



Annual Report 2022

An overview of RECC's
activities during the year

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A word from our Chief Executive

Welcome to our 2022 Annual Report. I hope you will enjoy reading about RECC's activities during the year.

2022 was RECC's seventeenth year of operation. For us it was a year of rapid growth and development. During the year, our membership increased significantly from 2,000 to over 3,000. We responded to the increase in applications by ensuring that the due diligence checks we carry out were as rigorous and as streamlined as possible. As a result, we managed to reduce the wait time for applicants to an average of just two weeks while ensuring that only suitable applicants were admitted as members.

During the year, our members completed over 108,000 installations across the UK. They installed a very high number of solar PV combined with battery storage systems, largely in response to very high electricity prices caused by the energy crisis. In contrast they installed a smaller number of air-source heat pumps than anticipated despite the capital grants available through the Boiler Upgrade Scheme.

In parallel with this the RECC Compliance Team has closely assessed a record 1,642 members for compliance with the Code, either by means of a detailed Due Diligence Check of their application, a Compliance Check or an in-depth audit assessment. In this way, the Team has ensured a high level of consumer protection is maintained in the sector. You can read all about this and the other RECC Teams' achievements during the year in the report that follows.

I am very grateful to the Supervisory Panel which continued to oversee our work and ensure we met the rigorous standards set for us in 2022. Chaired by Steve Lisseter, the Panel is comprised of a



range of stakeholders including consumer bodies, independent experts, certification bodies and Government observers. The Panel met on 16 March, 21 July and 13 October in 2022.

Once again, I pay tribute to my hard-working, dedicated colleagues who work tirelessly to drive up consumer protection standards and thank them for their valuable contribution to the sector over the year.

I am hopeful that the high levels of activity will be maintained in 2023 as we all set our sights on achieving Net Zero greenhouse gas emissions.

Virginia Graham
Chief Executive, REAL

Promoting the Code in 2022

The Renewable Energy Consumer Code (RECC, the Code) is the largest and most experienced consumer code in the industry.

Established in 2006, we work tirelessly on behalf of our members and their consumers to ensure high standards across the small-scale renewable energy generating sector. By being a RECC member businesses show they are committed to high standards of consumer protection and stand out from their competitors. By choosing a RECC member consumers can have confidence and peace of mind when purchasing or leasing, and installing, a small-scale renewable energy generating system.

During the year, we continued to promote and improve the Code, and our offering to members. We developed a new Primary Authority arrangement with Buckinghamshire and Surrey Trading Standards to ensure our model documents and guidance are the best they can be, continued to refine our processes which helped REAL to maintain its ISO 9001 Quality Management certification, and attended several in-person shows and events to meet our members and to hear their views on what we do.

We received over 1,600 new applications to join the Code. Throughout the year our Membership Team ensured that applications were processed quickly and efficiently whilst maintaining the high standards we expect. They successfully processed 1,387 applications and we were very happy to welcome 1,074 new members during the year.

Our Compliance Team worked actively to promote consumer protection and compliance with the Code. **During the year, the team carried out 215 Compliance Checks on Code members, undertook 40 audits and required 121 members to respond to suspected breaches of the Code and/ or Bye-Laws.** Over the year a total of 17 businesses had their memberships terminated for non-compliance with the Code and/or Bye-Laws.

Our Dispute Resolution Team worked tirelessly to resolve complaints, providing Code members and consumers with an impartial ADR approved mediation service, as well as an arbitration service. **During the year we registered 382 complaints and, where issues were found, over £176,500 was recovered for consumers through the Dispute Resolution Process.**

Snapshot of our 2022 numbers

- **3,037 businesses were members of the Code**
- Our members installed over 108,000 renewable energy generators across the UK
- 1,675 businesses applied to become a member of the Code
- 1,642 businesses were monitored in line with our Monitoring Strategy
- 121 members were asked to respond to breaches of the Code and/or Bye-Laws
- £176,557 was recovered for consumers through our Dispute Resolution Process

1. The small-scale renewables sector

The small-scale renewables sector broadly consists of renewable heat and power generators installed in domestic consumers' homes. During 2022, there were a number of schemes in place which incentivised consumers to engage with renewable energy in their homes.

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 (FIT) scheme to new applicants. Generators receiving FIT payments are not eligible for the SEG. Ofgem published its second annual report on the SEG in September 2022 covering the period 1 April 2021 to 31 March 2022. We are grateful to Ofgem for permission to publish the chart and tables from it here.

Ofgem reports that, during the period, there were 12 electricity suppliers offering 36 different tariffs for SEG payments, with over 34,000 installations registered. The chart below (Figure 1.1) shows the installations registered by electricity supplier. SEG-registered installations exported 24.4 GW of low-carbon electricity to the grid.

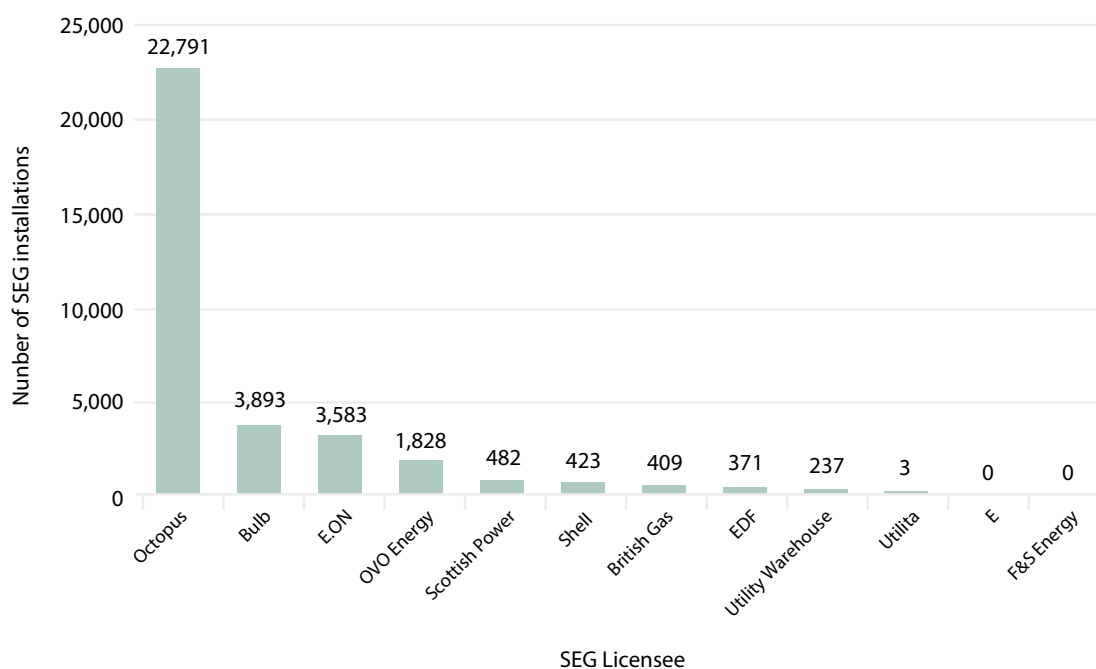
"Thank you so much. I'm always suspicious of ""Check a trader"" type sites. However you have been superb and given me a much better opinion of trade bodies.

Your input has been consistent, vigilant, well communicated and above all effective. Much, much better than my experience of the credit card company! I have closed my Card with the bank due to the poor service I experienced.

Might you recommend a solar company to quote for a similar install? Perhaps more local to Hertfordshire.

Again, thank you. Its good to find effective people to deal with."

– June 2023

Figure 1.1 - Electricity suppliers registering installations on their SEG tariffs

Solar PV accounted for over 99.9% of the total registered installations as well as of the total installed capacity, as shown in the table (Table 1.1).

Table 1.1 - Installations and installed capacity registered on the SEG by technology

Technology	Installations	Installations (%)	Installed capacity (kW)	Installed capacity (%)
Solar PV	33,998	99.94	155,647	99.93
Wind	5	0.01	26	0.02
Hydro	0	0	0	0
AD	4	0.01	46	0.03
Micro-CHP	13	0.04	36	0.02
Total	34,020	100	155,755	100

Solar PV installations with installed capacity of between 4 and 10 kWp accounted for 61% of the total solar PV installed capacity and 51% of the total registered solar PV installations. They accounted for 60% of the solar PV exported electricity and 62% of the total SEG payments (over £1 million) made for solar PV during the period as shown in Tables 1.2 and 1.3 below.

Table 1.2 - Solar PV Installations registered on the SEG by installed capacity

Capacity	Installations	Installations (%)	Installed capacity (kW)	Installed capacity (%)
4kW or less	15,970	46.97	45.0 MW	28.91
4.01 to 10kW	17,423	51.25	95.3MW	61.23
10.01kW to 50kW	572	1.68	8.8MW	5.66
50.01kW to 1MW	32	0.09	5.0 MW	3.20
400.01kW to 1MW	0	0	0 MW	0
Over 1MW	1	0	1.6 MW	1.00
Total	33,998	100	155.6 MW	100

Table 1.3 - Export and payments associated with solar PV installations

Capacity	Solar PV stations registering export	Solar PV stations receiving payment	Solar PV Export (kWh)	Solar PV payments
<=4kW	15,971	12,748	8,216,406	£525,507.20
>4kW to <=10kW	17,423	14,852	14,704,946	£1,035,367.19
>10kW to <=50kW	572	456	1,060,260	£85,986.37
>50kW to <=400kW	32	22	381,298	£12,626.12
>400kW to <=1MW	0	0	0	£0.00
>1MW	1	1	935	£29.92
Total	33,999	28,079	24,363,845	£1,659,516.81

“As I mentioned in the previous e-mail from April, all we wanted was a speedy resolution to our problems. I therefore contacted R.E.C.C., explaining our various difficulties with [the company] and I am delighted to say that they sorted everything out very quickly – I cannot speak too highly about R.E.C.C.”

– July 2023

1.2 Boiler Upgrade Scheme

The Boiler Upgrade Scheme (BUS), was launched in 2022. It provides upfront capital grants to support the installation of heat pumps, and in some circumstances biomass boilers, in homes and some non-domestic buildings. The BUS is open to properties located in England and Wales. It will run from 2022 to 2028.

Under the BUS consumers can claim:

- £5,000 towards the cost and installation of an air source heat pump
- £5,000 towards the cost and installation of a biomass boiler
- £6,000 towards the cost and installation of a ground source heat pump

Heating systems commissioned on or after 1 April 2022 date are entitled to support under the scheme. (Commissioning is the completion of installation and set-up of the system.) Installers must open an account for the BUS with Ofgem, the scheme administrator, before submitting grant applications.

Ofgem reports that, between May and December 2022, it received 11,510 voucher applications of which 6,721 were paid. 96% of the voucher applications received were for air-source heat pumps, while 97% of the voucher payments made were for air-source heat pumps.

Since the launch Government has announced that the scheme will be extended by three years, to close in 2028. The Government hopes that total voucher payments will increase considerably during that time and that this will contribute to its ambitions for wide-scale deployment of heat pumps.

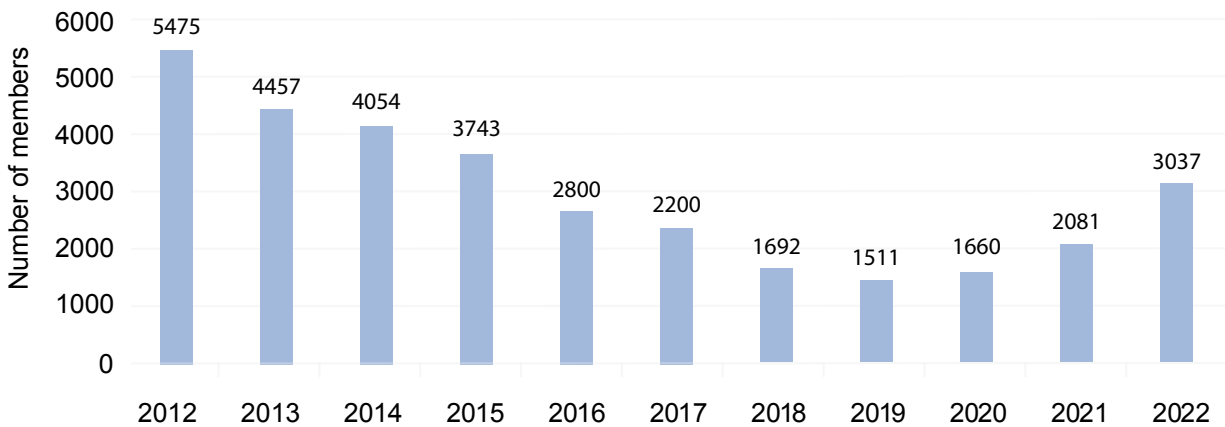


2. Code membership

Membership of the Code continued to grow throughout 2022 and, at year end, we had over 3,000 members. Figure 2.1 shows how membership of the Code has changed over the past 10 years and we are pleased to see the sector expanding again.



Fig 2.1 - Total number of Code members by year



We were delighted to receive 1,675 new membership applications in 2022, a 116% increase from the number of applications received in 2021. Applications came from businesses offering a wide range of business models and technologies, and we saw a consistently high number of applications received per month as we moved through 2022 (see Figure 2.2).

Compared to applications received in 2021, we saw a significant increase in the number of applicants wanting to offer solar PV and battery storage products - 75% of all applicants sought to offer solar PV and 52% battery storage, compared with 28% and 20% in 2021. We also saw a decrease in the number of applicants wanting to offer Air Source Heat Pumps (37% compared to 50% in 2021) and a slight increase in applicants wanting to offer wind power (2.9% compared to 0.9% in 2021). (See Figure 2.3 for a comparison of all technologies).

Fig 2.2 - Applications received by month comparison between 2020-2022

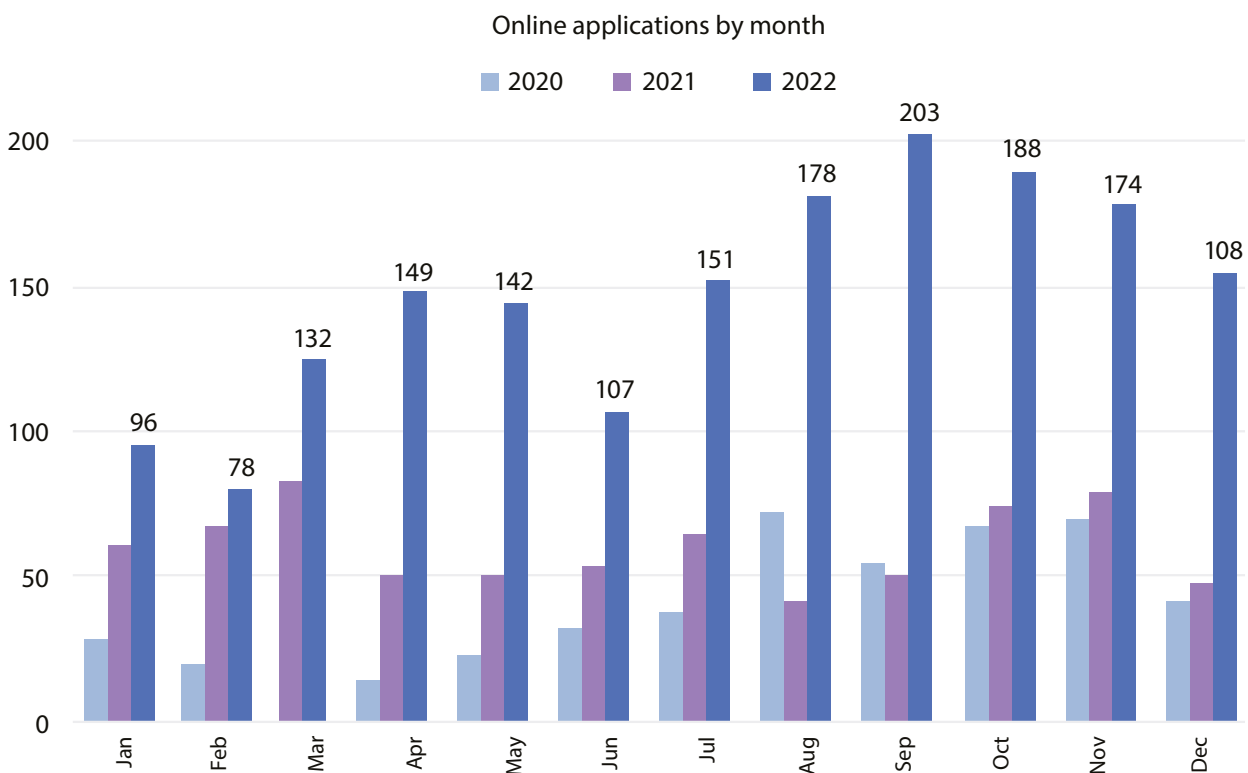
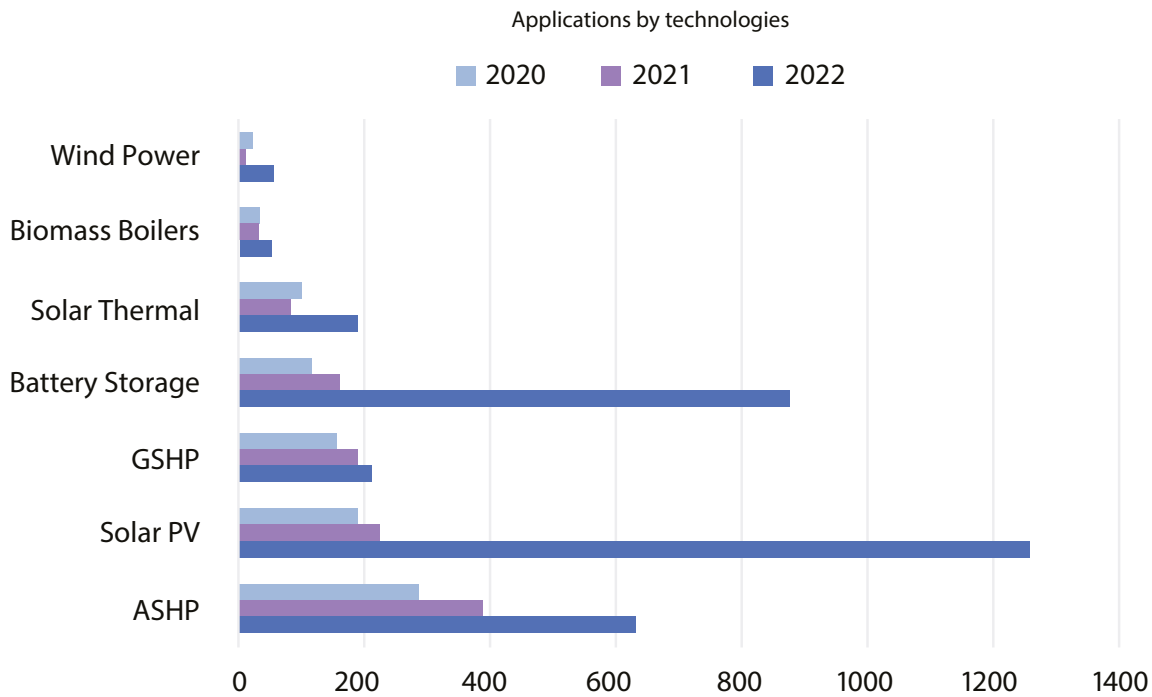


Fig 2.3 - 2022 applications by technology



Despite the increase in members in 2022, the split between the type of business that makes up our membership has not changed throughout 2021 though the technologies they are offering has. Figure 2.4 shows that, in 2022, 45.3% of members were working with electricity-generating technologies only, namely solar PV, wind and/or battery storage (+10%), and 54.7% were working with a variety of technologies including renewable heating systems (-10%). Figure 2.5 shows that, in 2022, 90% of members were small and medium-sized enterprises, largely falling into our smallest category for incorporated companies or partnerships with 1-6 employees. Of the 3,037 members, 4.5% were sole traders and 4.8% were businesses which sit in our Commercial Only category.

Fig 2.4 - 2022 membership by technology category

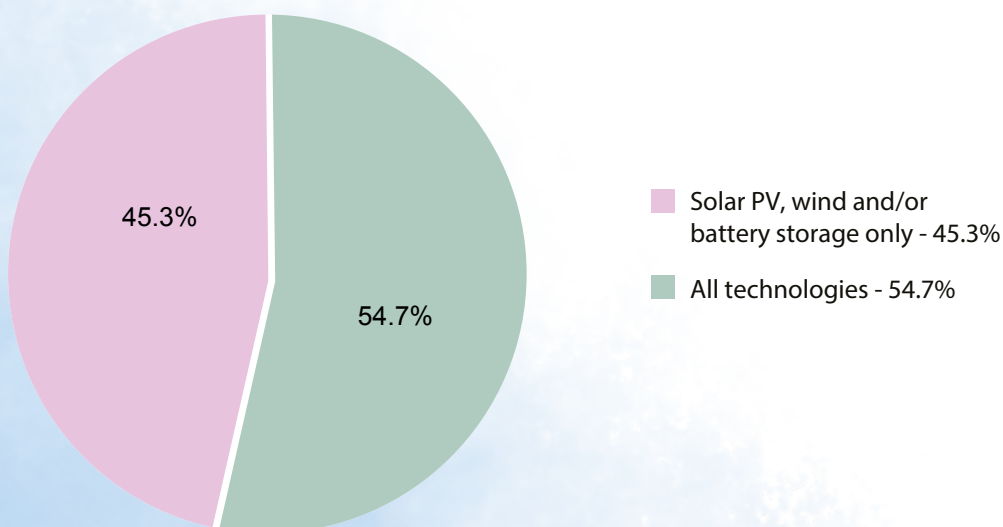
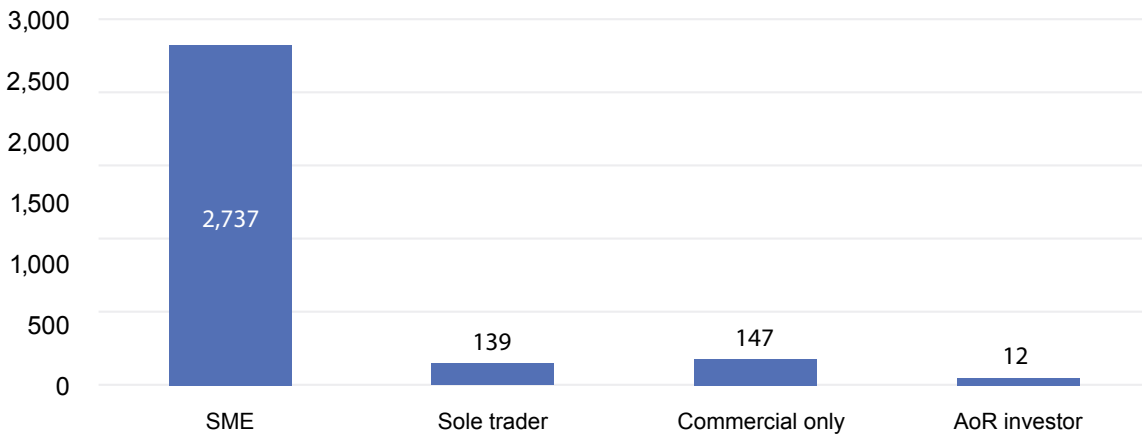


Fig 2.5 - 2022 categories of membership



In 2022, our members installed over 108,000 energy generators in the UK, a 54% increase from 2021. Whilst Covid had an impact on installation numbers in mid-2020, the 2022 installation levels are significantly greater than 2019 and 2021 installation levels. Figure 2.6 shows which technologies our members have been installing over the past 3 years and Figure 2.7 shows a comparison of installation levels by month over the past 3 years. Whilst the number of heat pump installations has increased slightly in 2022 (9.5%), the number of solar PV installations has increased dramatically by 90%. Installation numbers remained above 6,000 per month throughout the year, peaking at 12,000 in March. This peak was likely connected to the closure of the DRHI scheme.

Fig 2.6 - Total installations completed by RECC members by year and technology

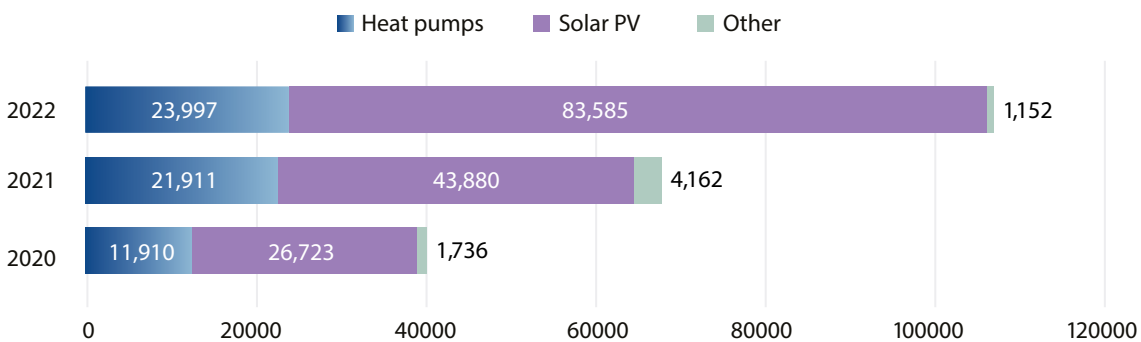
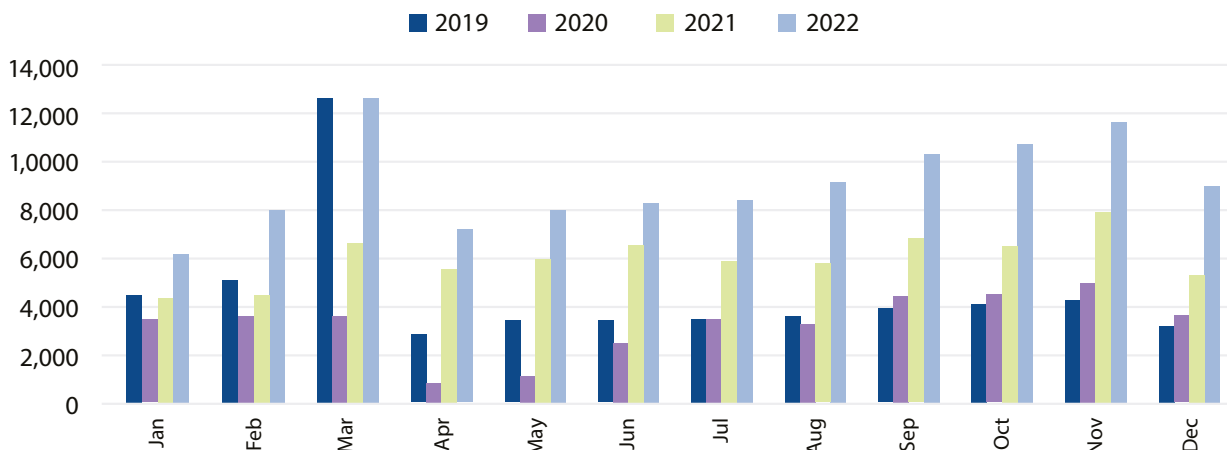


Fig 2.7 - Total installations by members by month 2019 to 2022



3. Monitoring compliance with the Code

In 2022, 1,347 members had their businesses closely assessed for compliance with the Code, either by means of a detailed Due Diligence Check of their application, a Compliance Check or an in-depth audit assessment.

We use 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) and consumer complaints;
- 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, and other industry stakeholders, including MCS, TrustMark and BEIS.

Members and, as far as possible, applicants, are monitored against 10 key compliance areas (CAs). (See Table 3.1 below for an explanation of these). Full details of our current Monitoring Strategy can be found at recc.org.uk/monitoring/monitoring-strategy. We will be working with CTSI in 2022 to update this strategy.

3.1 Monitoring applicants

The first rung of the Monitoring Strategy is the Due Diligence Check 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.

Each applicant is subject to the same in-depth Due Diligence Check. The check includes a full check of the business and any individuals associated with it, during which we check the veracity of the declarations made and scrutinise their compliance checks; and a full assessment of the applicant's documentation, including their contracts and performance estimates, and the content of any website(s) and any social media pages.

If, following a Due Diligence Check, we 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 and subject to Conditions; or
- referred to the Independent Applications Panel (IAP); or
- rejected without reference to the IAP.

"I just received the full refund of the deposit. Thank you so much for all your help and advice. We have felt conned and we would be in a very different position if it wouldn't have been for RECC."

– March 2023



In making a decision about whether an application should be accepted, we are able draw on our significant experience in the sector, over 12 years of records relating to businesses and individuals working the sector, and our complaints database with over 12,000 complaint records. This uniquely places us in a position to quickly identify and react to applications from phoenix companies and/or from businesses connected to individuals of concern. If initial checks on an applicant's business history show that they are not fit and proper for Code membership, the application will be rejected before an assessment of the applicant's documentation takes place.

During 2022, an in-depth Due Diligence Check was carried out on 1,387 applicant businesses. Due to an increase in applications received in 2022, this marks a 159% increase compared to Due Diligence Checks undertaken in 2021 (536). Of the 1,387 applicants checked:

- 1,074 were accepted as members of the Code, 2 of which were accepted for a defined period of temporary Code membership and subject to conditions for reasons including:
 - use of the RECC logo without authority;
 - failing to pay invoices related to handling disputes whilst previously a Code member; and
 - connections to a previous Code member who had failed to cooperate with an audit;
- 1 was rejected due to a connection with a previous Code member we had received multiple complaints about regarding its advertising and sales practices, and the behaviour of their sales representatives; and
- 310 had their applications closed - an application may be closed after an applicant withdraws its application once it has become aware of issues we have identified or if it has failed to

pay the membership fee and/or respond to our communications within a reasonable timeframe.

The Membership Team has the power to reject an application without reference to the IAP, allowing us to take conclusive decisions on membership. In doing so, we must give the applicant the option of referring their application for reconsideration by the IAP. The IAP can decide that an application should be accepted with or without conditions, accepted on a temporary basis with conditions, or rejected.

In 2022, 1 application was rejected without reference to the IAP. This applicant was given the option to have their application reconsidered by the IAP; however, they did not request such reconsideration. All 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.



3.2 Compliance Checks

As a condition of Code 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 non-compliance is highest; and
- comprehensive, to ensure that members' compliance with all key elements of the Code is monitored at regular intervals.

We have developed a robust process for carrying out Compliance Checks which allows us to conduct a full assessment of compliance in a swift and timely manner, and then 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 and 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). We also analyse complaint information recorded on the RECC complaints database and review the contractual documentation supplied by consumers.

During 2022, 215 members were the subject of a Compliance Check, an increase of 44% from 2021. The candidate members were selected for several reasons, including:

- 24 members who had their MCS certifications suspended or withdrawn;
- 55 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;
- 8 members who had recorded inadequate insurance information on the MID; and
- 8 members about whom we had received information about their compliance with the Code from a consumer and/or industry stakeholder.

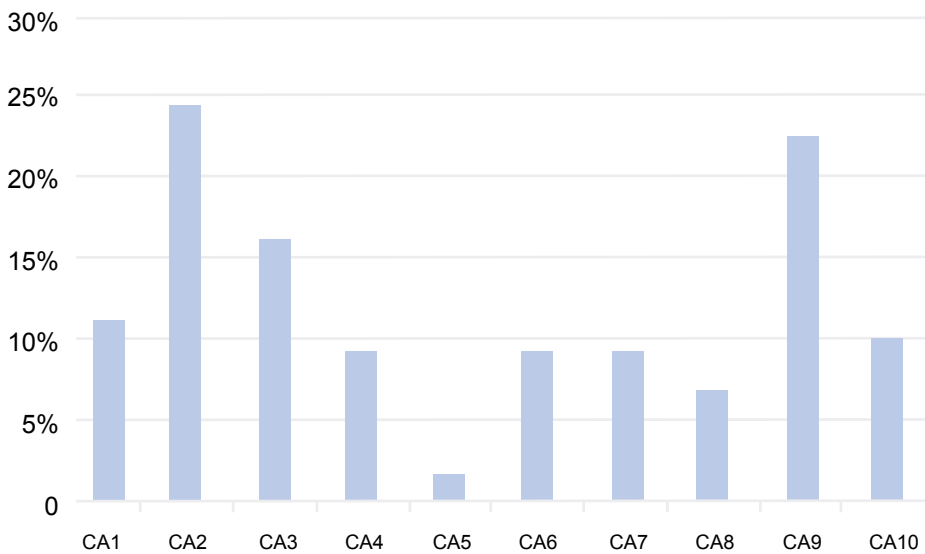
We record the results of each Compliance Check, along with the recommended action, and the relevant key CAs which have been flagged as a risk for each member. Figure 3.1 shows the results of each Compliance Check by the Cas set out in Table 3.1. The most common areas and issues flagged were:

- Awareness of Consumer Protection/ RECC (CA1) - related to the failure to display the RECC and/or CTSI approved logos on websites
- MCS (CA2) - related to a member's loss of or suspension from MCS certification or not being MCS certified for all products offered to domestic consumers
- Marketing and Selling (CA3) - related to unsourced or substantiated claims made in online marketing materials, or using logos incorrectly and/or without authority
- After-sales (guarantees, workmanship warranties, warranty protection, after sales support and customer service) (CA9) – related to incorrect or inconsistent information about workmanship warranty insurance provided on the MID.



“Thank you for your email. I can confirm that the second battery has now been installed and is in good working order. Please thank [the dispute resolution officer] for his help and support.”

– March 2023

Fig 3.1 - Compliance Check results by Compliance Area in 2022

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 215 Compliance Checks, we decided to:

- send 115 members compliance communications regarding insurance and/or issues found on their online marketing;
- allocate 63 members for a desk-based audit;
- take no further action in the case of 20 members;
- carry out further monitoring in the case of 4 members;
- place 10 members into the disciplinary procedure; and
- refer 3 members to the Membership Team to make administrative changes to their membership records.

3.3 Audits

When a member is allocated for an audit, it will be allocated for either a desk-based 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 pre-audit compliance assessment, 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 2022, we allocated 56 members for a desk-based audit. Of these, 40 were completed, 2 members had the Code membership terminated after they failed to respond to their audit allocation, 1 member's audit was closed before completion after we chose to take disciplinary action against the member, and 13 were incomplete at the end of 2022 as either the member was yet to provide a full response to the audit or the auditor was yet to complete the audit assessment.

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

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

Of the 40 audits completed in 2022, 2 members passed in the first instance, 28 failed in the first instance and were subsequently passed and closed after the member demonstrated that it had made the necessary changes to its business practices, 1 was referred to non-compliance, and 9 remained open at the end of 2022 with minor outstanding issues.

Whilst 38 members technically failed their audits, in most cases this was not an indication of serious problems or consumer detriment. The audits are a welcome opportunity for members to learn and to make improvements in their day-to-day practices and most issues found were easily remedied by the member. Figure 3.2 below shows the results from the completed 2022 audits against the CAs set out in Table 3.1. The most frequent areas of non-compliance were:

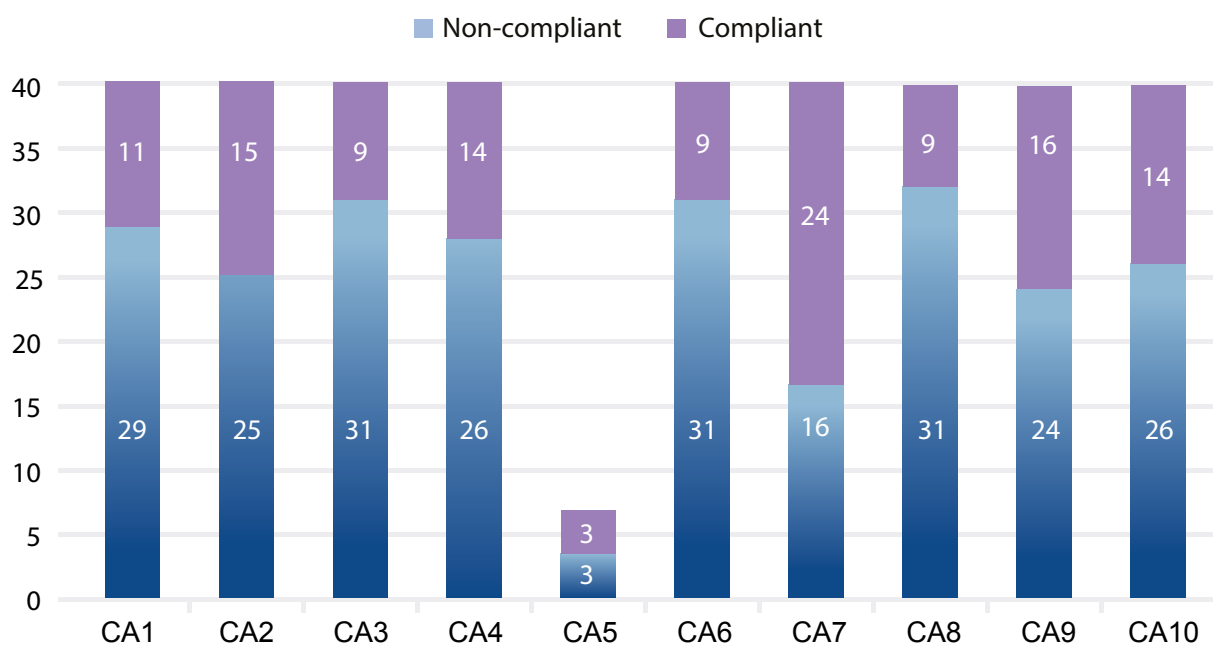
- **Marketing and Selling (CA3)**
Issues found mainly related to the content of a member's website, notably unsubstantiated or unsourced claims about how a system would perform and/or how much a consumer would save on their energy bills, the use of consumer testimonials within marketing materials without written permission from the consumer, and the content of members' internal policies for dealing with consumers in vulnerable circumstances.
- **Contracts and Cancellation Rights (CA6)**
Most common issues found related to the provision of certain required terms within the member's contractual terms and conditions, including the right to cancel should the main energy generator or related products differ from what was originally agreed either by design or in terms of the product available. Another prevalent issue was the member not keeping an adequate record of contract cancellations and the reasons for these cancellations.
- **Completing the Installation (CA8)**
The main issues identified in this area were problems with the designs given to consumers (either designs not being given at all or designs not clearly showing the location of the component parts in the consumer's property) and members failing to evidence that consumers had reviewed and agreed the final designs.

At the end of each audit round, the results of all completed audits are collated to provide a picture of compliance levels by member, by CA, across the Code and over time. Where common issues have been identified, we will endeavour to provide all members with guidance and/or training in these areas.

"Thank you for providing a speedy and efficient resolution of our complaint against [the company]. ... We are very grateful that you have achieved that so quickly."

– June 2023

Fig 3.2 - Ares of non-compliance in 2022 audits by Key Compliance Area



Note on Figure 3.2 – members are only assessed for compliance with CA5 (Finance agreements) at audit if that offer finance to domestic consumers.

Table 3.1 - Key Compliance Areas

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



Enforcing compliance with the Code

3.4 Investigating breaches of the Code

In 2022, 121 members were asked to respond to suspected breaches of the Code and/or Bye-Laws, a significant increase from 2021 (68). Whilst this increase is significant, it is not a sign of increased non-compliance across Code members. The increase in the number of members contacted about potential breaches is linked to how we identify and react to risk, as well as an increased capacity for checks.

In 2022, 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, including:

- complaints, including feedback complaints and arbitration outcomes;
- the results of monitoring activities;
- intelligence from Citizens Advice, Trading Standards, the Advertising Standards Authority, 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.

Of the 121 members who were invited to respond to evidence of a potential breach of the Code and/or Bye-Laws in 2022:

- 9 had non-compliance action invoked against them in accordance with clause 7 and/or 9 of the Bye-Laws, of which:
 - 3 had their Code membership terminated;
 - 4 were closed after the member took the necessary action to resolve the issues identified;
 - 1 agreed to a Consent Order; and
 - 1 was ongoing at the end of 2022.
- 112 were sent compliance notices, of which:
 - 4 had their Code membership terminated;
 - 100 were able to resolve all issues and/or areas of concern identified; and
 - 8 were still ongoing at the end of 2022.

As well as the 121 members who were asked to respond to evidence of potential breach, of the 15 compliance cases which were ongoing at the end of 2021, 14 were closed in 2022 after the member was able to demonstrate compliance and 1 member had its membership terminated.

In total, 17 members had their Code membership terminated in 2022 for non-compliance with the Code and/or Bye-Laws. Terminations occurred for several reasons, including:

- 1 member who failed to comply with an arbitration award;
- 3 members who lost their MCS certification and were unable to provide us with a reasonable explanation for the loss;
- 3 members had the Code membership terminated after they failed to respond to their audit allocation or failed to respond to compliance communications; and
- 1 member who failed to adequately insure consumer deposits and workmanship warranties.



4. Consumer complaints

4.1 Quantifying consumer complaints

In 2022, we registered a total of 382 complaints, an increase of 13% from 2021 as shown in Figure 4.1. On average we received 32 complaints per month and most complaints were registered in the first and last quarters of the year. The month with the highest number of complaints was March (57) which was likely linked with the closure of the DHRI, whilst June had the lowest number (17). Of the 3,037 Code members, only 135 had a complaint registered against them as shown in Figure 4.2. This means that 96% of members did not have a complaint registered against them in 2022.

Fig 4.1 - Total number of complaints registered by year

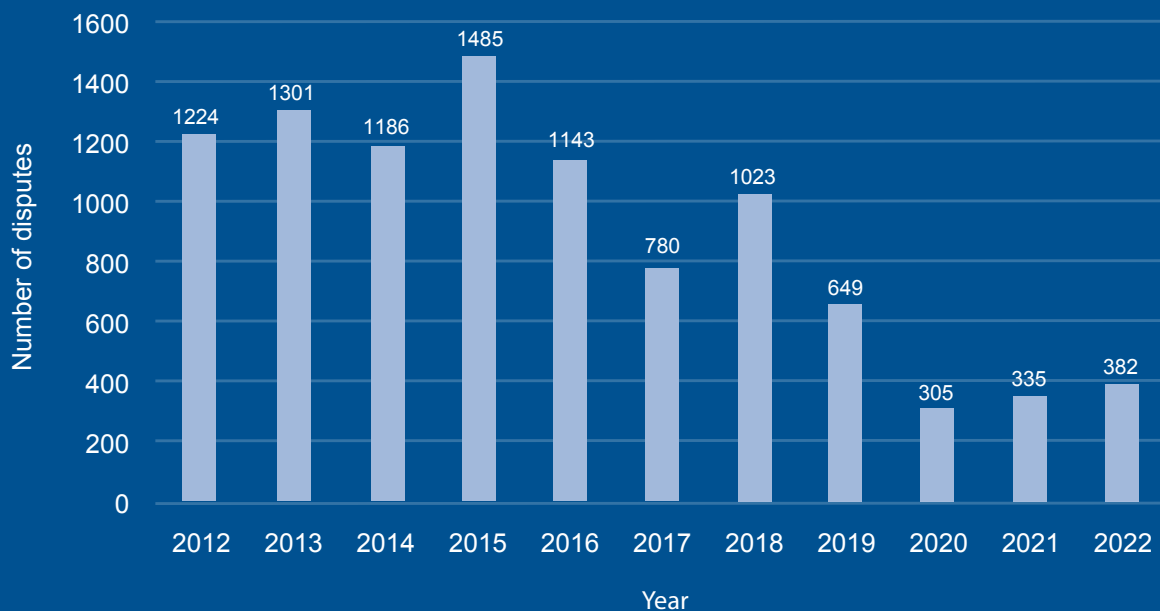
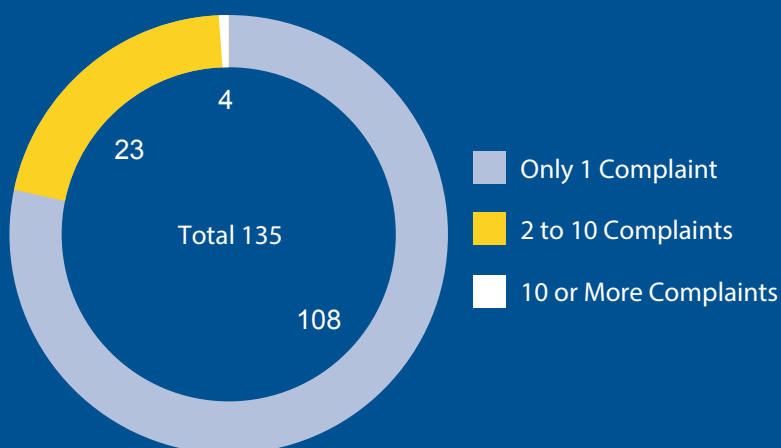


Fig 4.2 - Number of Code members with complaints registered against them in 2022



4.2 Categorising consumer complaints

By complaint status

Of the 382 complaints registered in 2022:

- 237 (62%) fell within the remit of the Code and were addressed through RECC's Dispute Resolution Process;
- 74 (19%) were classified as feedback or potential complaints: a complaint in which the complainant wishes to bring a business' practice to our attention but is not seeking a specific outcome or response. These complaints concerned both current and former Code members;
- 50 (13%) were, at least in the first instance, most appropriately handled by a third party, e.g. the member's MCS Certification Body where the complaint includes technical issues with the installation;
- 16 (4%) concerned a non-member business that was a member of another CTSI approved consumer code. These complaints are passed to that code for action; and
- 5 (1%) were raised by non-domestic complainants and therefore the complaints could not be handled through the Dispute Resolution Process. A non-domestic complainant may be, for example, a complainant who operates a small business on the property where the energy generator is installed.

The number of complaints handled through the Dispute Resolution Process has increased by 21% compared to 2021 and we continue to handle a high proportion of the total number of complaints received. Feedback and potential complaints decreased by 23% compared to 2021, whilst the number of complaints falling in the other categories remained broadly the same.

By membership status

Of the 382 complaints registered in 2022:

- 231 (60%) were registered against businesses who were members of the Code in 2022;
- 120 (31%) were registered against businesses who were not members of the Code in 2022 but who were members of the Code when the consumer signed a contract with them; and
- 31 (8%) were registered against businesses who have never been members of the Code.

Complaints against current or former members were handled through the Dispute Resolution Process, except for complaints about former members where the business is no longer trading or where the business has become a member of another CTSI approved consumer code.

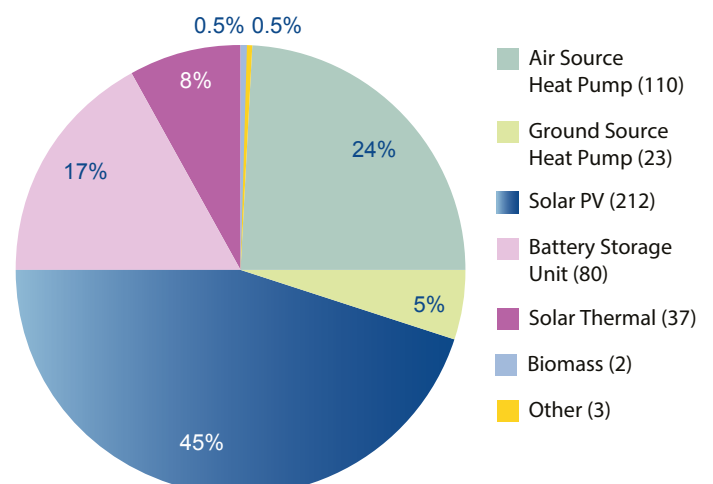
By technology

The top 3 energy generators about which complainants registered complaints in 2022 were:

1. Solar PV;
2. Air Source Heat Pumps; and
3. Battery storage.

Solar PV accounted for 44% of all complaints received, a slight increase of 7% compared to 2021. Air source heat pumps represented 23% of the total, a 10% decrease compared to 2021. (See Figure 4.3 for a full break down of complaints by technology).

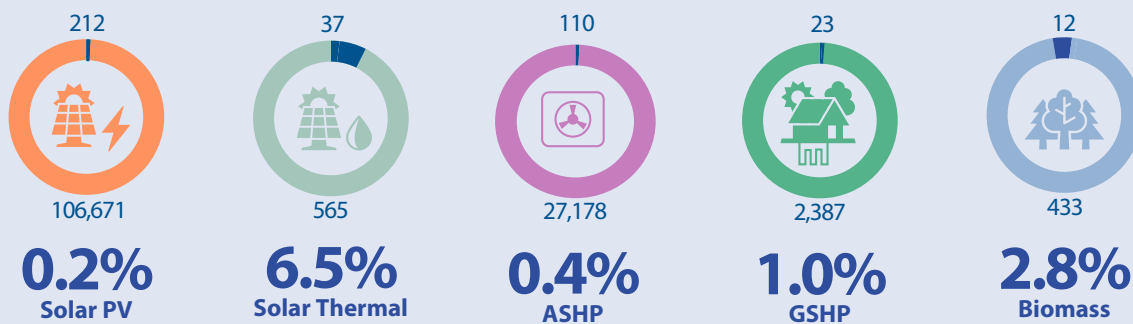
Fig 4.3 - Complaints registered with RECC in 2022 by technology



Complaints about battery storage products almost tripled in 2022 (80 received in 2022 compared to 28 in 2021). Over 250 battery storage installations were registered by MCS certified installers in 2022, the first year of registration for this technology after the launch of the MCS Battery Storage Installer Standard in January 2020. Whilst Code members have offered battery storage products since 2015, it is likely to be a significant area of growth in terms of the number of complaints and installations over the next few years as we get a better understanding of how many installations are being completed. Typically, consumers sign a contract for solar PV with battery storage, though there are instances where a battery storage product is installed as a standalone product or retrofitted with an existing solar PV system.

In 2022, few members were MCS certified for battery storage products. We expect the number to increase significantly over the next 12 months. This will build confidence in the sector by ensuring that installers are held to the same robust and accountable standards as other technologies.

Figure 4.4 - Complaints registered by technology as a percentage of all domestic installations in 2022¹



¹ Installation numbers are taken from the MCS Data Dashboard <https://datadashboard.mcscertified.com/InstallationInsights>. Please note that complaints may relate to installations carried out before 2022. This means that conclusions cannot be drawn between the numbers of complaints registered in 2022 as a proportion of the total domestic installations carried out in 2022 for any technology.

Snapshot of issues reported by consumers

Solar PV and battery storage systems

- **Product faults:** panels, inverters, battery storage units (including issues with charging, discharging, and connectivity) and product supply issues.
- **Missing documentation or information:** failure to provide correct documentation or MCS handover pack, and incorrect information in contractual documents.
- **Installation issues:** incomplete installations, loss of MCS certification prior to completion of installation, property damage, poor workmanship, failure to carry out adequate survey and/or install according to agreed design, and incorrectly sized batteries.
- **Contractual:** cancellation of contract and failure to refund deposits paid, misrepresentation of MCS certification at the point of contract and misrepresentation of battery functionality during power cuts.
- **Other:** failure to notify District Network Operator of installation.

Heat pumps

- **Product issues:** product failures.
- **Installation issues:** incomplete installations, incorrectly sized heat pumps, failure to assess suitability of property's existing plumbing, damage to property, leaks in the system, failure to carry out adequate survey prior to installation and poor workmanship/ poorly serviced system.
- **Performance:** noise issues and high running costs above figures quoted.
- **Contractual:** failure to complete contract and cancellation of contract due to significant delays to timetable of work, incorrect DRHI income figures, disagreement over payment terms and failure to apply for the Boiler Upgrade Scheme.
- **Documents:** failure to provide MCS handover pack, failure to provide heat loss calculations and incorrect information provided on the MCS certificate.

Complaints registered in 2022 by key Compliance Area

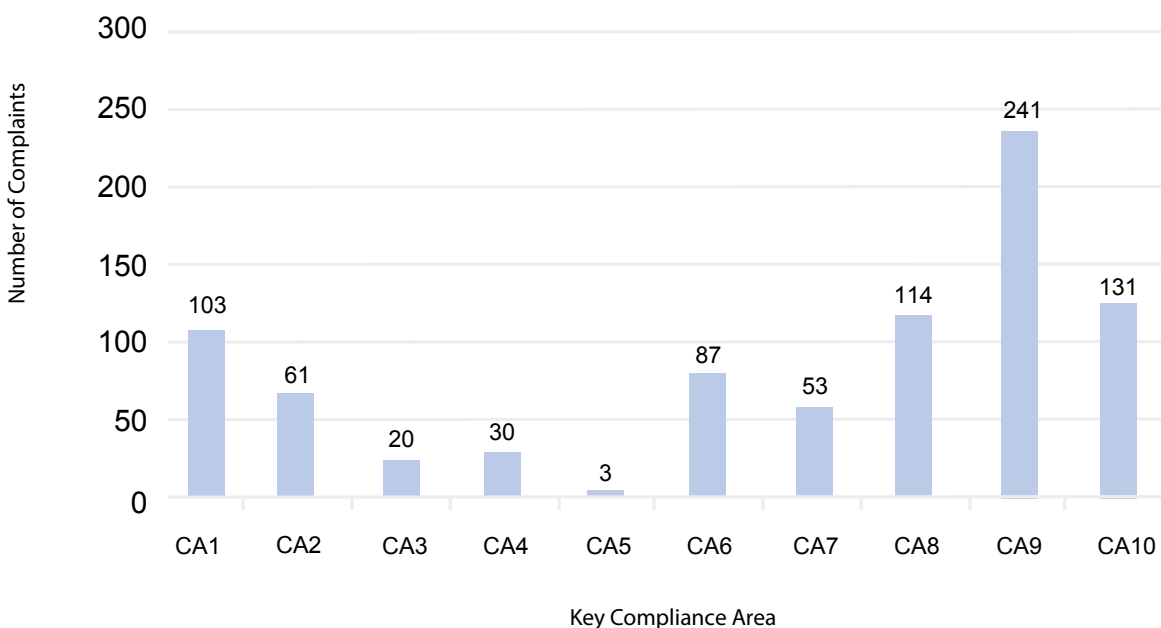
Each complaint that we register is classified into the CAs set out in Table 4.3. The aim is to enable us to identify the underlying trends consumer protection issues in complaints which can cross over multiple areas in some instances.

As shown in Figure 4.5, the top 4 CAs in 2022 registered complaints were:

1. After-sales (guarantees, workmanship warranties and warranty protection, after sales support: customer service) (CA9)
2. Disputes numbers, handling, procedures (CA10)
3. Completing the installation (CA8)
4. Awareness of RECC/ Consumer protection (CA1)

In addition to the specific issue raised by consumers whether it is pre-contract, during the installation or post-installation, poor customer service and failure to deliver service is routinely reported as a secondary issue. This means that CA9 is the most selected compliance area, showing in 244 of the 382 complaints received.

Fig 4.5 - Individual issues underlying complaints received in 2022 by Compliance Area



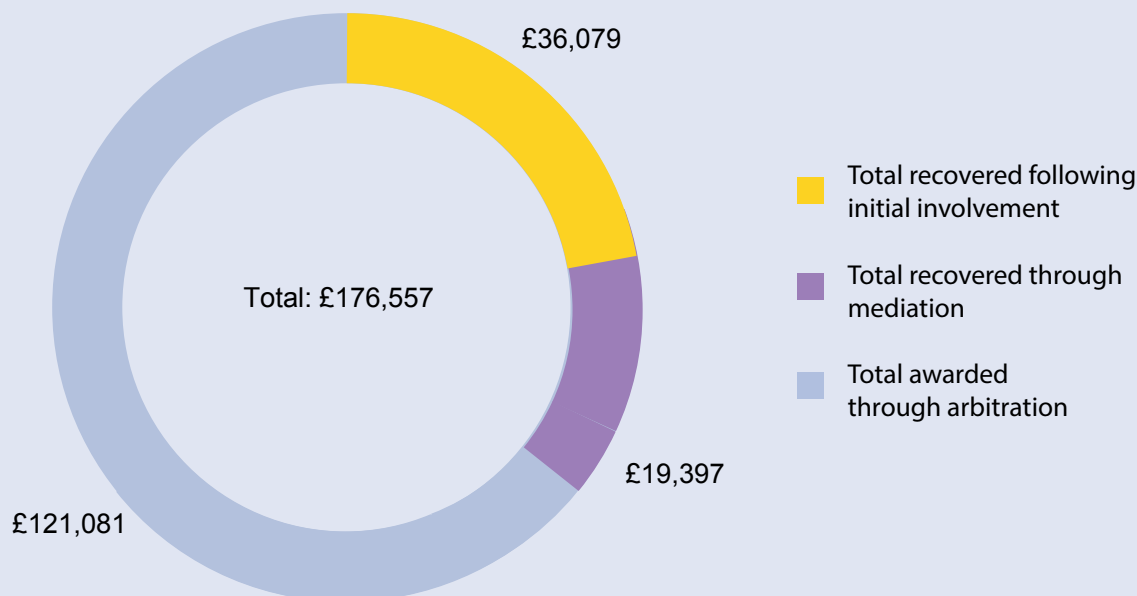
4.3 Resolving consumer complaints

Our Dispute Resolution Process is made up of 3 key stages: initial involvement upon registration, mediation, and arbitration. Several factors are taken into consideration when deciding which method to use to resolve a complaint in the first instance, namely the complexity of the issues, the value of the claim, the nature of the relationship between the parties in dispute and the prospects of achieving a resolution within a timely manner.

In 2022, we resolved 81 disputes. Here is a breakdown by method of the 81 disputes resolved:

- 22 by initial RECC involvement;
- 40 by mediation;
- 19 by arbitration.

Fig 4.6 - Total recovered for consumers in 2022 through RECC's Dispute Resolution Process



In total, we were able to successfully resolve 76% of disputes that fell within our remit without reference to arbitration (see Figure 4.6). The resolutions achieved for consumers through our initial involvement and mediation include:

- financial resolutions including refunds of deposit and advance payments (48% of cases), discounts on final invoices and compensation for a variety of issues; and

- non-financial resolutions including provision of replacement products, repair of faulty products, provision of documents e.g., handover pack and DNO certificates and apologies issued.

In the resolution of 81 disputes, £176,557 was awarded and recovered for consumers. Of this total, we recovered £55,495 for consumers through the first and second stage of the dispute resolution process. Whilst the average resolution time was 5 weeks, 31% were resolved in in 2 weeks or less, and 55% in 5 weeks or less. Please see Figure 4.8 for a breakdown.

Fig 4.7 - Means by which disputes were resolved in 2022

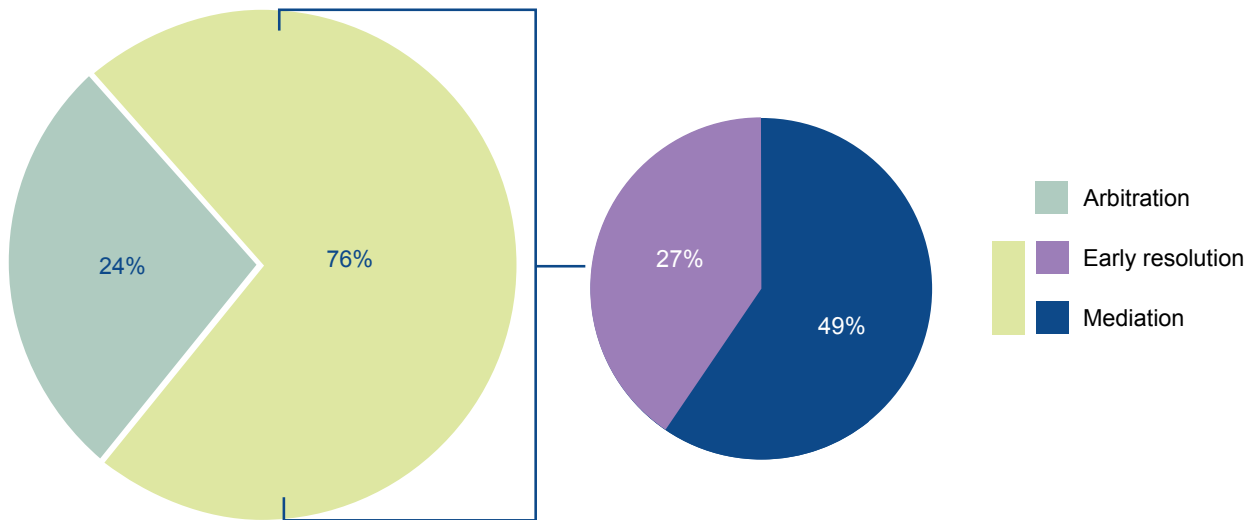
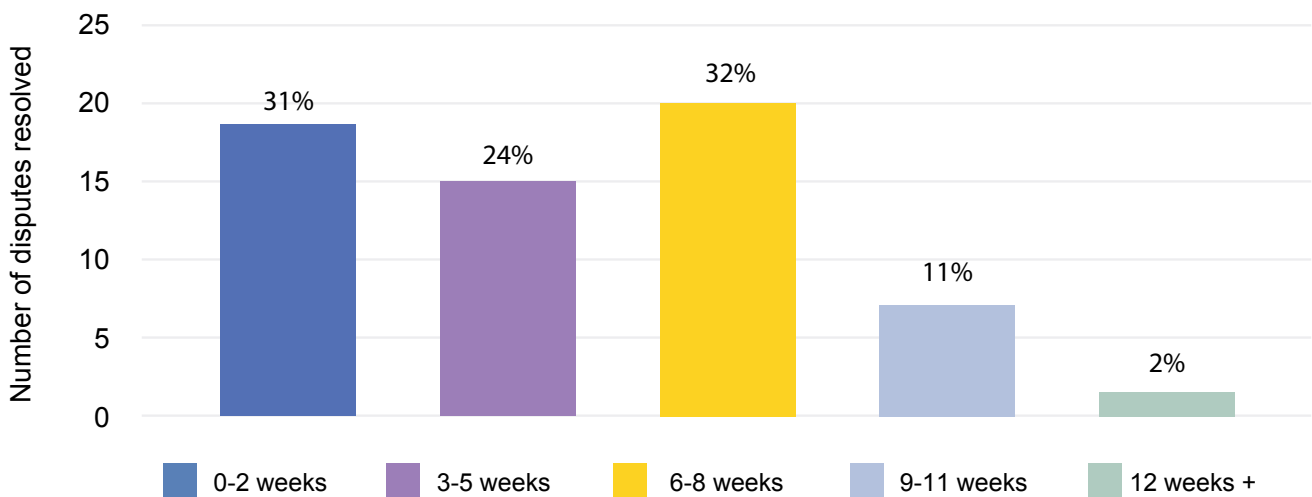


Fig 4.8 - Average number of weeks to resolve disputes



4.4 Referring consumer disputes to arbitration

The arbitration service is administered by the Centre for Effective Dispute Resolution on our behalf. It is the final stage of our Dispute Resolution Process and is offered to consumers if a dispute has not been resolved through mediation, though in some instances consumers can access arbitration without using mediation. Arbitration is designed to be straightforward, efficient, low cost and user-friendly for consumers and Code members when compared to court action.

In 2022, 19 disputes were referred to the arbitration which accounts for 23% of disputes resolved. Most disputes referred to arbitration concerned the sale and installation of air source heat pumps (66%). Consumers made arbitration claims based on a number of different issues. For example, a number of claims related to breach of contract under the Consumer Rights Act 2015 for:

- failing to complete installation with reasonable care and skill;
- installing goods which do not conform to the contract;
- installing goods which do not match the description given by the trader;
- installing a system which is not fit for purpose; and
- failing to perform the contract within a reasonable timeframe.

A total of £121,081 was awarded to consumers with successful claims at arbitration. Of the 19 awards, 18 claims succeeded and 1 failed. Of the 18 successful claims, the average amount awarded per claim was £6,373, and the highest amount awarded was £16,081. Most awards issued were solely financial (14). In the 19 claims, members were ordered to refund the consumer's registration fee in 17 cases and each party was ordered to cover their own costs in 2 cases.

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 days period, if neither party submits an appeal, we monitor compliance with the award in accordance with the procedures set out in the Bye-Laws. If a member does not comply with an award, guidance on enforcing the award through court is issued to the consumer, and we can take steps to terminate the member's Code membership.

4.5 Closed Disputes

These figures relate to complaints categorised as disputes for RECC when first received which are later closed without a resolution achieved through the Dispute Resolution Process. A total of 46 disputes were closed in 2022. The main reasons for closing these disputes were:

- Consumer sought alternative route for redress (17): In 2022 this included complaints where:
 - the consumer had already commenced legal action against the member before registering their complaint;
 - the consumer decided to commence legal during or after the mediation process; or
 - the consumer decided to pursue a financial resolution via a credit card company under section 75 of the Consumer Credit Act 1974.
- consumer did not make an application for arbitration within the relevant timeframe (13): When consumers are offered the option of applying for arbitration, a deadline on application is set based on either 15 months from the date the complaint was first raised with the member in writing or 3 months from the date that arbitration is offered to the consumer. Whilst extensions to the deadline will be granted on request, if an application has not been submitted by the deadline and no request for an extension has been received, the dispute will be closed.
- consumer confirmed that they did not wish to take their complaint further through the Dispute Resolution Process (7)
- consumer failed to respond to correspondence from RECC (7)
- consumer's remaining point of issue fell outside the Code's remit (2)

5. Exclusive benefits and opportunities for Code Members

These are some of the benefits RECC membership continues to bring to a business:

- a listing on our online search tool to introduce RECC members' businesses to potential consumers and increase their exposure
- the comfort of knowing that RECC's model documents are reliable, fair, free to use for members and approved by our Primary Authority
- clear guidance for members and their consumers on key consumer protection legislation
- authority to use the RECC and CTSI logos showing consumers that the member is a business they can trust
- free RECC van stickers to help publicise membership
- free CPD-Certified consumer protection training and interactive training exams for members to use to ensure their staff are familiar with the Code and relevant consumer protection legislation
- access to RECC's effective ADR-approved dispute resolution process to help members resolve any disputes with their consumers
- industry and regulatory updates to ensure members stay ahead of the game
- TrustMark registration
- New joiner discounts for membership of our sister code, the Electric Vehicle Consumer Code for Home Chargepoints, when applying to become an RECC member



Membership also offers businesses the following optional benefits as a result of our bespoke affinity arrangements:

- an opportunity to become a Which? Trusted Trader, available once businesses have renewed their membership. 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
- discounted access to Buy With Confidence (BWC), the local authority-backed fair-trading scheme, offering members the chance to become an approved trader with access to advice from qualified Trading Standards personnel and a listing on the BWC website
- a 50% discount from the Association of Renewable Energy and Clean Technology (REA)'s membership fees, pegged at the 2019 level
- access to competitive insurance products and legal services specially tailored for small businesses arranged through our special agreements with Marsh Commercial and Law-Bite.



REAL's Quality Management System is certified 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 administered by Renewable Energy Assurance Limited.

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