



Annual Report 2020

An overview of RECC's
activities during the year

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This report has been produced for our approval body, Chartered Trading Standards Institute (CTSI). RECC is approved by CTSI under its Consumer Codes Approval Scheme.

A word from our Chief Executive

Welcome to the 2020 Annual Report - it provides an overview of all RECC's activities during the year.

2020 was our fifteenth year of operation. But this was a year like no other in all that time! Little did we know, as the year started, what lay just over two months ahead. We managed to adapt quite quickly to working from home on laptops and, as I write, we are still doing so for the most part over a year later.

This transition meant we could continue to provide our full range of services to our members. The only change we had to make was to convert our site-based audits to desk-based audits. So, while the first few months of 2020 were certainly very challenging ones for us all, I am pleased that, together, we came through and that it was a very successful year in the end.

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 like to extend my particular thanks to all RECC Members who supported us throughout 2020, the vast majority of whom have now renewed their membership for 2021. 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.

Virginia Graham
Chief Executive



Highlights

The RECC Team faced a huge challenge at the end of March 2020 as the COVID-19 lockdown restrictions came into force.

Our 10-strong team was obliged to work from home for the remaining 9 months of the year and continues to do so now, for the most part. Fortunately, due to an IT upgrade in early 2020, we were able to adapt easily to home working. I am pleased to say that the whole RECC team rose to these challenges magnificently, doing all they could to offer practical support and advice to members and consumers, combatting bad practice in the sector.

I am only too aware that RECC Members faced even greater uncertainty in March 2020: it was unclear whether installation work in consumers' homes could continue and, if it could, under what conditions. Many were obliged to furlough staff members and the outlook seemed pretty bleak. Yet, despite the uncertain start to the year, I am pleased to report that small-scale renewables installation rates picked up strongly during the second half of 2020. RECC finished the year with more members than at the start: 1,670.

The RECC Team's principal activities and achievements during 2020 included:

- Virginia Graham was awarded OBE in the 2020 New Year Honours List.
- RECC assisted with the launch of our sister code, the EVCC, in February 2020;
- RECC attended and exhibited at Futurebuild at ExCel in London in early March 2020;
- RECC took part in the virtual Solar & Storage Live event in early December 2020;
- Virginia Graham was a judge at the virtual Solar & Storage Live Awards in early December 2020;

Snapshot of our numbers:

- In 2020 RECC had 1,670 members
- And received 362 new membership applications
- In 2020 RECC closely monitored 470 members
- And asked 31 members to respond to breaches of the Code and/or Bye-Laws
- In 2020 RECC helped recover £28,060 for consumers
- This is equal to an average of £351 for each complaint RECC handled.

Promoting the Code

Throughout 2020 our Compliance Team has worked actively to promote consumer protection and compliance. During the year, 170 members were closely monitored, either by in-depth compliance check or audit. Of these, 31 members were asked to respond to suspected breaches of the Code and/or Bye-Laws of which 5 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.

Throughout 2020, too, our Dispute Resolution Team has worked tirelessly to resolve complaints, providing members and consumers with an impartial ADR approved complaint mediation service as well as an independent arbitration service. During the year RECC registered 305 complaints, 80 of which fell into RECC's remit. Where issues were found, over £28,060 was recovered for consumers through the RECC Dispute Resolution Process, an average of £351 recovered per complaint handled by RECC.

1. The Small-scale renewables sector

The small-scale renewables sector broadly consists of renewable heat and power generators installed in domestic consumers' homes. There are a number of schemes in place which incentivise consumers to engage with renewable energy in their home.

1.1 Smart Export Guarantee

The Smart Export Guarantee (SEG) allows homeowners to trade the renewable power they export onto the grid in return for income. The scheme was launched in October 2019 some six months after the closure of the Feed-In Tariff scheme to new applicants on 31 March 2019. Ofgem plans to publish a report summarising the first year of the SEG later this year.

1.2 Domestic Renewable Heat Incentive

The Domestic Renewable Heat Incentive (DRHI) rewards homeowners who install renewable heating systems in their homes. Launched on 1 April 2014 the scheme will close to new applicants on 31 March 2022. BEIS and Ofgem publish regular reports on the state of play with the DRHI. The charts below give an indication of some of the headline statistics. We are grateful to BEIS for permission to publish them.

The first chart below (Figure 1.1) shows that the number of new applications to the DRHI 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 the number of biomass boilers has decreased dramatically since 2016. The second and third charts below (Figures 1.2 and Figure 1.3) show that, cumulatively, around one half of the capacity installed under the DRHI is accounted for by biomass boilers with one third by air source heat pumps.

The fourth chart below (Figure 1.4) shows the average installed capacity of installations registered with the DRHI. It shows that biomass systems are substantially larger than the other technologies, followed by ground source heat pumps.

“Thanks to RECC we have reached this happy conclusion [to our complaint] and we cannot thank you enough. It is good to know that people, like RECC, as a company, are available to act on ordinary peoples' behalf to reach a settlement.”

– May 2021 Mr W

Fig 1.1 - Number of DRHI accreditations per quarter by technology in Great Britain, 2014 - 2020

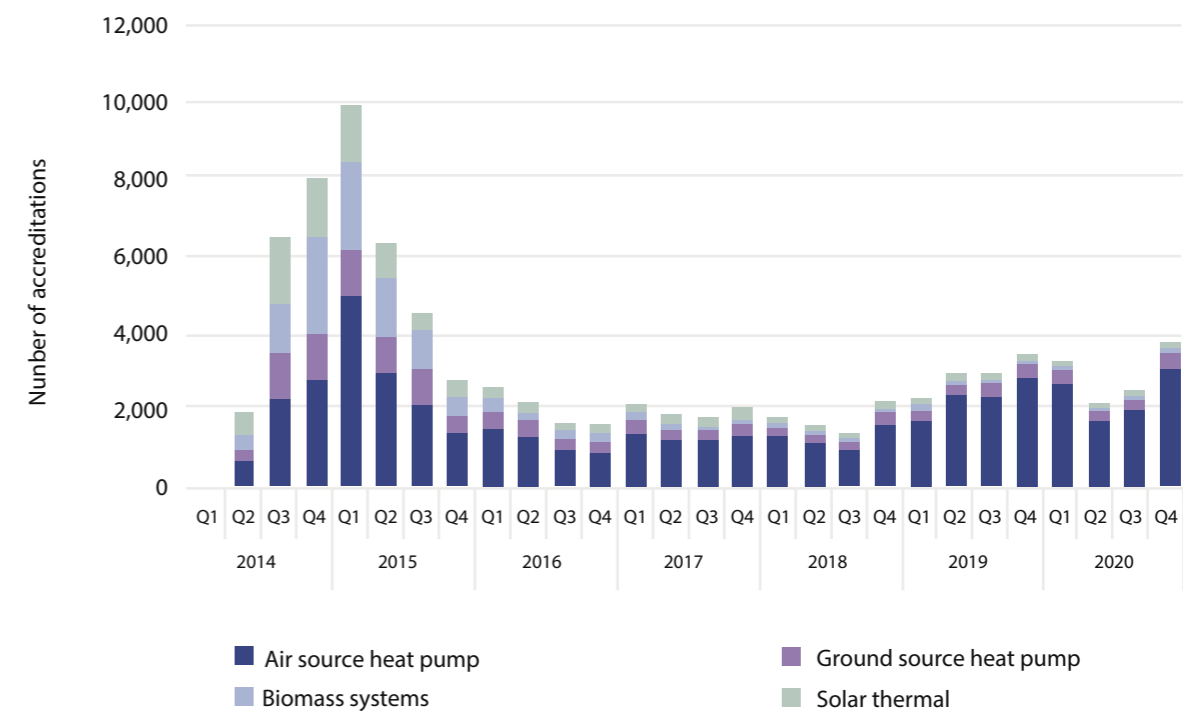


Fig 1.2 - Total heat generated and paid for by technology in Great Britain, April 2014 – Dec 2020 (GWh)

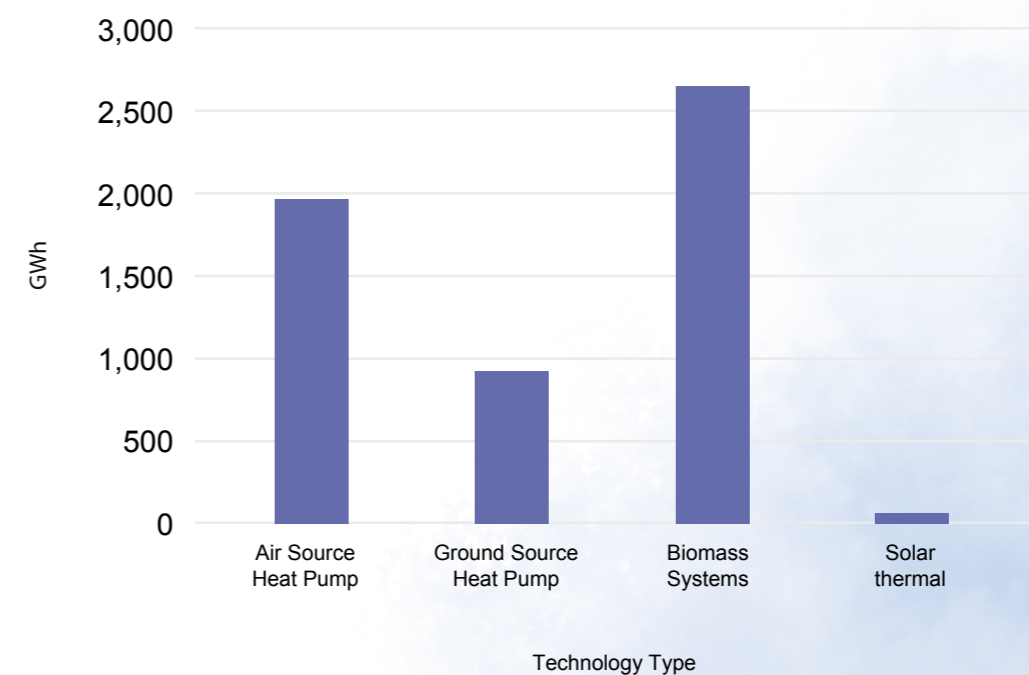


Fig 1.3 - Heat generated and paid for by technology in Great Britain, April 2014 – Dec 2020 (%)

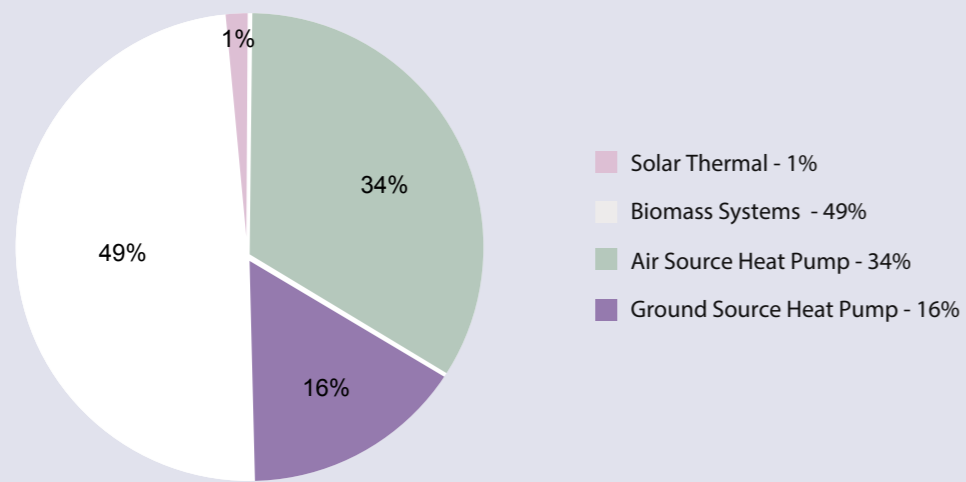
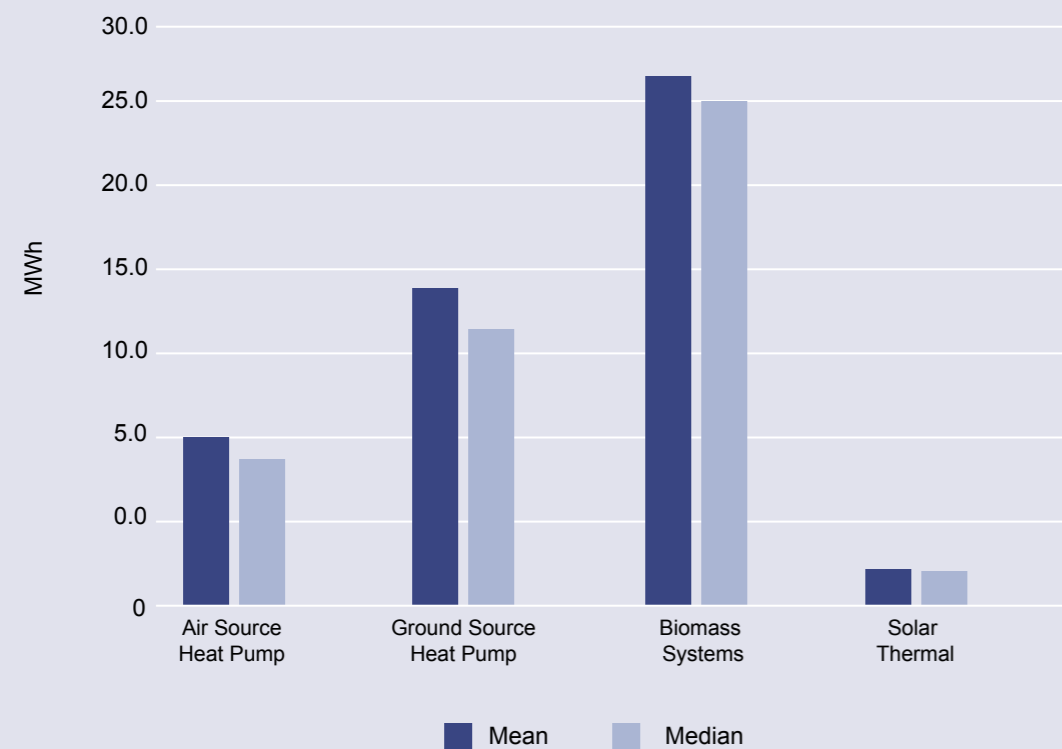
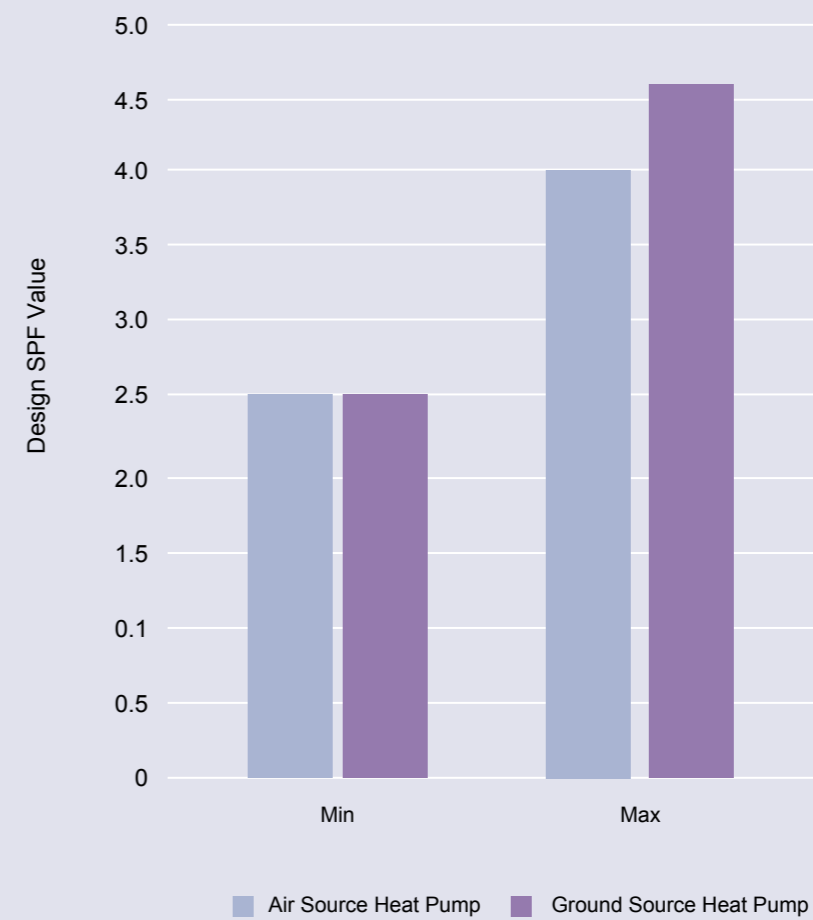


Fig 1.4 - Average capacity of new and legacy installations in Great Britain, April 2014 – Dec 2020 (MWh)



The fifth chart below (Figure 1.5) shows the minimum and maximum estimated performance of ground source and air source heat pumps. (An SPF of 2.5 is the minimum permitted for a system to be considered 'renewable' which probably explains the lower cut-off.)

Fig 1.5 - New and legacy installations, design SPF value¹, Great Britain, April 2014 – December 2020



¹ The design SPF value will not equate to the actual in situ performance value which is likely to be lower, in some cases considerably lower.

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.

RECC membership 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 RECC membership benefit businesses directly, but it also provides their consumers with assurance and peace of mind, backed by the Code's strict requirements.

2.1 Member benefits

These are some of the benefits being a RECC Member brings to you:

- listing on RECC's online consumer search tool to introduce 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 ahead of the game
- access to becoming a TrustMark registered business through RECC.

2.2 Affinity arrangements

RECC has continued in 2020 to improve the high-value affinity arrangements for our 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 restrictions and uncertainties of the COVID-19 pandemic, we were delighted that RECC’s membership grew during 2020 for the first time since 2012 and that, at year end, there were 1,670 RECC Members. Figure 3.1 shows this.

We were also delighted to receive 362 new membership applications from businesses wanting to offer a wide range of technologies through a number of different business models. Following in-depth Due Diligence checks we accepted 228 as Code Members.

Fig 3.1 - Total number of RECC Members by year

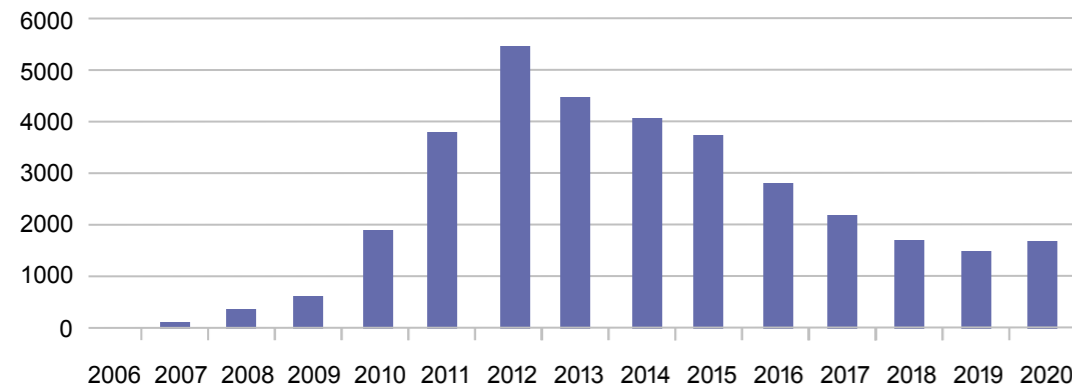


Figure 3.2, below, shows that, in 2020, 600 RECC Members (36%) were in the MCS Code Member category. This is our pay-as-you-go membership model which is available for installers who only work with renewable power and battery storage systems. The remaining 1,070 RECC Members (64%) work with a variety of technologies including renewable heating systems and pay an annual membership fee.

Fig 3.2 - RECC membership in 2020 by payment category

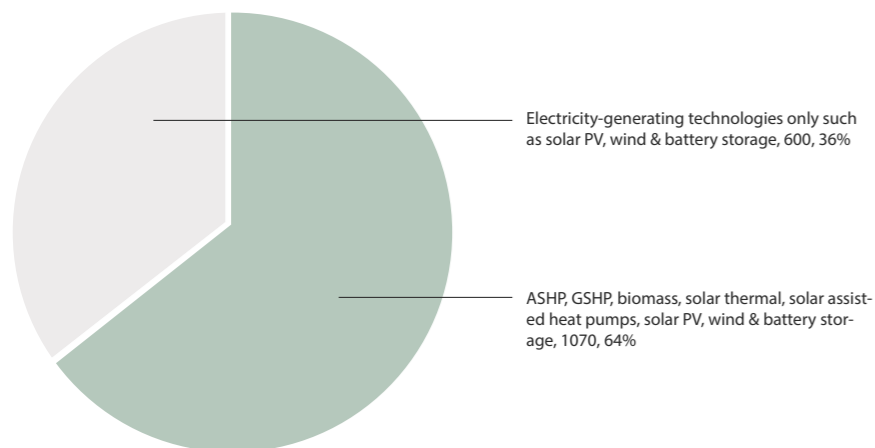
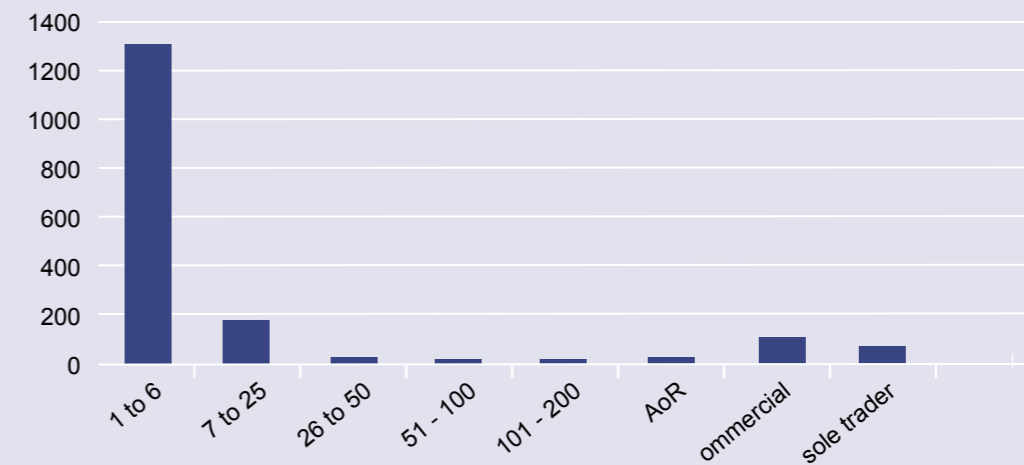


Figure 3.3, below, shows that, in 2020, 8 in 10 of RECC Members were small businesses, with 1-6 employees, while 1 in 10 RECC Members were slightly larger businesses, with 7 – 25 employees. 16 RECC Members are Assignment of Rights approved investors.

Fig 3.3 - RECC membership in 2020 by membership fee category



“I have been impressed with your organisation [.....] most helpful and understanding with the complaint.”

– June 2021 Mrs T



4. Monitoring compliance with the Code

In 2020, 470 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.

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 risk-based Compliance Checks;
- undertake an in-depth audit 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



4.1 Monitoring applicants

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 the Code. At application, businesses are 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, to complete a self-assessment compliance check, and to provide documentation to demonstrate that they are in a position to comply fully with the Code and Bye-Laws.

In 2020, we made changes to the RECC application process so that each applicant is subject to the same in-depth Due Diligence Check. The application process has been split into 2 stages:

- **Stage 1** - a full check of the business and any individuals associated with it, during which we check the veracity of the declarations made by the applicant and scrutinise their compliance checks.

- **Stage 2** - a full assessment of the applicant's documentation, including their model contracts and performance estimates, and the content of the applicant's website(s) and any social media pages.

If an applicant does not meet the requirements of the Code at Stage 1, their application will be rejected. This reduces the time spent on an application if, for example, the applicant's business history means they are not fit and proper for Code membership.

If an applicant does not meet the requirements of the Code at Stage 2, applicants may be required to make changes to their procedures and documents, before being admitted to the Code. For example, they may be required to:

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

“The company seemed reluctant to recognise any responsibility until [RECC] came aboard. Once [you] came on board, they swung into action. I have no idea what strings [you] pulled, but I stopped having to fight to get [the] roof fixed once I contacted [you]. [You] also kept in touch, so I didn't feel forgotten”.

– February 2021 Mrs T

If, following a 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 subject to Conditions; or
- 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.

During 2020, an in-depth Due Diligence Check was carried out on 362 applicants, undertaken by a RECC team member or by a RECC auditor.

Of those 362 applicants:

- 228 were accepted as members of the Code
- 3 were accepted for a defined period of Temporary Code Membership;
- 4 were rejected;
- 24 withdrew their applications; and
- 102 had their applications closed due to failures to respond and/or pay their Membership Fees.

If an applicant does not meet the requirements of the Code at Stage 1, their application will be rejected. This reduces the time spent on an application if, for example, the applicant's business history means they are not fit and proper for Code membership.

“[The Caseworker] attended to us in a timely manner, was attentive, and provided an upbeat service. On this occasion [the Caseworker] made sure our needs were met in a manner that positively reflects [the] company.”

– March 2021 Mr L

4.2 Independent Applications Panel

The RECC membership Team has the power to reject an application without reference to the Independent Applications Panel (IAP). Such powers can be used in circumstances where we have evidence that an applicant is not capable of compliance with the Code. In doing so, we must give the applicant the option of referring their application for reconsideration by the IAP. A fee is payable by the applicant in such circumstances. We still have the option to refer an application to the IAP should we feel it is necessary. In either scenario the IAP can decide that an application should be:

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

In 2020, RECC rejected 4 applications, giving the applicants the option to have their applications reconsidered by the IAP; 1 applicant requested reconsideration. The IAP chose to reject the application and set a 12-month period within which a new application from the applicant would not be considered by RECC.

There is no appeals process for applicants that are rejected by the IAP. However, unsuccessful applicants are provided with a full explanation for the rejection and are permitted to reapply for membership,

subject to any reasonable period set by the IAP within which an application will not be reconsidered. Any new application will be treated on its merits.

4.3 Compliance Checks

During 2020, 108 members were the subject of a full Compliance Check, of which 26 were allocated for a full desk-based audit, 5 had non-compliance action invoked against them, and 2 had their Code 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 for Compliance Checks on a weekly basis. The sample is largely risk-based though it also consists of a small number of members selected on a random basis. Our monitoring programme is designed to be both:

- risk-based, focussing our monitoring resources where the potential risk of consumer detriment and/or noncompliance 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. The Compliance Checks allow us to conduct a full assessment of compliance in a swift and timely manner, and then to take the most proportionate and effective action. The type of monitoring required after a Compliance Check is dependent on the level of associated risk identified, if any.

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 installations details on the MCS Installations Database (MID), and analyse complaint and/or feedback 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.

During 2020, 106 members were the subject of a Compliance Check. These members were selected for several reasons, including:

- 37 members who had recorded inadequate insurance information on the MID;
- 30 members about whom we had received 2 or more complaints within a set period of time or about whom we had received 1 complaint of particular concern;
- 11 members who had registered a higher-than-average number of installations on the MID over a set period of time; and
- 5 members about whom we had received negative feedback from consumers.

Following the completion of a Compliance Check, the level of risk is assessed based on the findings

and action is taken where necessary. Of the 106 Compliance Checks carried out in 2020, we decided to:

- send 32 members compliance communications regarding insurance;
- allocate 34 members for a desk-based audit;
- take no further action in the case of 16 members;
- carry out further monitoring in the case of 8 members;
- place 12 members into the disciplinary procedure; and
- refer 4 members to the membership team to make administrative changes to their membership records.

“It has to be said that once the company was aware of our official complaint to [RECC], our case was escalated and resolved within a matter of hours!”

– February 2021 Mr M

4.4 Audits

When a member is allocated for an audit, it will be allocated for either a desk-based audit or a site-based audit depending on the level of risk identified during the Compliance Check. Before the audit can begin, the member is asked to complete a Self-Assessment Compliance Check, in which it must make a set of important legal declarations and submit documentation for review. Both desk-based and site-based audits are assessed against the same CAs though the questions asked by the auditor vary.

In 2020, we completed desk-based audits on 26 members. Due to Government restrictions, no site-based audits were conducted during 2020. Passing or failing an audit reflects how the member has performed on each key CA. (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.

Of the 26 audits completed in 2020, 5 members passed the audit in the first instance and 21 members failed the audit. Whilst this may seem worrying, it is exceptionally difficult to pass the audit. Those that passed in the first instance were working only with commercial customers. RECC audits are a welcome opportunity 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 shows the results from the completed 2020 audits against the 10 CAs. The most frequent areas of non-compliance were:

- Awareness of Consumer Protection/ RECC (including staff training) (CA1)

Issues concerning CA1 come from changes made to the Bye-Laws requiring members to display the RECC logo on all consumer facing marketing materials and contractual documentation, and 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 afforded to consumers if they chose an installer who is a Code member. Most members audited had yet to make changes in line with the revised Bye-Laws. In 2020, an email was sent to all members alerting them of the new logo requirements and providing guidance on how to use these logos to ensure any changes they make are compliant.

- Marketing and selling (CA3)

Most issues concerning CA3 flow from claims and statements made in marketing materials which are not adequately sourced, or where there is not enough information explaining where the claim/ statement has come from. Members were told how such claims should be amended and changes were generally made promptly by the audited members.

- Pre-contractual information provided to consumers (CA4)

Issues found in CA4 largely concerned members failing to provide consumers with key information in writing, for example information about planning permission, eligibility requirements for the DRHI and EPC assessments. Members appeared to understand that consumers must be given this information but were unable to evidence that this was given in writing rather than verbally.

- **Completing the installation (CA8)**

Most issues identified in CA8 come from the system designs submitted by members. Whilst some form of design was generally provided to consumers, these designs did not meet the requirements of the Code and/or were not provided at the right stage of a consumer’s contractual journey. The audit follow-ups have focused on improving the Member’s understanding of the Code’s requirements; members must provide consumers with a final design before the contract is signed, showing the location of all key components within the consumer’s specific property.

Of the 21 failed audits, 13 were closed after the member demonstrated that it had made the necessary changes to its business practices, 3 were referred to non-compliance, 4 remain open with minor issues outstanding and 1 was closed as the member’s membership lapsed whilst the audit was ongoing.

Figure 4.1 - Areas of non-compliance in 2020 audits by Key Compliance Area

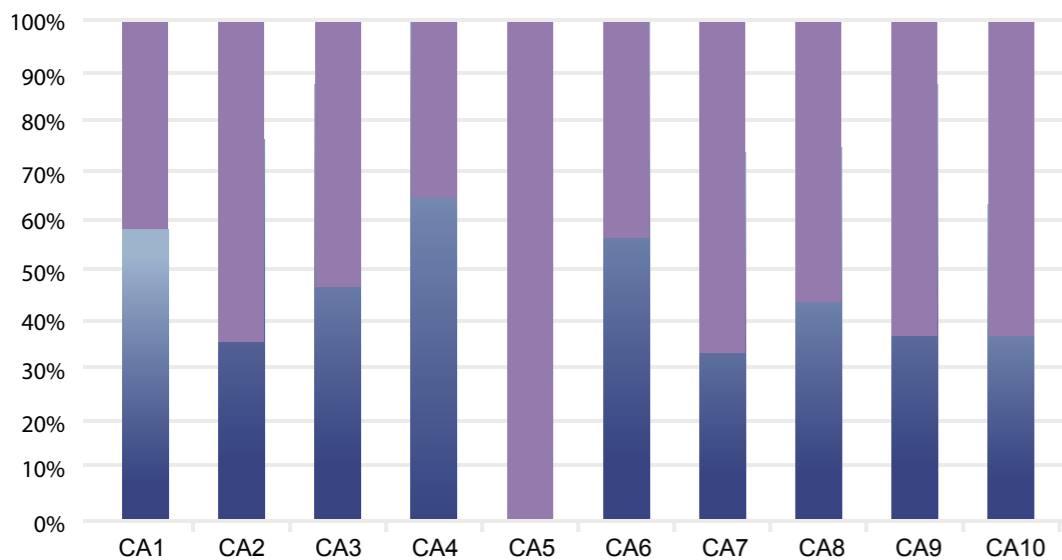


Table 4.1 - Key Compliance Areas

| | |
|------|---|
| 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 |



5. Enforcing compliance with the Code

5.1 Investigating breaches of the Code

In 2020, RECC asked 31 members to respond to suspected breaches of the Code and/or Bye-Laws.

In 2020, 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, including Compliance Checks;
- 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 addressed through one of RECC’s 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.

In 2020, 31 members were invited to respond to evidence of potential breaches:

- 5 had non-compliance action invoked against them, of which:
 - 1 had its Code membership terminated;
 - 1 was invited to agree to a Consent Order;
 - 1 was put into a Period of Enhanced Monitoring; and
 - 2 were able to evidence that they had resolved the issues identified.
- 26 were sent compliances notices, of which:
 - 1 had its Code membership terminated;
 - 23 were able to resolve all issues and/or areas of concern identified; and
 - 2 are still ongoing.

As well as the 31 members who were asked to respond to evidence of potential breach, 1 member who was already in the disciplinary process had its Period of Enhanced Monitoring extended for a further 6 months.

6. Resolving consumer complaints

In 2020, 305 complaints were registered with RECC, 53% fewer than in 2019 and the lowest number since 2011 as shown in Figure 6.1. Of the 305 registered, 80 fell within RECC’s remit. From March to July 2020, there was a consecutive decline in complaints which demonstrates that the first national lockdown caused by Covid 19 contributed to the overall reduction in the number of complaints registered by consumers.

Of the complaints registered with RECC: 126 (41%) were about Code Members; 137 (45%) were about former Code Members and 42 (14%) in respect of non-Code Members. The majority of Code Members 1,586, had no complaints registered against them, however as shown in Figure 6.2 some Code Members had 1 or more complaints registered.

Figure 6.1 - Total number of complaints registered with RECC by year

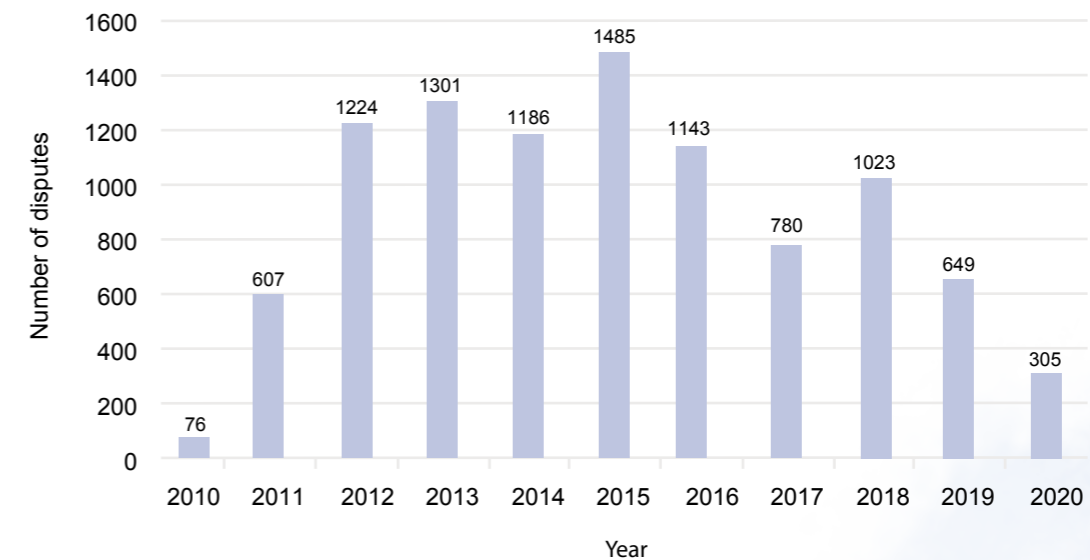
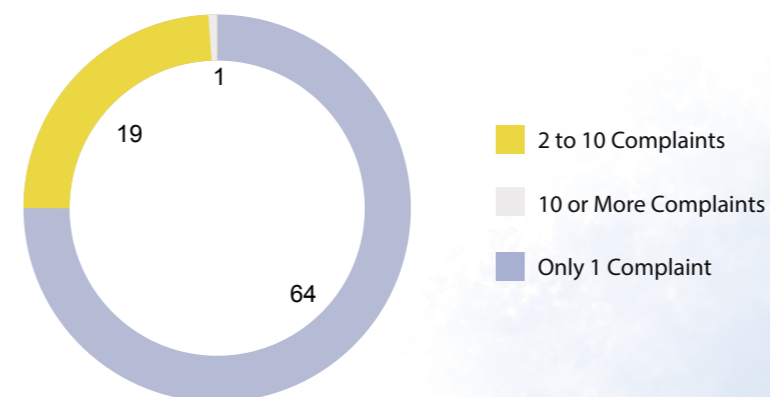


Figure 6.2 - Number of Code Members with complaints registered against them in 2020



“It is good that we have the MCS and RECC to help guide our processes.”

– March 2021 Company X



6.1 Categorising consumer complaints

By Status

Of the 305 complaints registered in 2020

- 80 (26%) fell within the remit of the Consumer Code and were addressed through RECC’s Dispute Resolution Process.
- 136 (44%) were classified as feedback/potential complaints: a complaint in which the complainant is not seeking a specific outcome or response but wishes to bring a business’ practice to our attention. These concerned Code Members and former Code Members.
- 39 (13%) concerned businesses that were not Code Members.
- 41 (13%) were in the first instance, most appropriately handled by a third party e.g., the Code Members’ MCS Certification Body.
- 9 (3%) were from non-domestic consumers.

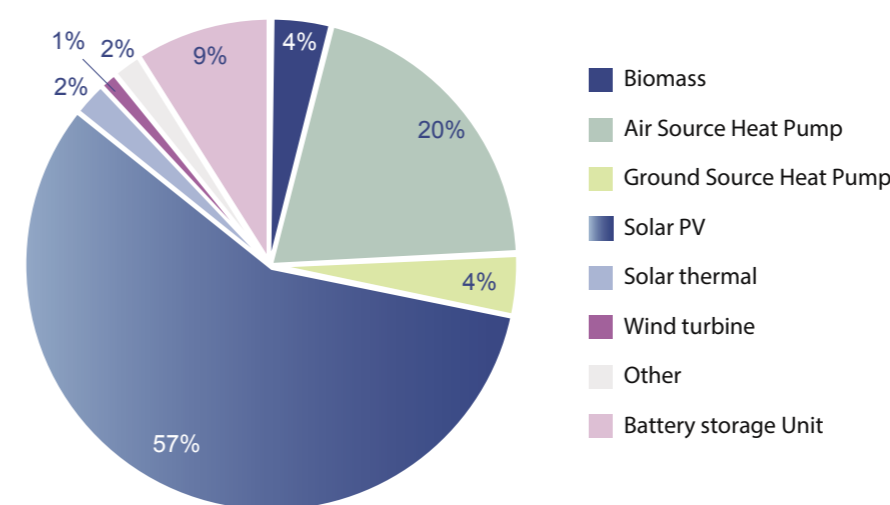
In 2020 complaints which were addressed through RECC’s Dispute Resolution Process increased by 10% compared to 2019. This illustrates that although numerically there were fewer complaints registered

in 2020, RECC’s Dispute Resolution Team handled a higher proportion of those complaints. Feedback/potential complaints represented 44% compared with 55% in 2019. This is a reflection of the fact that fewer consumers contacted RECC particularly by telephone and email in 2020. This may well be due to the impact of the national lockdowns in response to Covid 19.

By Technology

The top technologies² for complaints in 2020 were solar PV, followed by air source heat pumps and battery storage units. Solar PV remained the predominant source of complaints accounting for 58% of the overall total. However, it is worth noting that in percentage terms, it has increased by 6% in comparison to 2019. Similarly, complaints about air source heat pumps also increased in percentage terms, a figure of 20% compared with 15% in 2019. Battery storage units accounted for 9% of complaints in 2020, in line with the percentage in 2019. Biomass, ground source heat pumps, solar thermal systems, wind turbines and other (non-energy generators) each represented 5% or less of the overall total. See Figure 6.3 and Table 6.1 for further details.

Figure 6.3 - Complaints registered with RECC in 2020 by technology



² Some consumers have multiple technologies installed such as solar PV and solar thermal.

Table 6.1 - Complaints registered with RECC in 2020 by technology

| Technology | Disputes registered by RECC in 2020 | Disputes registered by RECC in 2019 | Variance in 2020 over 2019 (No) | Variance in 2020 over 2019 (%) |
|-------------------------------|-------------------------------------|-------------------------------------|---------------------------------|--------------------------------|
| Air source heat pump | 70 | 114 | -44 | -39 |
| Biomass | 15 | 76 | -61 | -80 |
| Ground source heat pump | 13 | 27 | -14 | -52 |
| Other (non-energy generators) | 16 | 68 | -52 | -76 |
| Solar PV | 194 | 373 | -179 | -48 |
| Solar thermal | 7 | 19 | -12 | -63 |
| Wind turbine | 2 | 4 | -2 | -50 |
| Battery storage | 29 | 54 | -25 | -46 |
| Solar assisted heat pump | 0 | 5 | -5 | -100 |

Solar PV and battery storage systems

Consumers reported a broad range of issues in 2020 which can be divided into 4 main areas:

- Product faults** concerning solar panels, inverters, battery storage units and generation meters.
- Installation issues** such as incorrectly installed systems which results in underperformance or damage caused to the roof of a property.
- MCS certificate issues** includes Code Members' failure to provide the certificate and incorrect details on the certificate.
- Mis-selling** is common where consumers have purchased the system using a third-party finance provider or a personal loan. In both scenarios, contracts were signed on the basis that the financial benefit obtained from the feed in tariff would be sufficient to cover monthly loan repayments which maybe incorrect.

Heat pumps

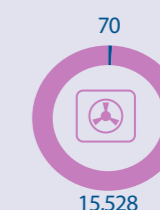
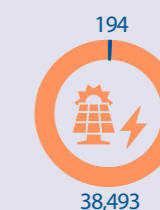
For heat pumps, the issues reported by consumers were:

- Product issues** concerning undersized heat pumps.
- Performance issues** in relation to heat pumps which were unable to provide sufficient heating and hot water for the property. Moreover, heat pumps with running costs significantly higher than the figures quoted when the contract was signed.
- Installation issues** concerning heat pumps which were incorrectly installed and incomplete installations.
- Mis-selling** in terms of consumers' sold heat pumps on the basis of the RHI income covering monthly loan repayments and making significant savings in comparison to their existing source of heating.

Biomass and other technologies

For biomass, a number of complaints concerned Ofgem's revocation of DRHI payments in cases where on inspection, it discovered that the eligibility requirements had not been met. Otherwise, the issues reported by consumers included expensive running costs (high pellet consumption and maintenance costs), incorrectly sized flues, poor workmanship as well as some practical challenges around delivery of pellets.

In relation to Table 6.1 and Figure 6.3, please note that complaints registered with RECC may relate to installations carried out before 2020. This means that firm conclusions cannot be drawn between the numbers of complaints registered in 2020 as a proportion of the total domestic installations carried out in 2020 for any given technology.

Figure 6.4 - Complaints registered with RECC by technology as a % of all domestic installations in 2020⁴

Complaints registered in 2020 by key Compliance Area

All the complaints registered with RECC are classified into key Compliance Areas (CA) set out in Table 6.3. There are 10 Compliance Areas in total, when a complaint is registered on the Complaints Database, all the relevant areas are selected. The aim is to enable RECC to identify the underlying consumer protection issues in complaints which can cross over different areas in some instances.

As shown in Figure 6.5, the top 4 CAs in 2020 registered complaints are:

1. After-sales (guarantees, workmanship warranties and warranty protection, after sales support: customer service) [CA9]
2. Microgeneration Certification Scheme (MCS) [CA2]
3. Estimates/quotes, particularly performance estimates and financial incentive [CA4]
4. Contracts and cancellation rights [CA6]

CA9 is the most commonly selected CA underlying complaints. Typically, complaints arise either immediately after the installation or several years later. The data indicates that these relate to queries about the validity of workmanship warranties and manufacturers' guarantees on products. Queries concerning insurance-backed workmanship warranties in instances where the installer has ceased trading were also common. Consumers also reported missing warranty documents in the handover pack. For CA6 typically, consumers experienced problems obtaining a deposit or survey fee refund after cancelling their contract. In other cases, disputes can arise over the payments terms in a contract and for additional works.

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

| Year | Solar PV Disputes Registered with RECC | Total Domestic Solar PV installations | Percentage |
|------|--|---------------------------------------|------------|
| 2020 | 194 | 38,493 | 0.5% |
| 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% |

Figure 6.5 - Individual Issues underlying complaints registered by RECC in 2020 by Key Compliance Area

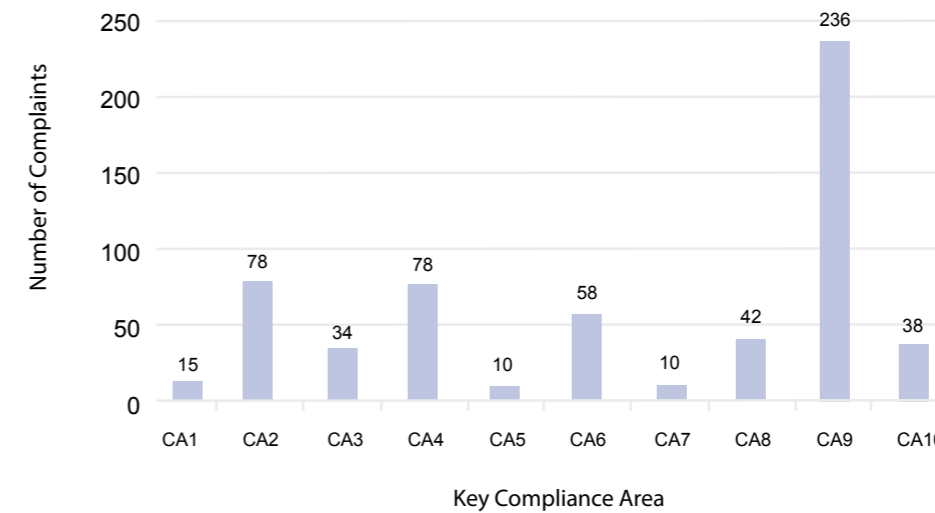
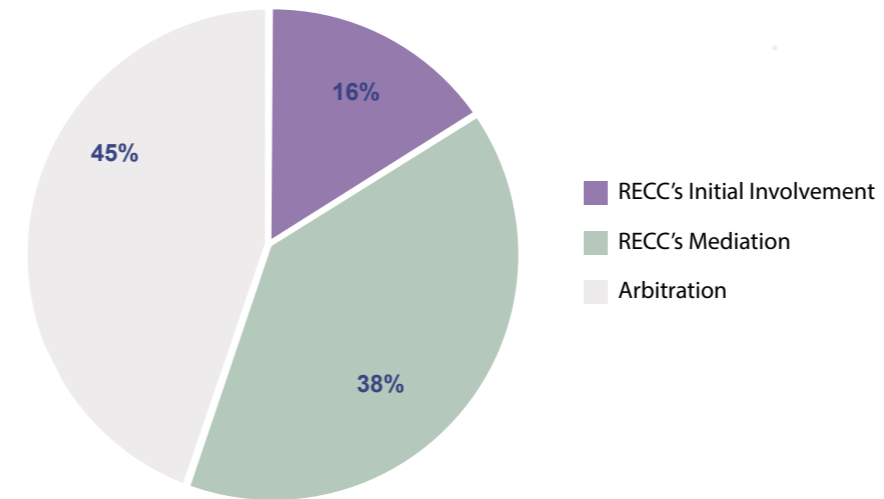


Table 6.3 - Key Compliance Areas

| | |
|------|---|
| 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 |

Figure 6.6 - Means by which disputes registered with RECC were resolved in 2020



6.2 Resolving consumer complaints

In 2020 RECC successfully resolved 31 disputes and in total consumers recovered a total of £28,060. Of this £6,185 was recovered directly by RECC's Dispute Resolution Team and £21, 875 was awarded to consumers via the Independent Arbitration Service. Additional non-financial resolutions achieved consisted of 3 apologies, 7 disputes where consumers were issued with documents and 15 disputes where consumers had remedial work completed.

RECC's Dispute Resolution Process is made up of 3 key stages: initial involvement upon registration of a dispute, mediation (informal and formal) and the Independent Arbitration Service. The method used to resolve a dispute depends on a number of factors such as the complexity of the issues and the prospects for achieving a resolution within a timely manner. Generally, informal mediation is effective in simple single-issue disputes, whereas

formal mediation and arbitration is more suitable in complex disputes particularly in cases where the relationship between the parties has deteriorated.

Of the 31 disputes resolved:

- 5 were resolved following RECC's initial involvement;
- 12 were resolved through RECC's formal mediation procedure; and
- 14 were resolved by the Independent Arbitration Service.

In total RECC's Dispute Resolution Team successfully resolved 54% of the disputes that fell within its remit, as shown in Figure 6.6. Examples of the resolutions achieved for consumers include:

- provision of documents e.g., MCS certificate and insurance backed workmanship warranty;
- removal of a product, refund and compensation, a total of £2,239.23;
- compensation for loss of financial incentive;
- annual maintenance service;
- replacement of faulty inverters; and
- writing off an invoice.

Of the 17 disputes resolved by RECC's Dispute Resolution Team, it took an average of 5.6 weeks. 8 disputes were resolved in fewer than 5 weeks, whilst 2 disputes were resolved within 9 weeks. The remaining 7 disputes took slightly longer than expected. However, this can be attributed to the national lockdown caused by Covid 19 which increased the response times of the both parties, in particular Code Members. Some initially closed their offices and made adjustments to allow their staff to work from home. RECC put measures in place to contact Code Members to assess their availability to participate in the dispute resolution process.

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

6.3 Referring consumer disputes to the Independent Arbitration Service

During 2020, 14 disputes were referred to the Independent Arbitration Service. As a result, a total of £21,875 was awarded to consumers.

The Independent Arbitration Service is administered by the Centre for Effective Dispute Resolution on RECC's behalf. It is the final stage of RECC's Dispute Resolution Process and is offered to consumers if a dispute has not been resolved through mediation. In some instances, consumers can access arbitration straightway without using mediation. In 2020, consumers raised issues relating to contract cancellation rights, mis-selling, faulty products, and provision of documents. Of the 14 awards, as illustrated in Figure 6.8, 3 claims were unsuccessful (29%) and 11 succeeded (79%). All consumers with successful awards were also issued with a refund of the £120 registration fee³ and included financial and non-financial terms. Of the 11 awards in which consumers' claims succeed:

- the average amount awarded per award was £1,988; and
- the highest amount awarded was £7,470 for a deposit refund.

Consumers also succeeded in securing non-financial awards such as completion of remedial work. Once an award is published, both parties have 15 working days to comply fully with the terms or 28 days to seek permission from the High Court to appeal the award. At the end of the 28 day period, RECC monitors Code Members' compliance with any awards against them.

³ Except for 1 award where the consumer was refunded 50% of the registration fee.

Figure 6.7 - Total recovered for consumers in 2020 through RECC Dispute Resolution Process

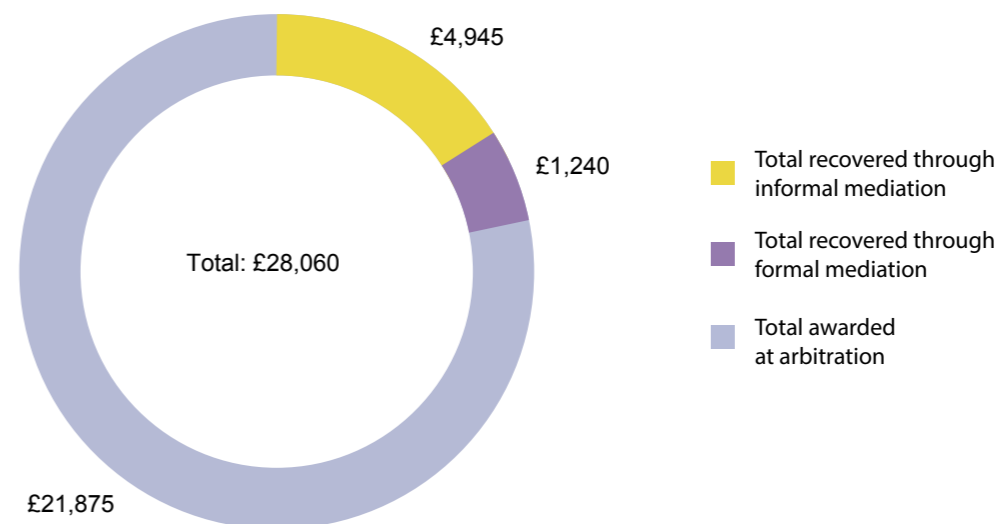
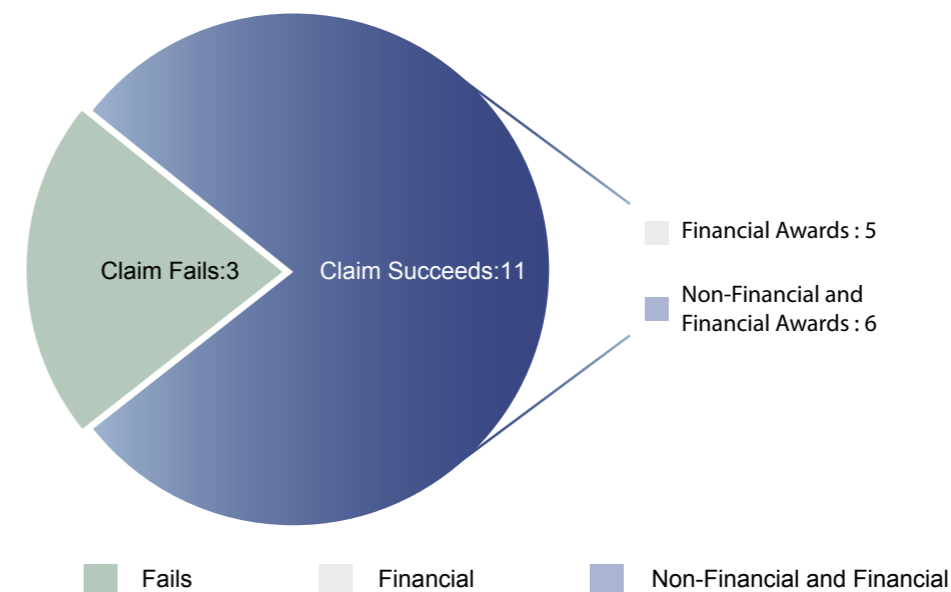


Figure 6.8 - Summary of the 14 domestic arbitration awards made in 2020



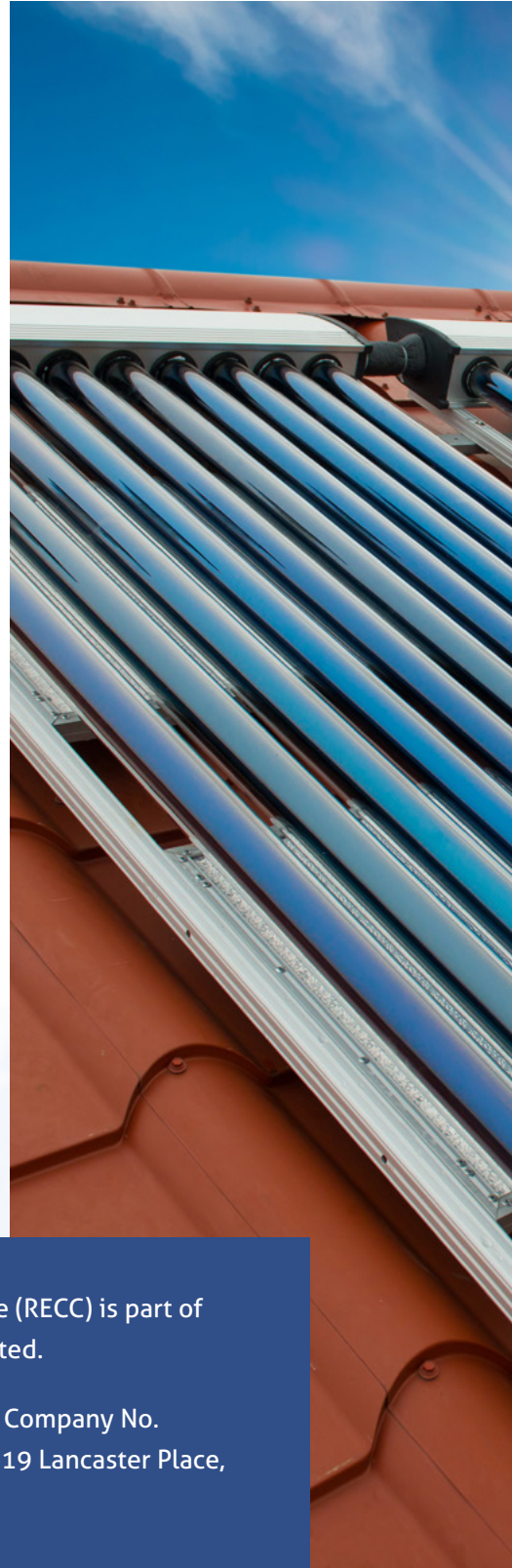


In 2019 REAL achieved certification of its Quality Management System to the ISO 9001:2015 standard.

The ISO 9001:2015 standard is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement. Using ISO 9001 helps ensure that customers get consistent, good-quality products and services, which in turn brings many business benefits.

The seven quality management principles are:

- customer focus
- leadership
- engagement of people
- process approach
- improvement
- evidence-based decision making
- relationship management.



Renewable Energy Consumer Code (RECC) is part of Renewable Energy Assurance Limited.

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