

**Minutes of the 49<sup>th</sup> Meeting of the Supervisory Panel  
Renewable Energy Consumer Code  
Wednesday 19 September 2018**

**Meeting held at REAL office: 80 Strand, London, WC2R 0DT**

**Present**

- David Laird- Chairman
- Steve Lisseter- Independent Consumer Expert
- Carmel Golden - Ofgem
- Bryn Aldridge - Independent Trading Standards Expert
- Gemma Stanley – Solar Trade Association
- Amanda Clark – Certsure LLP
- Nicky Andrews - BEIS

**In attendance**

- Aida Razgunaite – RECC
- Boris Eremin - RECC

**Apologies**

- Walter Carlton – Deloitte
- Damien Morris – Citizens Advice
- Frank Gordon – REA
- Gretel Jones – Independent Consumer Expert
- Lorraine Haskell – RECC
- Rebecca Robbins - RECC

**1. Introduction and apologies**

The Chairman welcomed attendees to the 49<sup>th</sup> Supervisory Panel Meeting and noted apologies for absence received.

**2. Minutes of last meeting**

The Members present agreed the minutes of the 48<sup>th</sup> Supervisory Panel Meeting as being an accurate record of the meeting.

**3. Matters Arising**

The Executive confirmed that all the actions in the summary had been completed other than two which had been held over: the draft revised Bye-Laws were still in preparation and would be presented to the following meeting; and no progress had been made on obtaining total battery storage instalment data to compare with the number of complaints registered. The Executive asked those present for any assistance they could provide with obtaining the necessary data. The Executive provided the following updates on those actions not included later in the agenda.

### *Dispute Resolution Process*

The Executive outlined the revised Dispute Resolution Process. They reported that the timescales had been compressed so that the total length of time involved in mediation would not exceed 56 days. In this way, it would coincide with the official ADR timescales set out in the Regulations. The revised process also required both consumer and member to be updated more regularly.

Panel Members thanked the Executive for the explanation and asked to be updated with the outcomes once the new process had been fully implemented.

### *Desk-based audit rationale*

The Executive tabled an evaluation of the move to desk-based audits from a full programme of audit site visits. The desk-based audit programme was evaluated against the three principal aims: to reduce the overall monitoring costs; to reduce the time between allocation and results; and to increase the number of audits carried out within the overall monitoring budget.

Against the first aim, the Executive confirmed that the average cost for site-based audits was around £1,000 per audit whereas the average cost of desk-based audits carried out to date was around £492 per audit, showing an average saving of £508 per audit. Against the second aim, the Executive confirmed that the desk-based audit schedule has meant that results are being received faster, with the average time between allocation and results reduced from 110 days to 73 days. Against the third aim, the Executive confirmed that, in the first year of the desk-based audit trial, 18 audits had been allocated, with 14 being completed, and that currently 5 audits were being allocated each month. Once the programme was fully implemented 60 desk-based audits would be allocated each year.

Panel Members thanked the Executive for the analysis and asked to be kept informed as to the roll-out of the 12<sup>th</sup> round of audits.

### *Mystery shopping*

The Executive confirmed that the instructions for carrying out mystery shopping had been circulated. Panel Members made some suggestions as to how the documentation could be made more user-friendly at the start, recognising that inviting salesmen into your home is an intrusion. Panel Members agreed to send in any suggestions for potential mystery shoppers.

## **4. Highlight Report**

The Panel considered the content of the Highlight Report.

### *Membership activity*

The Executive reported that Panel Members' recommendations from the previous meeting had been implemented. Membership charts were now showing the past 12 months only, and an additional chart had been added showing the length of RECC membership of those lapsed in 2018. The average

length of RECC membership of those lapsed in 2018 was showing as 5 years. Panel Members thanked the Executive for providing the additional information.

### *Monitoring*

The Executive reported that, as reported in Matters Arising above, of the 18 desk-based audits allocated, 14 had been completed, and the remaining 4 had been closed before completion due to non-renewal. Of the 14:

- 7 had been closed following a successful follow-up review
- 2 were in the follow-up period
- 2 were being dealt with as part of larger disciplinary case
- 2 were being reviewed following the member's response to the follow-up
- 1 had been closed due to non-renewal.

### *Complaints*

The Executive reported that further charts had been applied to the complaints data in the Highlight Report, including one showing the breakdown of complaints received by membership status. Overall, the Executive reported that 190 complaints had been received during the period (52% about members and 48% about non-members), down from 318 and 313 in previous two periods respectively. 27 of the 190 received had been within RECC's remit as compared with 30 and 22 in the previous two periods respectively. 12 complaints had been resolved by RECC during the period, as compared with 17 and 15 in the previous two periods respectively.

The Executive confirmed that, of the 12 complaints that were for RECC: 5 were resolved through mediation; 3 were resolved through arbitration; 3 were resolved between the consumer and company directly after RECC had become involved; and 1 was resolved through informal mediation. During the period £56,276 was recovered for consumers through dispute resolution.

The Executive reported that its trial of informal, telephone-based mediation at an early stage was proving effective in cases where the consumer was seeking a straight-forward resolution, such as the return of a deposit or the honouring of a warranty. Panel Members asked to be kept informed about progress with the trial.

## **5. Assignment of Rights**

The Executive updated Panel Members on the introduction of the Assignment of Rights within the Domestic Renewable Heat Incentive. The Executive confirmed that the Regulations had come into force at the end of June but that no applications had been processed as the systems to implement them were only just being put in place. The Executive explained that Investors were being strongly encouraged to use the model contract jointly prepared by BEIS, Ofgem, RECC and HIES, now available on the website, or to provide robust justification if they did not. Once the Consumer Codes had approved a contract the Investor would then have to apply to Ofgem to become a Registered Investor.

The Executive explained that it had received enquiries about becoming an AOR Investor from existing members and from new bodies in equal measure. It was setting up the necessary application processes and making the IT changes so that Investors could be approved as soon as the necessary checks had been carried out. The Executive had drafted guidance for investors, installers and consumers, and this was available on the website.

The Executive tabled a summary paper setting out the perceived risks associated with the introduction of Assignment of Rights into the Domestic Renewable Heat Incentive. (This had been an agreed action from the previous meeting.) The risks identified in the paper were: disreputable investors impacting negatively on RECC's reputation; RECC receiving a high volume of complaints linked to Assignment of Rights; RECC receiving a high volume of applications linked to Assignment of Rights; and the volume of work associated with Assignment of Rights outstripping the value to RECC from membership fees.

Panel Members thanked the Executive for the paper. They asked that the Executive add to the list: the risk of legal action associated with Assignment of Rights; and the risk of investments being from the proceeds of money laundering. They asked that these risks be explored and details of steps being taken to mitigate them be added to the register. They asked how mortgage lenders viewed the prospect of Assignment of Rights and whether they would be prepared to lend against a property in respect of which the owner had assigned their rights for DRHI payments. The Executive agreed to provide a further update on all these issues at the next meeting.

## **6. Draft Guidance on Demand-Side Response**

The Executive introduced its draft Guidance on Demand-Side Response, explaining that it was being prepared to coincide with the work being carried out by the Association of Decentralised Energy (ADE) who would shortly issue a Code for Non-Domestic Consumers. The Executive explained that there were currently insufficient offers at the domestic scale to warrant a separate Domestic Code, but that it intended to work with ADE on a Domestic Code when the offers were more widespread.

Panel Members commented on the draft Guidance, stating they found it informative and useful. They asked for a further update to be provided once the Guidance was published on the website and once ADE had launched its Code.

Panel Members proposed that the Executive brand all its guidance more prominently with the RECC logo in future, and that copyright information be provided consistently at the foot of all documents.

The Executive reported that it was working on further guidance on the following topics: an update to the guidance on the links between manufacturer and installer warranties including obligations for honouring them; an update to the guidance on common solar PV 'add-ons'; new guidance on EV charging equipment; and on public liability insurance cover and third party access when the policy holder is no longer trading. Panel Members asked to be kept updated with progress on all these.

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

*Next meeting*

It was agreed that the next meeting of the Supervisory Panel would take place on **Wednesday, 12 December 2018 at 10.30 a.m.**

*AOB*

There being no further business, the Chairman thanked those who had attended and closed the meeting.