stay a head of the game
- access to becoming a TrustMark registered business through RECC for just £100!



### Affinity arrangements

RECC has also been busy in 2019 adding to the high value affinity arrangements available to RECC members. We have:

- worked with the **Which? Trusted Trader scheme** to secure a new and exciting offer available once members have renewed their RECC membership. RECC members not only get a **50% discount** on the first 6 months of being an Endorsed Which? Trusted Trader, but also if their application for endorsement is accepted within 30 working days, Which? will refund their application fee
- worked with **Buy With Confidence (BWC)**, the local authority-backed fair trading scheme, to offer RECC members a discount on becoming an approved trader, giving them access to advice from qualified Trading Standards personnel and a listing on the BWC website
- secured a **50% discount off the Renewable Energy Association's 2020 membership fees**, pegged at the 2019 level for RECC members who applied to join the REA on or before 31 December 2019
- renewed our agreements with **Marsh Commercial and Law-Bite** to offer members competitive insurance products and legal services specially tailored for small businesses



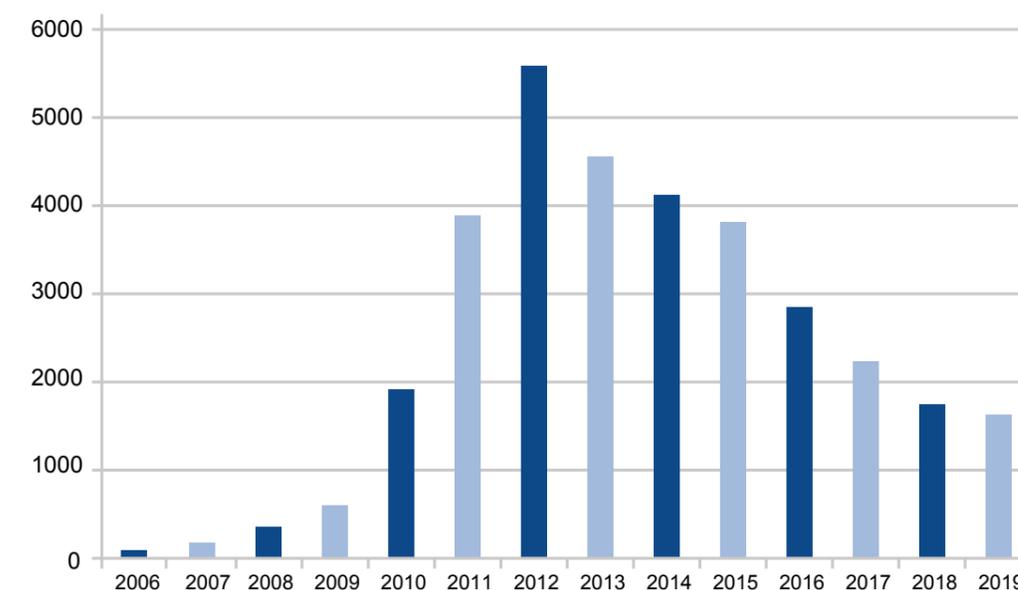
### 3 RECC Membership

Despite the closure of the FiT Scheme on 31 March, RECC's membership remained at 1,600 in 2019. While two fifths of our members continued to sell and install solar PV, one fifth were also certified to install air-source heat pumps. This reflected the growing importance of the RHI.

We were delighted to receive 261 new membership applications from businesses wanting to offer a wide range of technologies

through a number of different business models. We accepted 168 as members.

Fig 3.1 RECC membership by year, 2006 – 2019



“ Thank you very much for your efforts and for welcoming me into the RECC. ”

CPE Energy Ltd

Most RECC Members in 2019 were small businesses, with 55 (3%) falling into the 'sole trader' category and 1,200 (75%) falling into the 1-6 employee category. (See Figure 3.2, below.) However, we continued to see 198 (12%) members in the 7 – 25 employee

category and 30 (2%) members in the 26 – 50 employee category. There were 5 members in the 51 – 100 and just 1 member in 101 – 200 categories. 95 (6%) members only offer commercial contracts and 16 members are Assignment of Rights approved investors.

Fig 3.2 RECC membership in 2019 by number of employees working in the sector or category

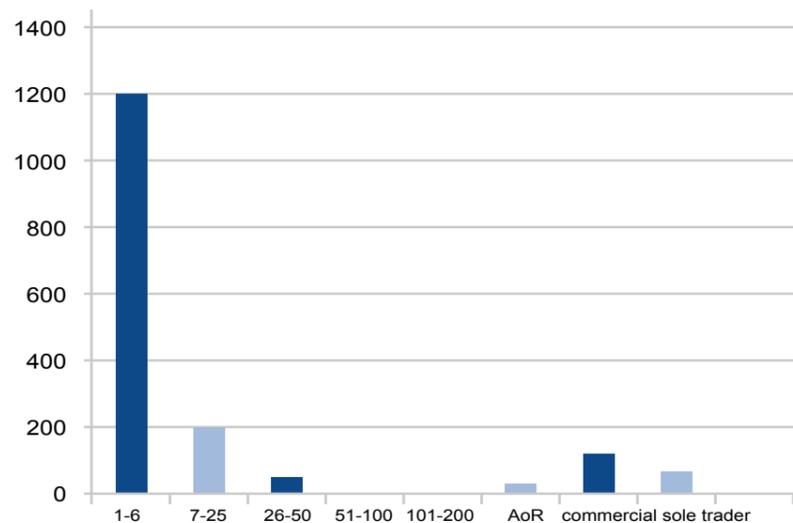
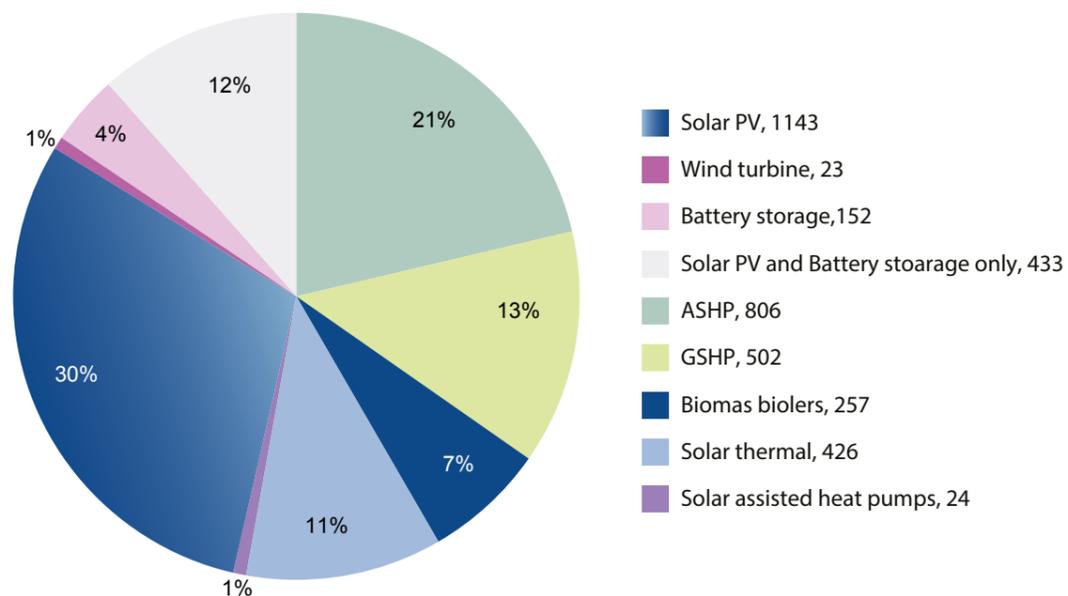


Figure 3.3: RECC membership in 2019 by technology



## 4 Monitoring compliance with the Code

In 2019, 321 members had their businesses closely assessed for compliance with the Code, either by means of a detailed audit of their application, a compliance check or an in-depth audit assessment of their business. In addition, during the year 118 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, we:

- carry out extensive Due Diligence Checks on all new applicants against a series of important legal undertakings and questions to check their ability to comply with the Code;
- carry out additional risk-based compliance checks where required;
- undertake an in-depth 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](http://www.recc.org.uk/monitoring/monitoring-strategy)

#### 4.1 Monitoring applicants

**During 2019, 261 applicants completed self-assessment checks, mostly online. 63 of these were subjected to a further, in-depth Due-Diligence Check (24% of applications received), undertaken by a RECC auditor.**

The first rung of the Monitoring Strategy is the Due-Diligence Checks that all applicants are subject to before we decide whether they are suitable to be a member of RECC. At application, businesses are initially required to make a number of very important declarations relating to the trading and solvency history of the business and the people involved in it, and to complete a self-assessment compliance check and provide documentation to demonstrate that they are in a position to comply fully with the Code and Bye-Laws.

Our extensive Due Diligence Checking then involves checking the veracity of all applicants' declarations, scrutinising their compliance checks and assessing the documentation they submit as evidence that they have systems in place to comply. During 2019, 261 applicants completed self-assessment checks, mostly online. 63 of these were subjected to a further, in-depth Due-Diligence Check (24% of applications received), undertaken by a RECC auditor.

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 may 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 or Bye-Laws, the application may be passed to an independent auditor for a further Due Diligence Check. This further check will specifically focus on the areas of concern. In addition, as a control, auditors check a random selection of applicants even if the application indicates full compliance.

If, following a further Due Diligence Check, we continue to have concerns about an applicant, depending on the nature and seriousness of those concerns their application may be:

- **accepted on a temporary basis (which may include being subject to Conditions); or**
- **referred to the independent Applications Panel; or**
- **rejected without reference to the Applications Panel.**

Applicants who have been accepted on a temporary basis must reapply at the end of that period. If they do not reapply, their membership will automatically come to an end. In 2019, 2 businesses were offered Code membership on

a temporary basis and subject to Conditions; both applicants chose not to become a member of RECC on these grounds.

#### Applications Panel

The RECC Bye-Laws have been updated to extend RECC's powers to reject an application without reference to the Applications Panel. Such powers can be used in circumstances where we have evidence that an applicant is not capable of compliance with the Code. This change was made following an increased number of instances where RECC felt it was capable of making a definite decision on the suitability of an applicant but was prevented from refusing that applicant without reference to the Applications Panel.

Referring an applicant to the Applications Panel had a significant impact on the length of time between them applying to join the Code and there being a final decision on whether membership would be offered. The update allows RECC to refuse membership in certain circumstances, set out in the Bye-Laws, where we have sufficient evidence to refuse membership. In doing so, we must give the applicant the option of 'appealing' our decision by way of a referral of the application to the Applications Panel. A fee is payable by the applicant in such circumstances.

In 2019, three applicants were given the option of referring their applications to the Applications Panel but none of them chose to do so. We still have the option to refer an application to the Applications Panel should we feel it is necessary. In either scenario the Applications Panel can decide that an application should be:

- **accepted, without conditions;**
- **accepted with conditions which must be met before the businesses is admitted as a member, e.g. provide evidence of valid insurance;**
- **accepted with conditions e.g. subject to special monitoring;**
- **accepted on a temporary basis; or**
- **rejected.**

There is no appeals process for applicants that are rejected by the Applications Panel or by RECC directly. However, unsuccessful applicants are provided with a full explanation for the rejection. They are permitted to reapply for membership and their re-application will be treated on its merits.

**"You guys do a great job, by the way. I appreciate your thoroughness; it instils confidence in RECC as a brand."**

Stag Solar Solutions Limited

## 4.2 Compliance Checks and Audits

**During 2019, 44 members were the subject of a full Compliance Check, of which 10 were allocated for a full desk-based audit, 7 were selected for an on-site audit, 8 were put into the RECC disciplinary procedure, and 1 had its membership terminated.**

As a condition of their membership, our members are required to co-operate with all monitoring activities. We draw 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 monitoring required is dependent on the level of associated risk.

Our monitoring 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 members' compliance with all key elements of the Code is monitored at regular intervals.**

RECC has developed a robust process for carrying out Compliance Checks and audits. The Compliance Checks and desk-based audits allow us to conduct a full assessment of compliance in a swift and timely manner,

without the need physically to visit a member's trade premises. We are able to reserve our use of site-based audits for where they can most effectively based on the risk identified.

### Compliance Checks

Compliance Checks consist of top-level risk assessment analysis. The member is not normally involved in this process. During a Compliance Check, amongst other things, we assess the member's online business presence, including its website(s), social media and review pages, carry out financial checks, and review insurance and MCS installation details, and analyse complaint information recorded on the RECC complaints database, including a full review of any contractual documentation supplied by consumers. We record the results of each Compliance Check on RECC's Monitoring and Compliance database, along with the recommended action and the relevant Compliance Areas (CAs) which have been flagged as a risk for each member.

## Audits

Passing or failing an audit reflects how the member has performed on each key Compliance Area. (See Table 4.1 below for an explanation of these.) 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.**

Both desk-based and site-based audits are assessed against the same CAs though the questions asked by the auditor vary. In 2019, all 17 members who were audited failed their audit in the first instance. Whilst this may seem worrying, it is exceptionally difficult to pass the audit. RECC audits are welcome opportunities for members to learn and to make improvements in their day-to-day practices. These results may not be an indication of consumer detriment.

Figure 4.1, on the following page, shows the results from the 2019 audit round against the 10 CAs. The most frequent areas of non-compliance were:

- **Awareness of Consumer Protection/ RECC (including staff training) (CA1)**
- **Marketing and selling (CA3)**
- **Pre-contractual information provided to consumers (CA4)**
- **Contracts and cancellation rights (CA6)**
- **After sales (CA9)**

Issues concerning CA1 come from changes made to the Bye-Laws which now require members to display the RECC logo on all consumer facing marketing materials and documentation, and for them to display the CTSI Approved Code logo on all consumer facing marketing materials. These requirements were introduced to help improve consumer awareness of RECC and the protections they get if their chosen installer is a Code member. Most members audited had yet to make changes in line with the revised Bye-Laws. We have decided to send a communication out to all members in 2020 reminding them of the new requirements and providing guidance on the use of these logos to ensure any changes they make are compliant.

The majority of issues concerning CA3 flow from claims made in the members' marketing materials which are not supported by a reputable source, or clear information explaining where the claim comes from. Members are told how such claims must be amended and changes were generally made promptly by the audited members.

The issues around CA4 and CA6 are common issues we have seen over the past few years. Both are areas where we have offered our members significant training and made resources available to them to ensure compliance. There seems to be a theme of members using third party quality management systems, or RECC model documents, with the intention of offering consumers compliant contractual information; however, necessary steps are not being taken

to update these documents and systems when changes are made to the Code, MCS standards or relevant consumer protection legislation.

Most issues identified in CA9 come from the terms of product guarantees. We have focused more attention on the assessment of the terms associated with product guarantees in this round of audits having identified it as a common concern for consumers in complaints. We have found that product guarantees are often written in highly technical language and contain a number of exceptions which may not be brought to the attention of consumers. Whilst members may not be able to make

any changes to the actual manufacturer guarantees, audit follow-ups have been focused on improving how members explain these guarantees to consumers and ensuring consumers are given all relevant and important information pertaining to their guarantees in written language they can understand.

Of the 17 audits completed, 9 have now been closed after the member demonstrated that it had made the necessary changes to its business practices, 3 were referred to non-compliance and 5 remain open with minor issues outstanding.

Fig 4.1 Areas of non-compliance in 2019 audits by Key Compliance Area

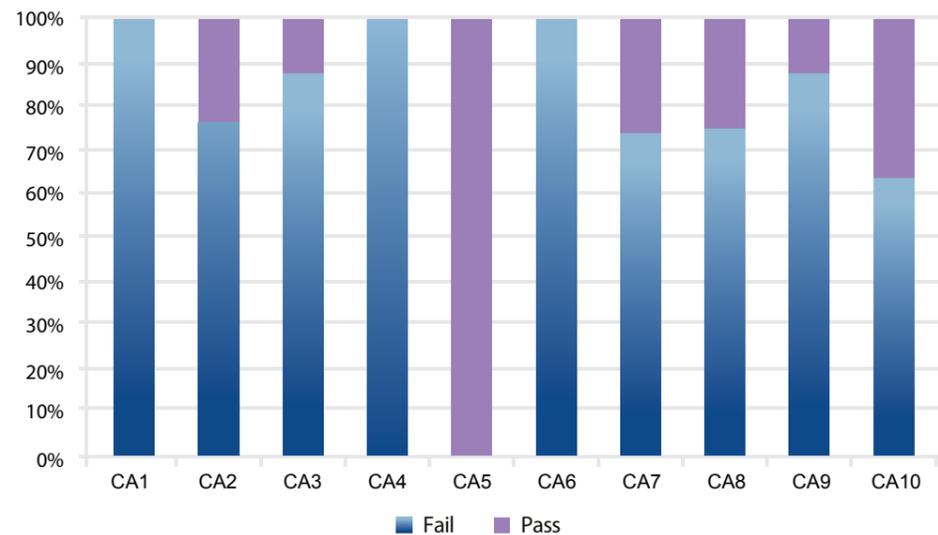


Table 4.1 Key Compliance Areas

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 2019, 118 consumers returned Customer Satisfaction Questionnaires (CSQ) to RECC about different RECC members. We monitor how satisfied consumers are with the service they have received and check that member companies are complying with the Code.

RECC distributes a CSQ that consumers can return directly by post or which can be completed online on the RECC website. Consumers can provide feedback on the experience they have had with members and provide us with information about the member's business practices. In 2019 we received 118 CSQs about 79 different members. We analysed all returned questionnaires and action was taken where the contents of the CSQ gave us cause for concern.

We take great pleasure in communicating with our members where we have received positive feedback. In 2019 the majority of consumers who returned a CSQ gave positive feedback about our members in relation to the questions outlined in the CSQ:

- 75% of respondents confirmed that the RECC member had made them aware of RECC;
- 92% said they were satisfied with how the RECC member sold them the system;
- 92% of consumers said they felt comfortable signing the contract as they had been provided with enough information about the system before signing;
- 86% said that they were provided with clear written information about how the predicted performance of the system and what this meant in financial terms;
- 84% said they were made aware of their cancellation rights; and
- 77% said that they would recommend the RECC member to others.

Fig 4.2 2019 CSQ responses – consumer ratings from 1-5<sup>1</sup>



1. Based on their experience, consumers were asked to rank a number of statements on a scale of 1 to 5, where 1 was strongly disagree and 5 was strongly agree.



# 5 Enforcing compliance with the Code

## 5.1 Investigating breaches of the Code

In 2019 RECC asked 8 members to respond to suspected breaches of the Code and/or Bye-Laws.

In 2019 our Compliance Team continued to investigate suspected breaches of the Code and/or the Bye-Laws. We 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.**

Where the Compliance Team has received evidence of a suspected breach, they will undertake a Compliance Check on that member. If the results of the Compliance Check are of a serious nature which cannot be address through one of RECC's further monitoring activities, it sends a report to the member who is invited to respond providing the necessary clarification and explanation. This is the start of the disciplinary procedure. Once the disciplinary procedure has commenced, a member cannot resign its membership.

In 2019, 8 members were invited to respond to evidence of potential breaches. This number is lower than in previous years; this is primarily down to us being able to take more decisive and effective action following a Compliance Check without needing to commence the disciplinary procedure.

## 5.2 Invoking Non-Compliance Action

In 2019, 4 members had non-compliance action invoked against them; of these 2 were put into a Period of Enhanced Monitoring and 2 had their membership terminated. A further member who had non-compliance action invoked against it in 2018 had its membership terminated in 2019.

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, we will formally invoke non-compliance action.

In 2019 we invoked non-compliance action against 4 members, 2 of which were put into a Period of Enhanced Monitoring. A Period of Enhanced Monitoring is a period of time during which the member's compliance with RECC will be closely monitored and subject to certain Conditions. The Conditions set will address the alleged breaches of the Code and will require the member to take and/ or desist from taking certain action(s).

Of the 4 members against whom non-compliance action was formally invoked, we imposed the following sanctions<sup>2</sup>:

- period of Enhanced Monitoring: 2
- terminations for Non-Compliance in accordance with clause 14 of the Bye-Laws: 2

2. Please note that more than one sanction may be imposed on the same member.





### 5.3 Termination of membership for non-compliance

In 2019, in addition to the 3 members referred to in section 5.2, a further 8 members were terminated in accordance with clause 14 of the Bye-Laws.

In certain circumstances, we may terminate a member's Code membership with immediate effect and without reference to the Non-Compliance Panel. These circumstances are set out in clause 14 of the Bye-Laws and include, for example, a member's failure to comply with

an arbitration award and a member's failure to respond to us within a defined time-frame. It is not necessary for us to have commenced the disciplinary procedure before taking a decision to terminate in accordance with clause 14.

### 5.4 Misuse of the RECC logo

In 2019, 25 businesses were found to be using the RECC logo without authority and/or holding themselves out to be members of the Code.

Only businesses who are current members of the Code have the authority to use the RECC logo. Where we find that a business has used the RECC logo without authority and/or it has held itself out to be a member of the Code, the business is sent a cease and desist communication. These communications are followed up to make sure that the appropriate action has been taken to remove the logo

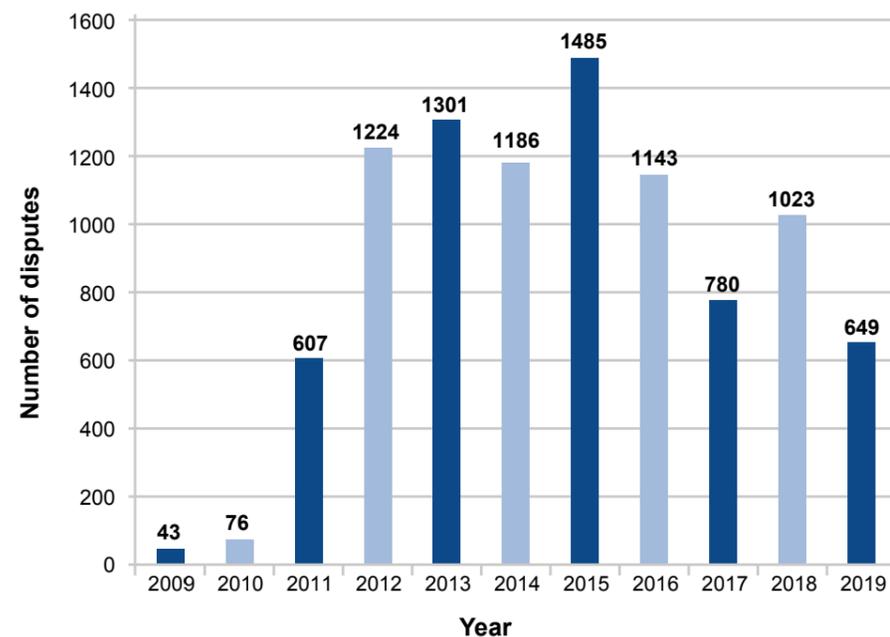
and/or reference to the Code. Where action is not taken, the business will be reported to the relevant Trading Standards department. Trading Standards departments have a range of enforcement options including prosecution for misleading advertising. In 2019, RECC sent 25 businesses a cease and desist communication.

# 6 Resolving consumer complaints

In 2019, RECC received a total of 649 complaints of which: 253 in respect of Code Members; 296 in respect of former Code Members; and 100 in respect of non-Code Members. Of these Code Members, 84 had just 1, 119 had fewer than 10 and 1 had more than 10 complaints in 2019.

The total number of complaints registered with RECC in 2019 has decreased by 374 compared with 2018. This 37% reduction can be partially attributed to the closure of the FiT scheme on 31 March 2019. This has led to a shift towards the heat-generating technologies.

Figure 6.1 Total number of complaints registered with RECC by year



“ Thanks again for all your help with this matter. Without RECC’s help I don’t feel that this would have ever got sorted. [The Caseworker] has been great at seeing both sides of the problem and coming up with different ideas to sort it out. So once again a big thanks. ”

Mr R (consumer).

## 6.1 Categorising consumer complaints

### By status

Of the 649 complaints received in 2019:

- 105 (16%) fell within RECC’s remit and were addressed through the Dispute Resolution Process;
- 359 (55%) were feedback/potential complaints in which the complainant was not seeking a specific outcome or response but wanted to bring a business’ practice to our attention – they concerned members and ex-members;
- 78 (12%) concerned business that were not RECC members;
- 94 (14%) were, in the first instance, most appropriately handled by a third party, usually the relevant MCS Certification Body.
- 13 (2%) were from non-domestic consumers.

### By technology

Of the 649 complaints RECC received, solar PV continues to generate the most complaints at 50% of the total (see Figure 6.2). However, the absolute figure (373 complaints) is significantly fewer than in 2018. A further 15% of the total were about air source heat pumps (a total of 114 which is slightly fewer than 185 received in 2018). Nonetheless, since more RECC members are now installing air source heat pumps, we do expect that the proportion of complaints about air source heat pumps to increase.

Consumers with air source heat pump complaints report issues such as:

- faulty/poor installations
- insufficient heating and hot water provided by the system
- radiators which do not work correctly
- system failures
- RHI eligibility and metering issues
- incomplete installations and loss of deposits due to the installer ceasing to trade.

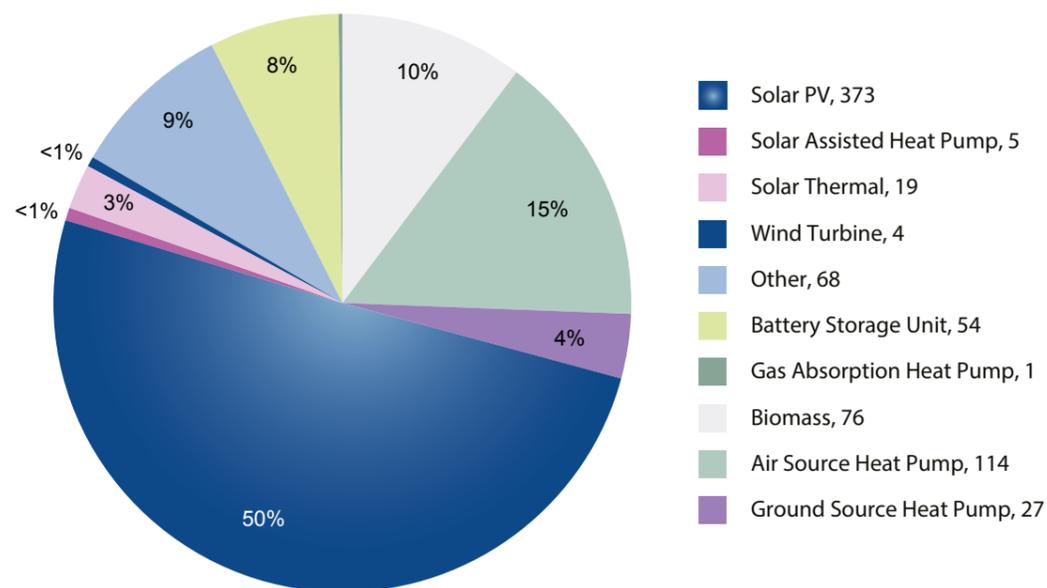
With air source heat pump, RECC finds that the issues tend to overlap with each other. For example, a system may be undersized due to incorrect heat loss calculations resulting in the system being unable adequately to meet the heating and hot water requirements of the property. RECC is working to ensure members are aware of the issues raised by complaints and to ensure that there is sufficient training and guidance available for installers.

Ten percent of complaints concerned biomass boilers, four percent concerned ground-source heat pumps followed closely by solar thermal at just three percent. Nine percent of complaints were about "other" (non-energy generators) which are related products connected to solar PV systems. These are sold on the basis of improving the performance of the system or saving energy such as an i-boost, voltage optimiser or solar pv upgrade which involves replacement of parts of the system, usually the inverter and meter. These can cost consumers a considerable amount yet provide very minimal measurable benefit. This year RECC has received fewer complaints about 'other' technologies, although this may be linked directly to the reduction in solar PV complaints.

Lastly, eight percent of complaints concerned battery storage. As observed in 2018, the main issues reported by consumers is that battery storage systems do not work properly which could be caused by a product or installation fault.

As illustrated in Table 6.1 on the following page, solar PV, after solar thermal, saw the most significant decline in the number of complaints registered with RECC. Although this may be linked to the closure of the Feed-in-Tariff scheme on 31 March 2019, it is important to note that many complaints registered in 2019 relate to installations carried out in previous years. This means it is hard to draw firm conclusions.

Fig 6.2 Complaints registered with RECC in 2019 by technology



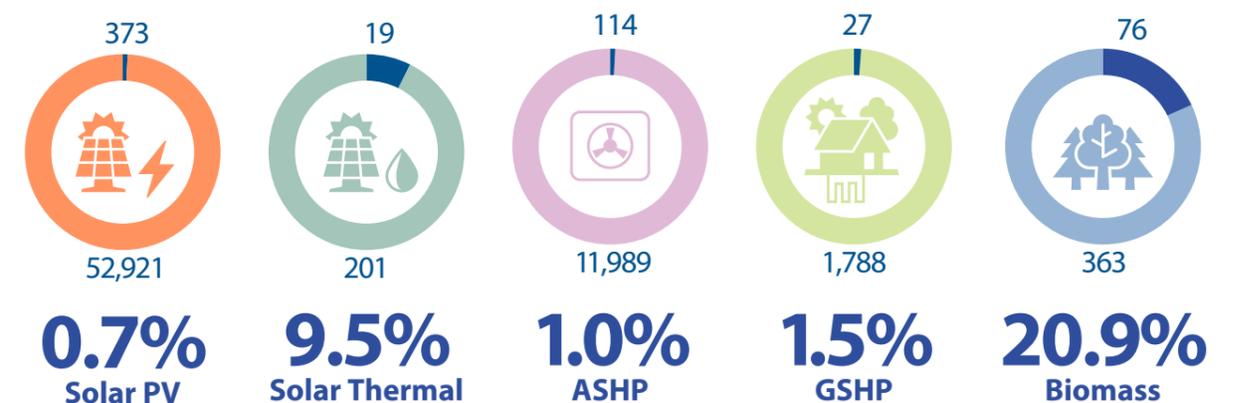
“ Many thanks for this as I do believe this would not have been sorted out without your help so quickly. ”

Mr D (consumer).

Table 6.1 Complaints registered with RECC in 2019 by technology

Technology	Complaints registered by RECC in 2019	Complaints registered by RECC in 2018	Variance in 2019 over 2018 %
Air source heat pump	114	185	-38%
Biomass	76	70	+9%
Ground source heat pump	27	24	+13%
Other (non-MCS)	68	106	-36%
Solar PV	373	632	-41%
Solar thermal	19	67	-72%
Wind turbine	4	6	-33%
Battery storage	54	49	+10%
Solar assisted heat pump	5	11	-55%
Gas absorption heat pump	1	0	+100%

Fig 6.3 Complaints registered by technology as a % of all domestic installations in 2019<sup>3</sup>

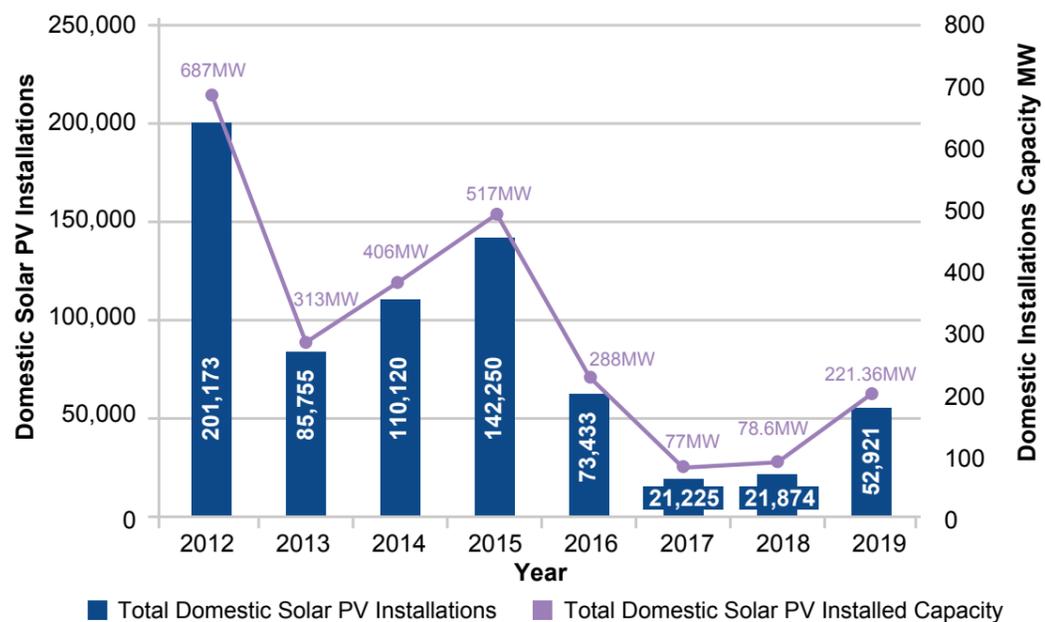


3. Total number of installations registered on the Microgeneration Certification Scheme Installation Database in 2019.

Table 6.2 Solar PV complaints registered by year as a % of all domestic solar PV installations

Year	Solar PV complaints registered with RECC	Total domestic solar PV installations	Percentage
2019	373	52,921	0.7
2018	632	21,874	2.9
2017	484	21,325	2.3
2016	764	73,433	1.0
2015	948	142,250	0.7
2014	754	110,120	0.7
2013	937	85,755	1.1
2012	1,051	201,178	0.5

Fig 6.4 Total number of domestic solar PV installations and installed capacity by year



### Complaints registered in 2019 by Key Compliance Area

Complaints registered with RECC are organised into the key Compliance Areas set out in Table 6.3 on the following page. This enables RECC to identify the main consumer protection issues which are the subject of complaints.

CA9 is by far the most common key Compliance Area for complaints registered with RECC. This is because many consumers experience problems with the system some time after the installation has been completed. Within this category, consumers report a range of issues across all technologies such as:

- A company's failure to provide warranty/guarantee documents or failure to honour them when a fault arises with the system. Typically, a consumer may have received 10-year guarantee for an inverter, but at the point of making a claim the installer advises that the product has a 5-year manufacturer's guarantee.
- Poor customer service as companies either do not respond to queries or in cases where they may respond, action is not taken to remedy the installation fault over a long period time despite using the company's complaints procedure.

CA4 is for the first time in several years, the second most common key Compliance Area. Within this category, incorrect performance estimates for solar PV systems and air source heat pumps are prevalent as well overstated financial income/savings from the FiT and RHI. For solar PV, some consumers were not eligible for the FiT for several reasons such as:

- issues with the Energy Performance Certificates (dated after commissioning of the system)
- MCS Certificate with an installation date before the 31st March 2019 deadline, but commissioning date after the deadline.
- errors on the MCS Certificate which could not be amended.
- system commissioned before the installer obtained MCS certification.

Fig 6.5 Individual Issues underlying complaints registered in 2019 by Key Compliance Area<sup>4</sup>

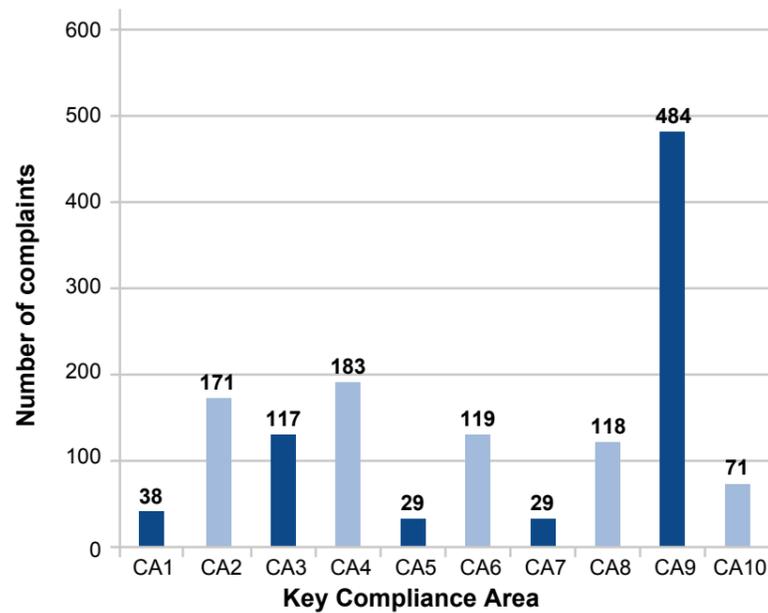


Table 6.3 Key Compliance Areas

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. Please note that issues pertaining to more than one CA may underline a single complaint

## 6.2 Resolving consumer disputes

In 2019, RECC successfully resolved 46 disputes, of which 8 were resolved during the initial contact stages, 19 were resolved following RECC’s formal or informal mediation process, and 10 were resolved using independent arbitration. In all consumers recovered a total of £105,716.

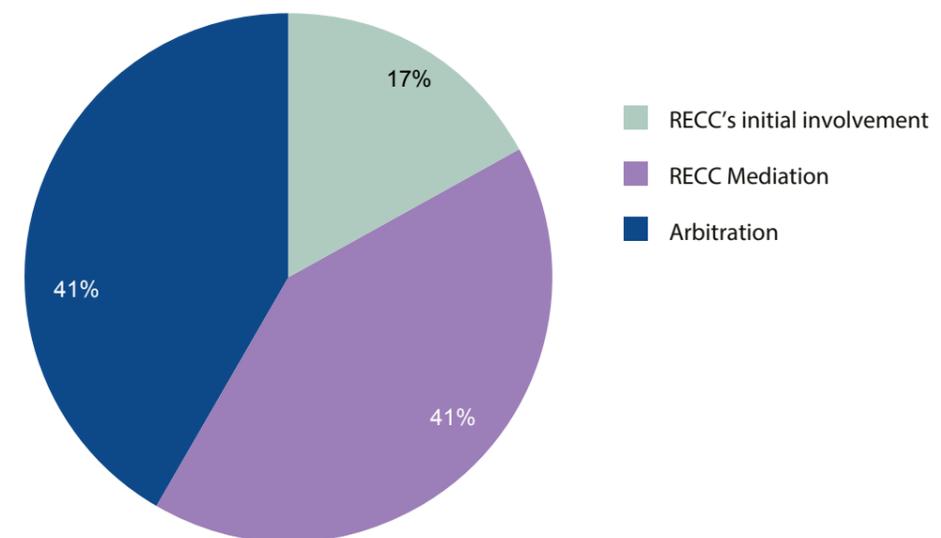
In 2019, 46 disputes were successfully resolved by RECC through our Dispute Resolution Process. This is divided into 3 stages: initial involvement, formal and informal mediation, and independent arbitration.

Informal mediation is especially successful when handling straightforward disputes such as provision of documents or a replacement product. Dispute Resolution Caseworker’s used a combination of telephone and email correspondence to mediate informally and achieved swift resolutions for consumers.

15 disputes were resolved using this method. Formal mediation was used in more complex disputes such as miss-selling: 4 disputes were resolved using this method. At a glance, of the 46 disputes resolved:

- 8 disputes were resolved following RECC’s initial involvement
- 19 disputes were through formal or informal mediation
- 19 disputes were through arbitration.

Fig 6.6 Means by which disputes registered with RECC were resolved in 2019



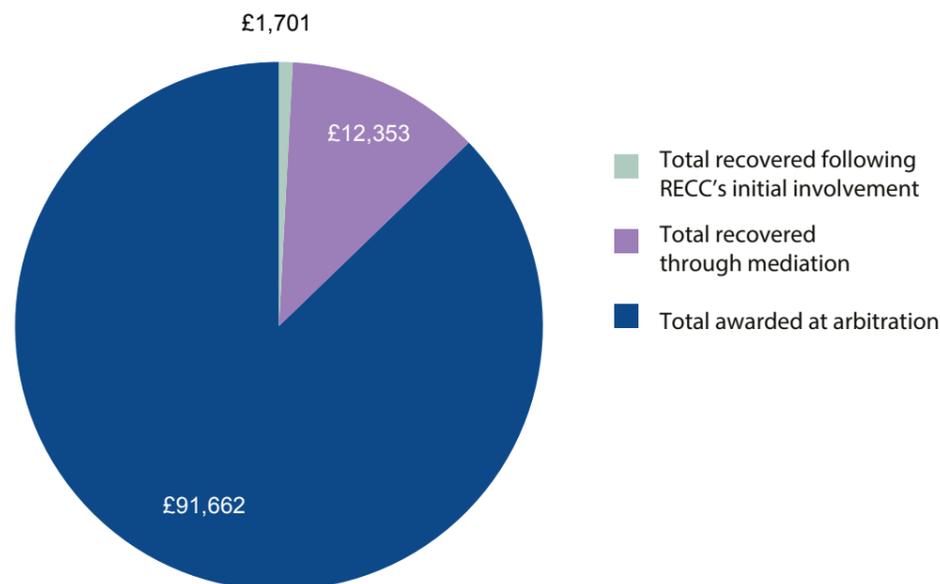
On average it took 2 weeks to resolve a dispute following RECC’s initial involvement and 5 weeks to resolve disputes through our formal mediation process. Overall, of the 27 disputes resolved following RECC’s initial involvement and those handled through mediation, the majority (22) were resolved within 9 weeks and only 5 complaints exceeded this timeframe. A snapshot of resolution statistics:

- 5 weeks were taken on average to resolve a dispute through our formal mediation procedure
- 17% of disputes were resolved swiftly within 2 weeks
- 61% of disputes were resolved at no cost to either party.

We achieved several successful resolutions for consumers including:

- remedial work to a damaged roof
- replacement of faulty products
- provision of warranty and guarantee documents
- financial compensation ranging from £50 to £3,000
- reduction of the amount outstanding on invoices and finance agreements.

Fig 6.7 Total recovered for consumers in 2019 through RECC Dispute Resolution Process



### 6.3 Referring consumer disputes to independent arbitration

**In 2019, 19 domestic disputes and 1 micro-business dispute were referred to the Independent Arbitration Service. The total amount awarded to domestic consumers was £91,662 and the total amount awarded to the micro-business consumer was £4,000.**

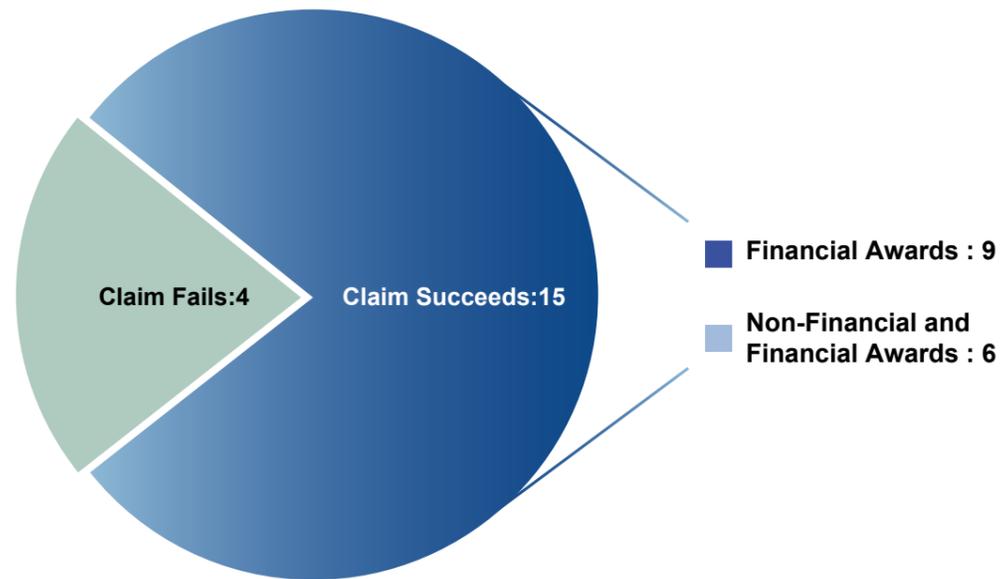
#### Domestic arbitration

In 2019, 19 domestic disputes were referred to the Independent Arbitration Service administered by the Centre for Effective Dispute Resolution on RECC’s behalf. Arbitration is the final stage of our final stage our Dispute Resolution Process which consumers can access if a dispute has not been resolved through mediation. The total amount awarded to consumers was £91,662 across 14 financial awards with an average award of £6,547.

Seventy-nine per cent of consumers’ cases succeeded at arbitration. Consumers were awarded a combination of financial and non-financial awards and had their registration fee of £120 refunded as illustrated in Figure 6.8. In a few instances where consumers’ cases did not succeed they were ordered to refund the RECC member’s fee. When an award is published, RECC has a process in place for monitoring compliance. A consumer may notify RECC that a member has failed to comply with an award or RECC contacts the consumers directly to check compliance with the award once the 28-days appeal period

has expired after publication. In cases where a member fails to comply with an award, RECC provides guidance to consumers on how to enforce the award through the courts and takes appropriate action in accordance with our Bye-Laws which can include termination of membership.

Fig 6.8 Summary of the 19 domestic arbitration awards made in 2019



### Micro-business arbitration

One micro-business dispute was referred to the Independent Arbitration Scheme. This is designed for those consumers who do not fall within the definition of domestic consumer but who are classed as small commercial consumers. 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 2019 was £4,000 compensation and a refund of the £240 registration fee.

## 7 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.

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

### OPERATIONS

Virginia Graham – Chief Executive

Aida Razganaite – Head of Operations

### MEMBERSHIP

Caroline Thomson – Membership Manager  
(from 1 February 2019)

Ian Rippin, Chief Executive of MCS with Caroline Thomson from RECC at FutureBuild.

### MONITORING, COMPLIANCE, AND INDEPENDENT PANELS

Rebecca Robbins – Head of Compliance

David Buckley – Compliance Manager  
(from 20 May 2019)

Robert McCombie – Compliance Assistant  
(from 15 April 2019)

### DISPUTE RESOLUTION

Abena Simpey – Head of Dispute Resolution

Boris Eremin – Dispute Resolution Case Worker

Sam Watts – Dispute Resolution Case Worker  
(from 25 November 2019)

Robert Hinde – Dispute Resolution Case Worker  
(until 23 October 2019)



## 8 Governing the Code

RECC is administered by Renewable Energy Assurance Ltd (REAL), company number 05720606, with a Board of Directors, both Executive and Non-Executive. The Board meets six times a year.

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 Supervisory Panel, which meets quarterly, advises on the running of the Code.

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 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 2019 the Supervisory Panel met four times: 19 March, 19 June, 12 September and 12 December.

David Laird has been the Chair of the Panel since August 2012. He stood down in December 2019 but remains a Panel Member. The Minutes of the Supervisory Panel Meetings are available on the website here: [www.recc.org.uk/scheme/supervisory-panel/meetings-notes](http://www.recc.org.uk/scheme/supervisory-panel/meetings-notes)



David Laird, Chair of the RECC Supervisory Panel



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