

**Minutes of the 44<sup>th</sup> Meeting of the Supervisory Panel**  
**Renewable Energy Consumer Code**  
**Wednesday 14<sup>th</sup> June 2017**

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

**Present:**

David Laird – Chairman  
Amanda Clarke – Certsure  
Zoe Guijarro – Citizens Advice  
Jim Thornycroft – Independent solar PV expert  
Chris Hewett – Solar Trade Association  
Steve Lisseter – Independent Consumer Expert  
Anna O’Connor – Ofgem  
Christina Sharman – BEIS  
Walter Carlton – Solar PV trader  
Frank Gordon – Senior Policy Analyst, Power, Storage, G&P of the REA

**Apologies:**

Bryan Aldridge – Independent Trading Standards Expert  
Gretel Jones – Independent Expert  
Virginia Graham – Chief Executive of RECC

**In attendance:**

Aida Razgunaitė – Operations Manager  
Abena Simpey – Head of Dispute Resolution  
Rebecca Robbins – Head of Compliance  
Lorraine Haskell (part) – Head of Independent Panels  
Aziz Kallala (part) – Monitoring Manager  
Andrea Miu (part) – Compliance Analyst  
Caroline Thomson (minutes)

**1. Introduction and Apologies**

The Chairman welcomed attendees to the 44<sup>th</sup> Supervisory Panel Meeting and noted apologies for absence received. He asked those present to introduce themselves.

**2. Minutes of last meeting**

Panel Members agreed the Minutes of the 43<sup>rd</sup> Supervisory Panel Meeting as being an accurate record of the meeting.

In this context the Chairman advised that the Executive should exercise caution when mentioning the other approved Codes in the sector and the reasons why members leave one Code and join another.

### **3. Matters Arising**

The Executive reported back on the amount of money consumers had recovered through RECC's mediation process and the independent arbitration service. In 2016, consumers recovered a total of £76,936 through the mediation process. Domestic consumers were awarded a total of £396,306 through arbitration and the average financial award made was £6,392 based on the 62 awards in which a financial award was made. (Micro business consumers were awarded a total of £49,363 through arbitration and the average financial award made was £24,682 based on 2 awards in which a financial award was made.) The Panel asked for the comparable figures for 2015. The Executive explained that it did not have the comparable figures for mediation for 2015, but that the amount domestic consumers recovered through independent arbitration in 2015 was £391,963, in 64 financial awards with the average financial award being £6,124.

The Panel was introduced to the new Monitoring Manager. The Executive explained that the monitoring programme for 2017 would be based more heavily on desk-based audits than on audit site-visits. The Executive hoped that, as a result, the programme would be more cost-effective. The Executive explained that trials of the new desk-based audit process would be carried out over the next few weeks, with feedback informing the final process and questionnaire. The Panel discussed the practicalities, challenges, and impact of desk-based audits. The Panel recognised that the sample selected for desk-based audits was risk-based and that the results should inform the compliance assessment process. Finally, the Panel urged the Executive to keep a record of the relevant statistics it obtains from this process.

The Executive explained that it had attended a meeting with the Chartered Institute of Trading Standards (CTSI) on 12 May to discuss how to make the Memorandum of Understanding (MOU) more robust and to ensure it was fully complied with by all signatories. The Executive explained that the MoU was not legally or contractually binding and so it was hard for CTSI to take action if it had been breached. The Executive highlighted that there would be a second meeting at the end of August where all three Consumer Codes would discuss compliance with a new version of the MOU which would become part of each Code's contract with CTSI. In this way breaching the MOU would mean that the Code was breaching its contract with CTSI.

The Executive explained the current application process and the arrangements that were in place between approved Codes to ensure that high standards of consumer protection were maintained. The Executive also highlighted the independent Applications and Non-Compliance Panels that were set up by RECC but that were now used by all three approved Codes. The Panel stressed the importance of liability issues if the Panels expanded in the future and suggested RECC explore the implications of these. The Panel emphasised that the Panels should be involved in any decisions that were negotiated. It was agreed that the Executive would update the Panel following the August meeting. It was also agreed that the Executive would look into the liability issues involved and report back to the Panel.

#### **4. Highlight report**

##### *Membership activity*

The Executive confirmed the 2017 RECC membership numbers and pointed out that there were still several companies each week applying to join the Code. The Panel asked what incentives were in place for new members to join the Code, what the benefits of joining RECC were and whether its marketing strategy could be improved in an era in which there were fewer Government subsidies and there was more than one CTSI-approved Consumer Code.

The Executive explained that it was continuing to work with manufacturers of battery storage systems, and that they were now specifically included within the scope of the Code. The Executive explained that its aim was to reduce mis-selling of battery storage systems by ensuring that installers abided by the Code. Panel members stated that the Institution of Engineering and Technology (IET) would publish a Code of Practice for installers of battery storage systems on 4 August. They requested that RECC circulate this to its members as soon as it was published.

Panel members explained that some big energy suppliers, such as EDF, were now offering consumers free solar PV panels with battery storage systems. Panel Members concluded that some businesses wanted to see battery storage systems regulated and that the Code would thus give many in the industry confidence in the small-scale domestic market.

##### *Mystery Shopping activity*

The Executive explained that the process for carrying out and recording Mystery Shopping was being reviewed in the light of recent Non-Compliance Panel Hearings. The Panel agreed that Mystery Shopping was a very important tool for demonstrating where there were non-compliance issues. They applauded the Executive for carrying this out.

Panel Members suggested that video and audio could be used during a Mystery Shopping exercise so that it could later be used as evidence if needed. They noted that the person being recorded would need to be aware that they were liable to be recorded and that this complied with the law. The Executive stated that it could include this in the Scheme Bye-Laws.

##### *Consumer satisfaction feedback activity*

The Executive ran through the figures for Consumer Satisfaction Surveys returned and other Feedback received. Panel Members stressed that the sample size appeared to be too small. The Executive explained that there had been a significant reduction in the number of questionnaires being returned. In the past QANW had sent out hard copies of the questionnaire with its insurance policies. Panel Members suggested asking Members to distribute questionnaires directly to consumers.

The Executive informed the Panel that it would be discussing how best to resume this distribution practice with QANW and other insurance providers. The Panel asked to see an

update on this at the next meeting. The Panel also asked that the Executive obtain consumer satisfaction data from Ofgem and check on the number of installations done in a year. Panel Members suggested that providing feedback could be incentivised, but they noted that incentivisation did not always guarantee good, reliable data.

#### *Dispute resolution activity*

The Executive explained that the number of disputes received from consumers had reduced compared with the same quarter last year. This should be seen within the context of there being fewer installers active in the sector and fewer installations taking place. This quarter RECC was handling 40 disputes through the dispute resolution process, compared with 103 during the same period last year. This reduction meant that disputes could be handled by dispute resolution caseworkers as soon as the consumer had provided all the relevant documents and there was no longer a backlog. Panel Members congratulated the Head of Dispute Resolution on these achievements.

The Executive provided feedback on how it had been working with Citizens Advice to improve consumer protection. It explained that Citizens Advice and RECC were working together to agree on a data sharing agreement which would enable Citizens Advice to furnish RECC with data on disputes received about energy generators and related products on a quarterly basis. The Panel emphasised the importance of sharing data for both parties. The Executive also pointed out that it had been trying to share the data it had with Trading Standards to help shine a light on the main issues of concern. It was clear to the Panel that there were difficulties with data sharing and the level of resources in Trading Standards departments, but that it was important for both parties to understand better the level of consumer detriment and the route for redress.

#### *Related Products*

The Executive explained that the number of disputes and feedback received about battery storage and other 'related products' (such as voltage optimisers, solar iboost systems and extended warranties) had increased since the last quarter. The issues reported by consumers included mis-selling of the financial benefits and likely performance of the product, together with workmanship faults. The Panel noted that, although it was slight, Citizens Advice had also recorded an increase in the number of disputes received from consumers about 'related products'. They noted that, when data from other organisations, such as Trading Standards, were taken into consideration, the overall consumer detriment could be large.

#### *Independent arbitration*

The Executive explained the data on the independent Arbitration Service, provided by IDRS Ltd, and outlined the process. The Executive explained that it generally took 2 – 3 months from the start of the process until an arbitration award was handed down. The Executive was due to discuss the process with IDRS with a view to reducing the length of time from start to finish. The Panel requested further information on this.

### *Non-compliance activity*

The Executive explained the data in the highlight report. The Executive advised the Panel that it had hosted a meeting to discuss the Non-Compliance Panel process on 26 May. The aim was to ensure that it was as streamlined and legally sound as possible. Those who attended the meeting included legal advisors and the Panel Chair and secretary as well as representatives of the Executive and other stakeholders. They provided helpful and detailed feedback with specific action points which will now be taken forward. A Panel Member, who had attended the meeting, agreed the outcome had been useful, guided by the advisers' experience of dealing with non-compliance and legal issues. It was agreed that the Executive would provide the Panel with a copy of the minutes of the meeting.

The Executive explained that Non-Compliance Panel members, in common with Applications Panel members, came from a range of different backgrounds including legal, consumer protection, civil service and trading standards. The Panel asked whether there was a way to limit the costs involved in Non-Compliance Panel Hearings. The Executive explained that costs increased once Code Members decided to seek legal representation. However, the meeting had suggested specific actions which could limit the cost and timescales once legal representation was in place.

### *Applications Panel activity*

The Executive outlined the applicants which had been referred to the Applications Panel for a decision. Panel Members were keen to understand what happened if a company's membership has been terminated but it still purported to be a member of RECC. The Executive explained that, in such a case, the company would be reported to Trading Standards departments, which would sometimes follow this up, depending on resources. The Executive explained that Trading Standards departments frequently asked RECC for witness statements as part of their further investigations into and prosecution of such matters.

### **A.O.B and date of next meeting**

Panel members noted that the next meeting was scheduled to take place on Wednesday, 13 September at 10.30 am at the REA offices. As there was no further business to discuss the Chairman thanked those who had attended and closed the meeting.