



Annual Report 2021

An overview of RECC's
activities during the year

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A word from our Chief Executive

Welcome to our 2021 Annual Report. I hope you will enjoy reading about RECC's activities during the year.

2021 was RECC's sixteenth year of operation. For us it was a year of growth and development despite the COVID-19 pandemic continuing to cast its shadow. During the year, our members have shown their resilience by installing a record number of heat pumps and a very high number of solar PV systems, many alongside battery storage systems. I am delighted to report that, as we return to normality, the small-scale renewable energy sector is vibrant and growing. Congratulations to all our members!

The high levels of activity our members have been engaged in have also meant high levels of activity for the RECC Team. You can read all about what we have achieved during the year in the report that follows. Once again, I pay tribute to my hard-working, dedicated colleagues and thank them for their valuable contribution to the sector over the year.

As well as carrying out its day-to-day work the RECC Team has worked with Government and regulators to feed back our experience of the sector. This day-to-day, hands-on experience has helped ensure that incentive schemes are fit-for-purpose going forward.

As I write the Domestic Renewable Heat Incentive has closed to new applicants and the Boiler Upgrade Scheme is in its early days of operation. The Smart Export Guarantee continues in the renewable electricity sector. I am hopeful that these will sustain and increase the high levels of activity we saw in 2021 as we all set our sights on achieving Net Zero greenhouse gas emissions by 2050 at the latest.

Virginia Graham
Chief Executive



Promoting the Code in 2021

RECC is the largest and most experienced Consumer Code in the industry.

Established in 2006, we work tirelessly on behalf of our 2,000 plus 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 choosing to install a small-scale renewable energy generating system.

During the year, against a backdrop of COVID-19, we continued to promote and improve the Code. We upgraded and improved our guidance and model documents and continued to refine our processes which helped REAL maintain its ISO 9001 Quality Management certification. We attended Solar & Storage Live in Birmingham, the only in-person sector event last year, to meet our members and to hear their views on what we do.

Our Membership Team processed 773 applications to join the Code. This volume of applications presented us with a considerable challenge since we must carry out important due diligence and compliance checks on each applicant. We were very happy to welcome 428 new Code Members during the year.

Our Compliance Team worked hard to promote consumer protection and compliance with the Code. During the year, the team carried out 149 Compliance Checks on Code members and undertook 29 audits. Of these, 68 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 8 businesses had their membership 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 independent arbitration service. During the year we registered 335 complaints, 136 of which fell into our remit. Where issues were found, over £104,000 was recovered for consumers through the Dispute Resolution Process, an average of £766 recovered per complaint.

Snapshot of our 2021 numbers

- Over 2,000 businesses were members of the Code
- Our members installed over 70,000 renewable energy generators across the UK
- 773 businesses applied to become a member of the Code
- 684 businesses were monitored in line with our Monitoring Strategy
- 68 members were asked to respond to breaches of the Code and/or Bye-Laws
- £104,122 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 2021 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. Ofgem published its first annual report on the SEG in September 2021 covering the period 1 January 2020 to 31 March 2021. We are grateful to Ofgem for permission to publish the chart and tables from it here.

Ofgem reports that, during the period, there were 14 electricity suppliers offering SEG payments, with the two largest, Bulb and E.ON, having registered well over 1,000 installations. This is illustrated in the chart below (Figure 1.1). SEG-registered installations exported 2,567,211 kWh of low-carbon electricity to the grid.

Solar PV accounted for over 99% of the total registered installations as well as of the total installed capacity. Those with installed capacity of less than or equal to 10kW comprised 99% of total registered solar PV installations, as shown in the table below (Table 1.1).

Table 1.1 - Installations and installed capacity registered on the SEG

Capacity	Installations	Installed capacity (kW)
<=4kW	2,649	6,880.17
>4kW to <=10kW	1,895	9,921.85
>10kW to <=50kW	40	754.42
>50kW to <=400kW	8	1,637.98
Total	4,592	19,194.42

However, smaller PV installations accounted for just 91% of the total exported electricity associated with registered installations and 92% of the total amount of SEG payments made during the period (£114,480) as shown in the table below (Table 1.2).

Fig 1.1 - Electricity suppliers registering installations on the SEG

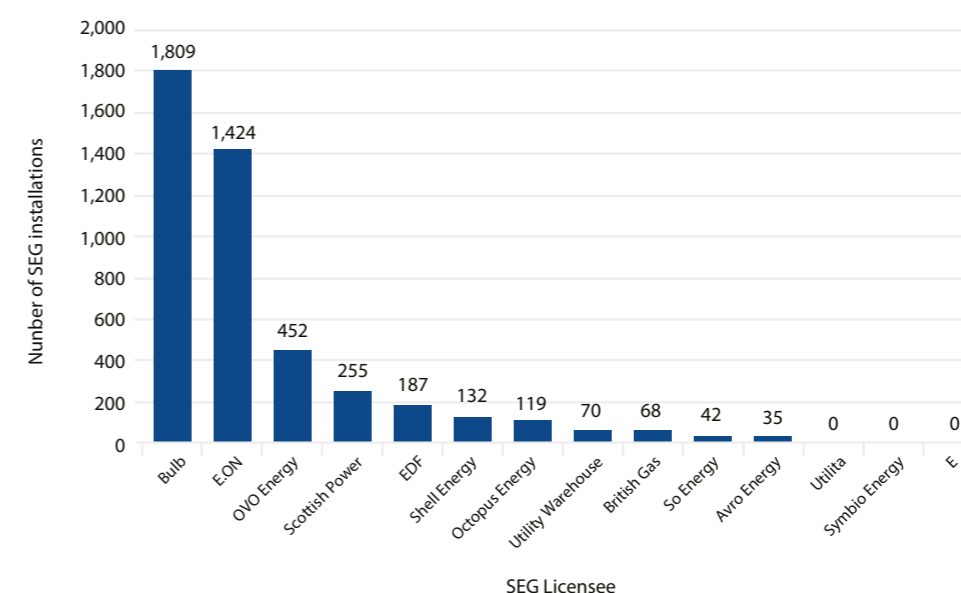


Table 1.2- Export and payments associated with installations registered on the SEG

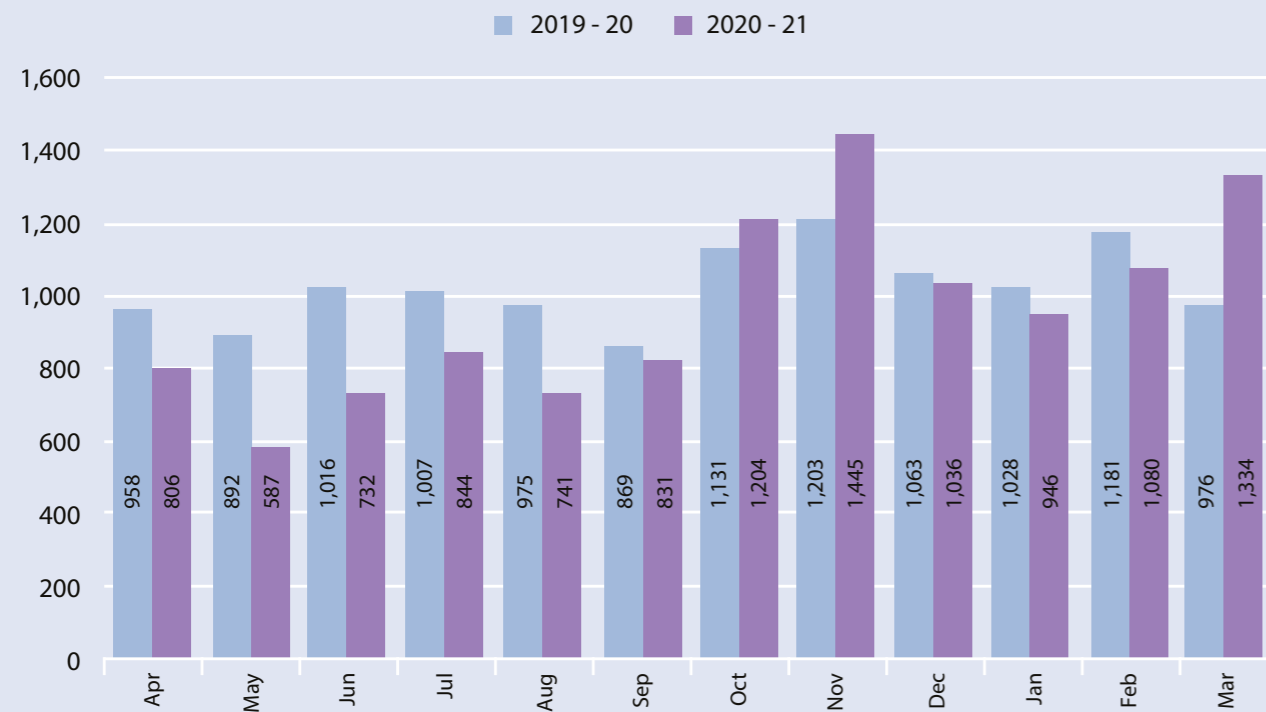
	No. stations receiving payment	Associated export (kWh)	Payments
<=4kW	1,602	1,013,015.37	£44,246.91
>4kW to <=10kW	1,376	1,337,417.64	£60,877.46
>10kW to <=50kW	24	68,417.76	£3,311.79
>50kW to <=400kW	2	142,911.00	£5,988.25
Total	3,004	2,561,761.77	£114,424.41

1.2 Domestic Renewable Heat Incentive

The Domestic Renewable Heat Incentive (DRHI) rewards homeowners who installed renewable heating systems in their homes. Launched on 1 April 2014 the scheme closed to new applicants on 31 March 2022. Ofgem publishes regular reports on the state of play with the DRHI. The most recent Ofgem annual report covers the year 2020/21. The charts and table below are from the annual report and give an indication of some of the headline statistics for the scheme to date. We are grateful to Ofgem for permission to publish them.

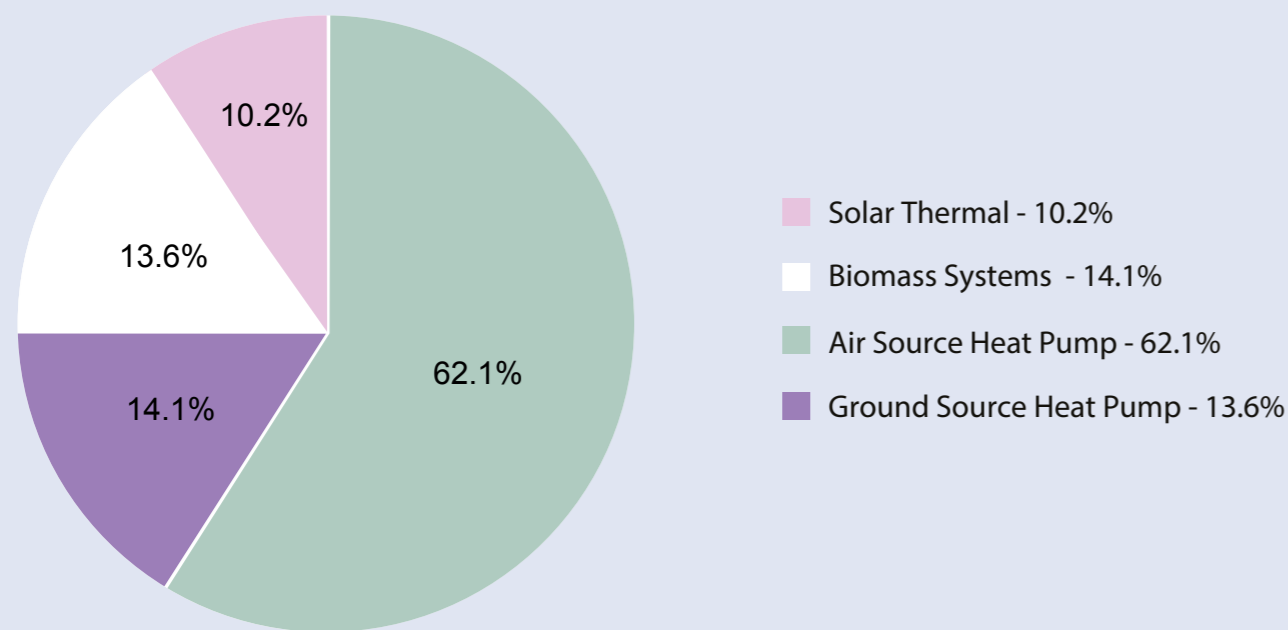
The chart below (Figure 1.2) shows that 11,337 new heating systems were registered on the DRHI during the financial year 2020/21 of which 9,710 were air source heat pumps. This increase brought the total number of heating systems registered on the DRHI since its inception to 87,337.

Fig 1.2 - New renewable heating systems registered on the DRHI 2019/21



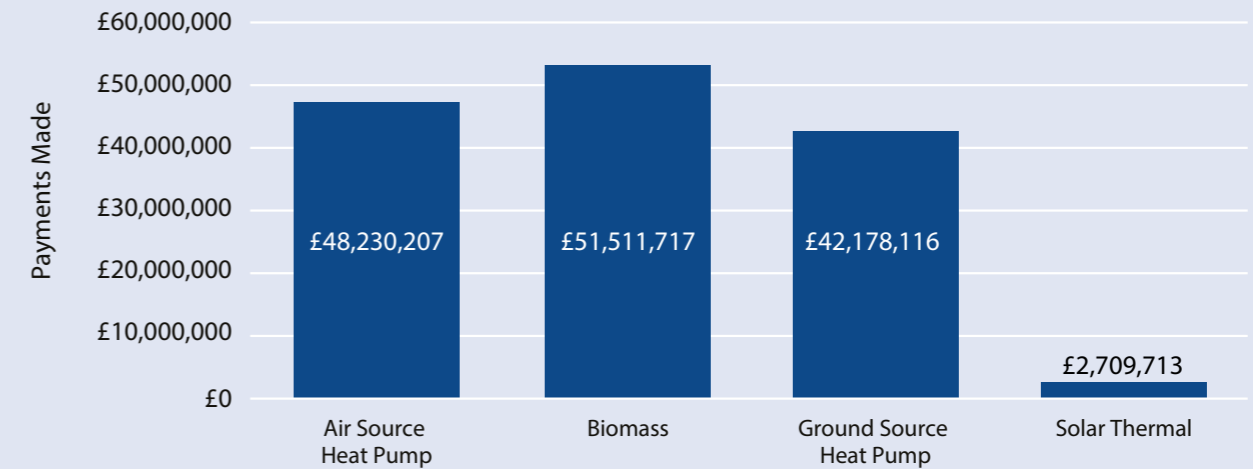
The chart below (Figure 1.3) shows that air source heat pumps have accounted for 62% of the total number of renewable heating systems registered on the DRHI since its inception while biomass boilers accounted for 14%.

Fig 1.3 - Renewable heating systems registered on the DRHI by technology 2014/21



By contrast, biomass boilers have accounted for 45% of the total paid out under DRHI since its inception, with air source heat pumps accounting for 25%. Typically, biomass boilers and ground source heat pumps have been installed in larger properties with a higher energy demand. The chart below (Figure 1.4) shows that, In the year 2020/21, £52,000 was paid to biomass boiler owners, with £49,000 paid to air source heat pump owners, £42,000 to ground source heat pumps and the balance of £3,000 to solar thermal systems owners.

Fig 1.4 - DRHI payments made by technology in 2020/21



The table below (Table 1.3) shows the audit activity Ofgem has carried out during the year 2020/21. It seems that Ofgem has identified payments totalling £712,743 as 'prevented and detected' errors from the DRHI. Of the detected errors, £93,570 of payments were recovered during the year.

Table 1.3 - Ofgem prevented and detected errors in DRHI 2020/21

Audit Type		Prevented Error	Detected Error	Total Error	Recovered Detected Error to Date
Desk Audit	Statistical	£307,067	£125,256	£432,323	£85,165
	Targeted	£98,083	£76,217	£174,300	£2,832
Site Audit	Statistical	£50,367	£52,398	£102,765	£5,573
	Targeted	£1,610	£1,745	£3,355	£0
Total		£457,127	£255,616	£712,743	£93,570

1.3 Microgeneration Installation Database

MCS maintains the Microgeneration Installations Database (MID) on which every eligible installation has been registered since 2008. This provides MCS with a unique overview as to what is happening in the sector. Looking back at 2021 MCS recently reported that 99,305 small-scale renewable installations were registered on the MID of which 10,900 were registered in November alone. The majority of those installations registered (61,453) were solar PV, while 25,864 were air source heat pumps. This data suggests a very high level of activity in the run-up to the DRHI scheme closure.

2. Code membership

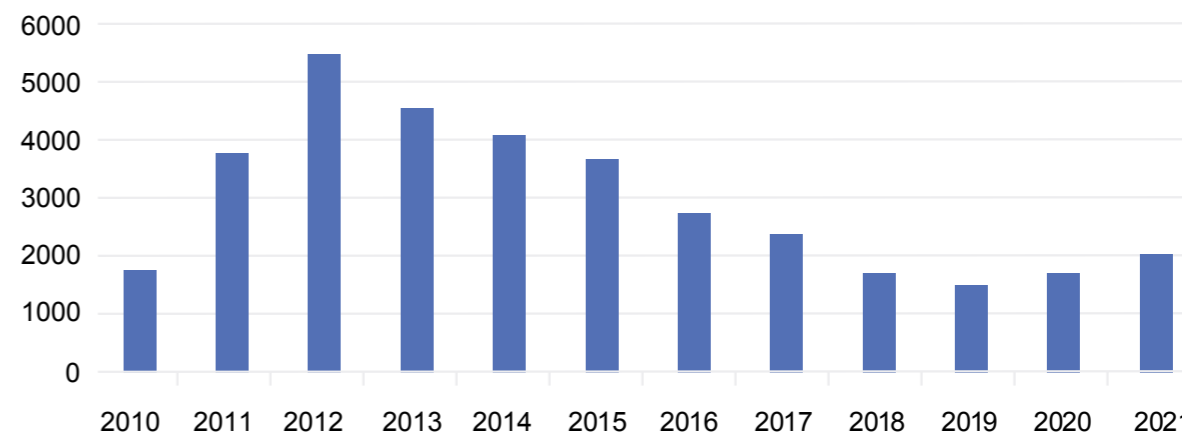
Membership of the Code continued to grow throughout 2021 and, at year end, we had over 2,000 members for the first time since 2017. Figure 2.1 shows how membership of the Code has changed over the past 10 years and we are pleased to see the sector expanding again.

“I’d like to extend my thanks [...] for concluding this matter in such a helpful and amicable manner, and to RECC for their support”.

– Mr A February 2021



Fig 2.1 - Total number of Code members by year



We were delighted to receive 773 new membership applications in 2021 from businesses wanting to offer a wide range of technologies, a 112% increase from the number of applications received in 2020. Applications came from businesses offering a range of business models, and we saw a steady increase in applications received per month as we moved through 2021 (see Figure 2.2). Compared to applications received in 2020, in 2021 we saw a 42% increase in the number of applicants wanting to offer battery storage products and a 36% increase in applicants wanting to offer air source heat pumps. We also saw a decrease of 24% and 21%, respectively, of applicants wanting to offer biomass or solar thermal products (see Figure 2.3 for a comparison of all technologies).

Fig 2.2 - Online applications received by month -comparison between 2020 and 2021

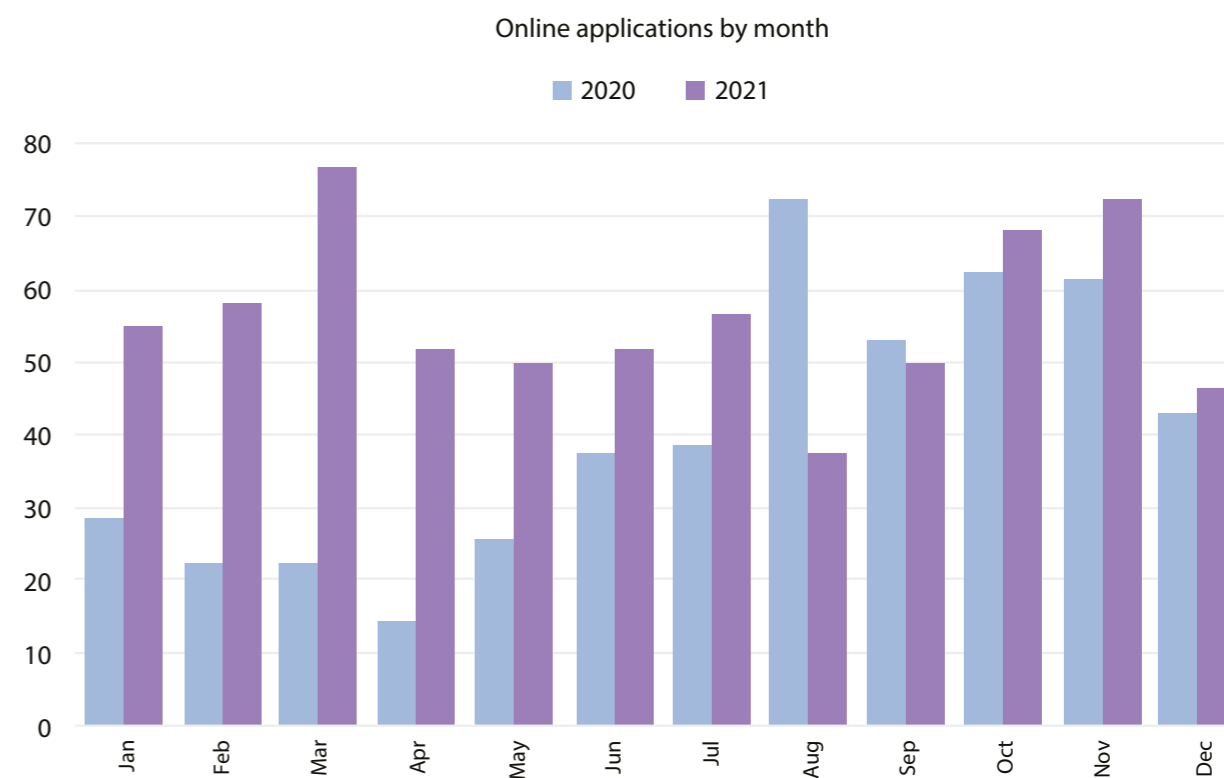
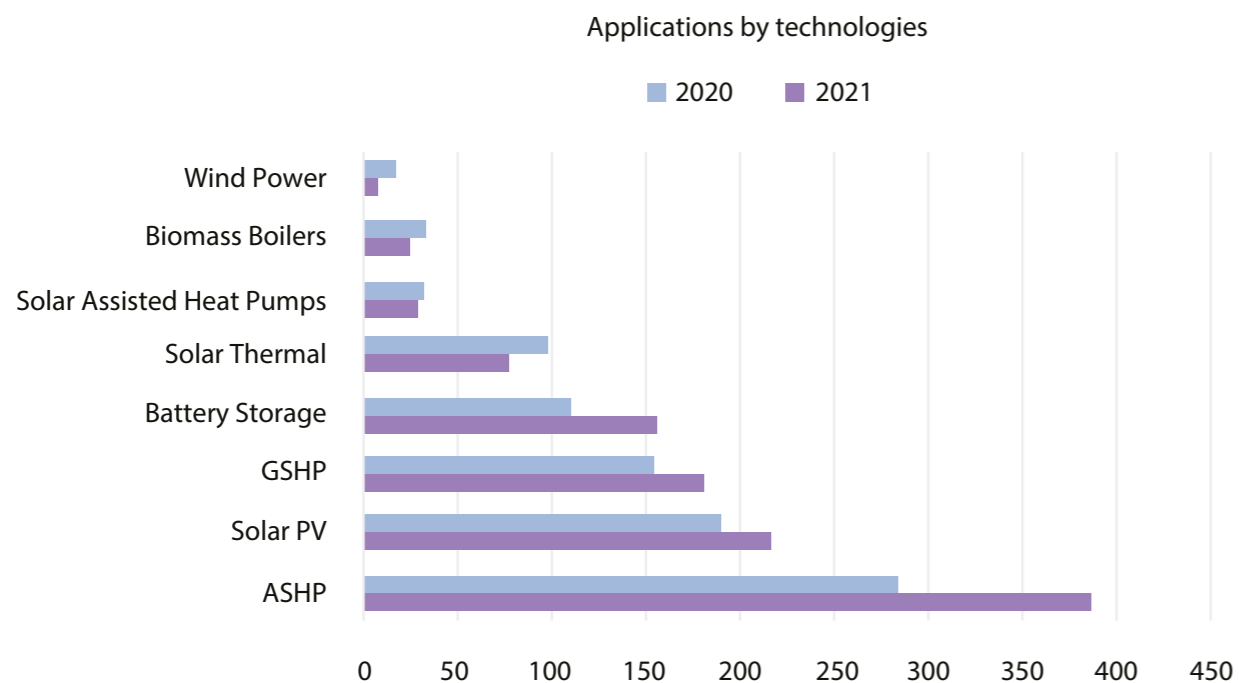


Fig 2.3 - 2021 applications by technology



Despite the increase in members, the split between the type of business that makes up our membership remains largely unchanged from 2020. Figure 2.4 shows that, in 2021, 35% of members were working with electricity-generating technologies only, namely solar PV, wind and/or battery storage (+1%), and 65% were working with a variety of technologies including renewable heating systems (-1%). Figure 2.5 shows that, in 2021, 88% 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 2,000 members, 4.4% were sole traders and 6.2% were businesses which sit in our Commercial Only category.

Fig 2.4 - 2021 membership by technology category

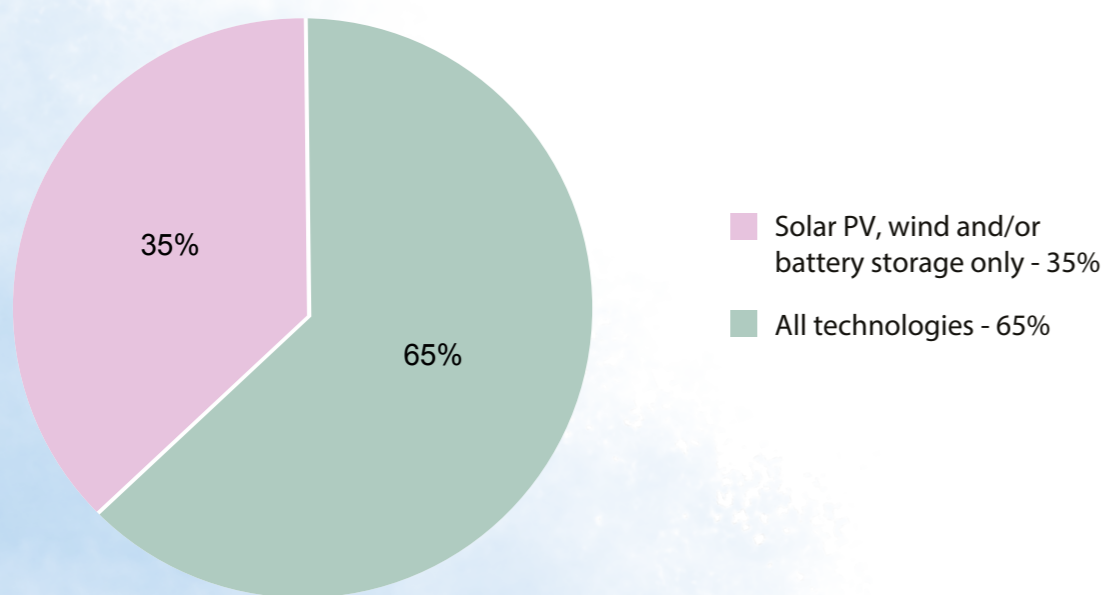
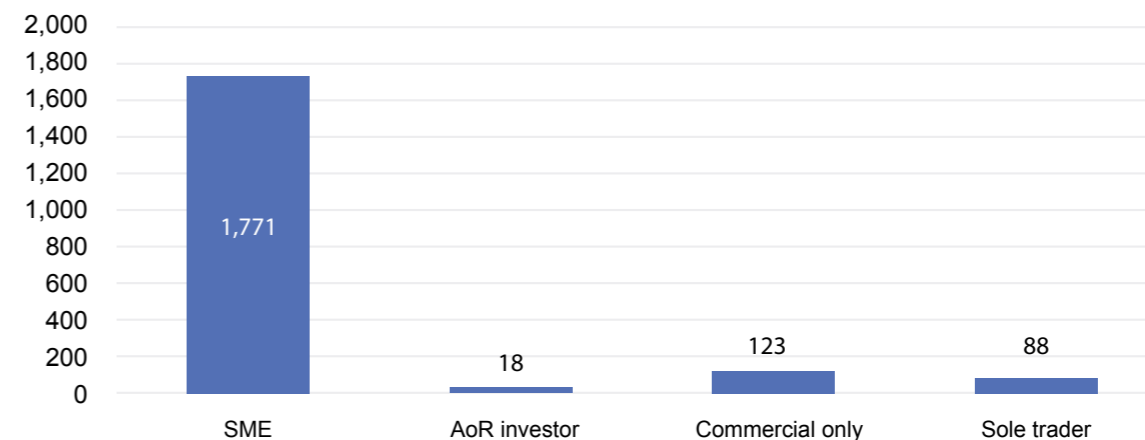


Fig 2.5 - 2021 categories of membership



In 2021, our members installed over 70,000 energy generators throughout the UK, an 81% increase from 2020. Figure 2.6 shows what types of technologies our members have been installing over the past 3 years. Whilst Covid had a clear impact on installation numbers in mid-2020, the 2021 installation levels are significantly greater (33%) than 2019 installation levels. Solar PV installations have returned to the 2019 levels whereas the number of heat pumps installed in 2021 has increased by 85%. See Figure 2.7 for a comparison of installation levels by month over the past 3 years.

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

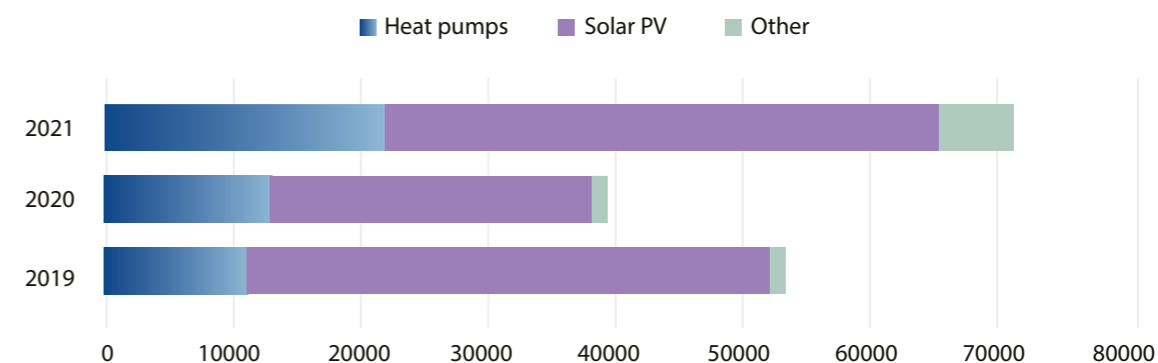
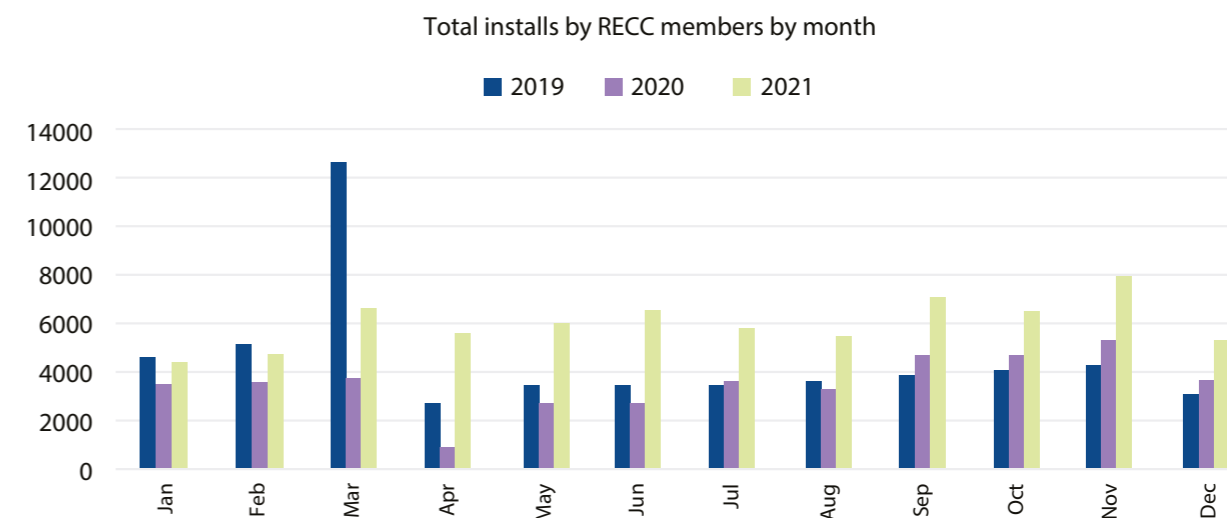


Fig 2.7 - Total installations by members by month 2019 to 2021



3. Monitoring compliance with the Code

In 2021, 684 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.

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 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 and consumer complaints;
- liaise closely with other enforcement bodies including Trading Standards 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.

In 2020, substantial changes were made to the application process to ensure that each applicant was subject to the same in-depth Due Diligence Check. The application process was 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 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 any website(s) and any social media pages.

The change has been effective in reducing the time spent on applications by allowing us to make a decision on membership at the end of Stage 1 if, for example, the applicant's business history means they are not fit and proper for Code membership.

"[RECC] have been extremely helpful, and we are grateful for your help. It was easy to get in touch with you and everyone I spoke to at RECC was very polite and professional [...] It is good to have someone to turn to when one needs help".

– Mr B February 2021



Where an application has been able to move to Stage 2, we can be confident that the business is fit and proper for Code membership. This means that if issues are found with the applicant's documentation at stage 2, we have the option of dealing with these points as conditions of membership. For example, they may be required to:

- make changes to their website or other marketing materials within 2 weeks of becoming a member; or
- adopt the RECC model contract until such time as they can make necessary changes to their contract terms and to then make them available for review before dissemination.

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 and subject to Conditions; or
- referred to the Independent Applications Panel (IAP); or
- rejected without reference to the IAP.

During 2021, an in-depth Due Diligence Check was carried out on 536 applicant businesses. Due to an increase in applications received in 2021, this marks a 48% increase compared to Due Diligence Checks undertaken in 2020 (362). Of the 536 applicants assessed:

- 428 were accepted as members of the Code
- 3 were accepted for a defined period of temporary Code membership;
- 6 were rejected; and
- 109 had their applications closed - an application may be closed after an applicant withdraws its application or if it has failed to pay its Membership Fees and/or respond to our communications.



The Membership Team has the power to reject an application without reference to the 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. We still have the option to refer an application to the IAP before making a decision to reject should we feel it is necessary. In either scenario the IAP can decide that an application should be:

- accepted (either with or without Conditions); or
- accepted on a temporary basis with Conditions; or
- rejected.

In 2021, 6 applications were rejected without reference to the IAP. These applicants were given the option to have their applications reconsidered by the IAP; however, the applicants did not request such reconsideration. 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), and any new application will be treated on its merits.

"I can't thank you enough for all the help you have given us over the months and years that this has dragged on for. Very, very much appreciated".

– Mrs C September 2021

3.2 Compliance Checks

During 2021, 149 members were the subject of a full Compliance Check, of which 35 were allocated for an audit, 73 were identified as needing a compliance communication regarding potential issues highlighted by the check, 5 had non-compliance action invoked against them, and 8 went on to have their Code membership terminated.

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. 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.

During 2021, 149 members were the subject of a Compliance Check. These members were selected for several reasons, including:

- 64 members who had recorded inadequate insurance information on the MID;
- 28 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;
- 22 members who had registered a higher-than average number of installations on the MID over a set period of time; and
- 13 members about whom we had received information about their compliance with the Code from a consumer and/or industry stakeholder.

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 149 Compliance Checks, we decided to:

- send 73 members compliance communications regarding insurance and/or issues found with their online marketing;
- allocate 35 members for a desk-based audit;
- take no further action in the case of 14 members;
- carry out further monitoring in the case of 15 members;
- place 8 members in the disciplinary process; and
- refer 4 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 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 2021, we allocated 36 members for a desk-based audit. Of these, 29 were completed, 3 were ongoing at the end of 2021, 3 members had their Code membership terminated after they failed to respond to their audit allocation and 1 member resigned after receiving its audit allocation. Whilst we worked to reintroduce site-based audits towards the end of 2021, due to the reintroduction of Government

Covid restrictions, no site-based audits were conducted during the year.

Passing or failing an audit reflects how a member has performed on each key 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 29 audits completed in 2021, 14 were closed after the member demonstrated that it had made the necessary changes to its business practices, 3 were referred to non-compliance, 1 was closed after the business had its Code membership terminated due to non-response to the audit follow-up, and 11 remained open at the end of 2021 with minor outstanding issues.

Whilst all 29 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 3.1 below shows the results from the completed 2021 audits against the 10 key CAs set out in Table 3.1 below. The most frequent areas of non-compliance were:

- Awareness of Consumer Protection/ RECC (including staff training) (CA1)
Issues concerning CA1 continued to come from the changes made to the Bye-Laws in 2019 requiring members to display the RECC logo on their contractual documentation, and the RECC logo and CTSI Approved Code logo on all consumer facing marketing materials. The results mimic issues identified during the 2020 audits despite an email being sent to all members in 2020 reminding them of the requirements and providing guidance on how to use these logos to ensure any changes they make are compliant. All members were able to take steps to comply with these requirements following their audits.
- 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 incentives 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.
- Contracts and Cancellation Rights (CA6)
Issues found in CA6 came from certain information not being included in a member’s contractual terms and conditions, and members failing to maintain a clear cancellation log. Most issues found in this area were easily resolved by the member adopting all (or parts of) the RECC model documentation. In 2022, we will take steps to encourage the use of these documents with existing members and new applicants, to reduce the frequency of these issues.

Please note that CA5 (finance agreements) is only assessed where the member is offering finance to consumers.

Fig 3.1 - Ares of non-compliance in 2021 audits by Key Compliance Area

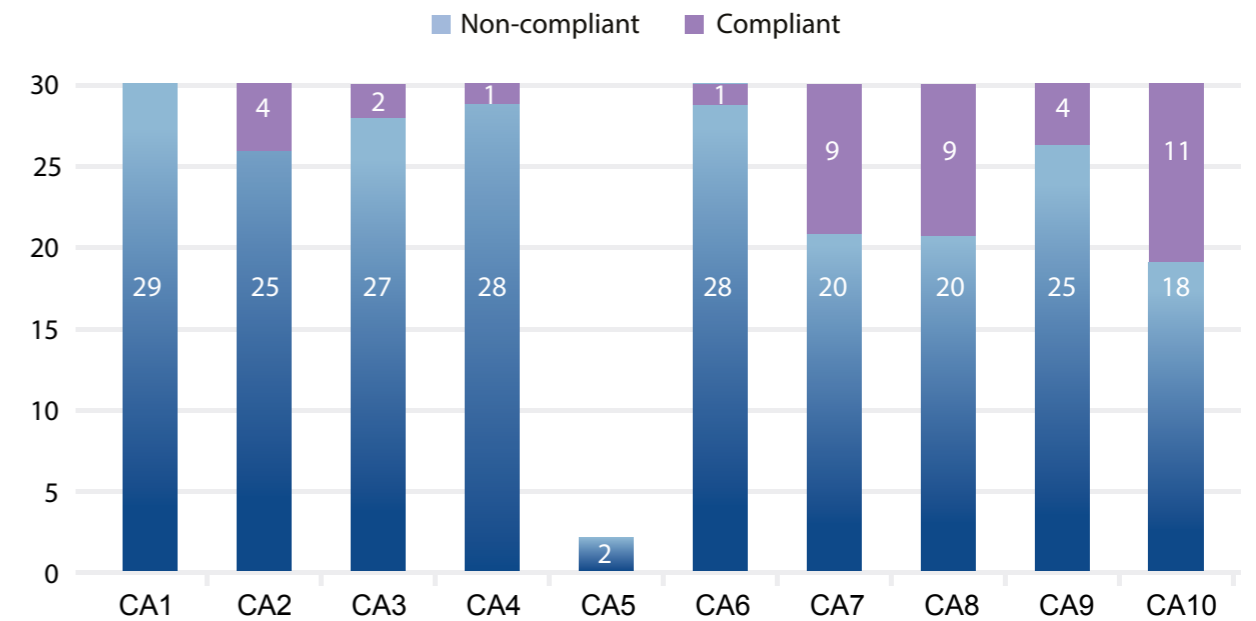


Table 3.1 - Key Compliance Areas

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

4. Enforcing compliance with the Code

4.1 Investigating breaches of the Code

In 2021, 68 members were asked to respond to suspected breaches of the Code and/or Bye-Laws.

In 2021, 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, including Compliance Checks;
- intelligence from Citizens Advice, Trading Standards, the Advertising Standards Authority, Financial Conduct Authority, Companies Investigation Branch, Scam Busters, MCS or the MCS Certification Bodies; and/or
- any publicly available information including media reports.

“We would like to thank you for all the time and effort you have made on our behalf and sound advice given to us”.

– Mr H November 2021

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 2021, 68 members were invited to respond to evidence of a potential breach of the Code and/or Bye-Laws:

- 5 had non-compliance action invoked against them in accordance with clause 9 of the Bye-Laws, of which:
 - 2 had their Code membership terminated;
 - 1 was invited to agree to a Consent Order; and
 - 2 were ongoing at the end of 2021.

- 63 were sent compliances notices, of which:
 - 1 had its Code membership terminated;
 - 49 were able to resolve all issues and/or areas of concern identified; and
 - 13 were still ongoing at the end of 2021.

As well as the 68 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 ended after it was invited to agree to a Consent Order;
- ongoing disciplinary action against 1 member was closed after it was invited to agree to a Consent Order; and
- 1 member had its membership terminated before we formally invoked non-compliance action against it on account of the company’s voluntary liquidation.

“Thanks so much for your help [...] I think it was your intervention that finally made them take notice and process the refund.

I phoned again and [RECC] were excellent, really taking on board my concerns.

So, I’m very grateful, I think it is so important that companies are brought in line under codes like this and the RECC team have been amazing”.

– Mr R December 2021

5. Consumer complaints

5.1 Quantifying consumer complaints

In 2021, we registered a total of 335 complaints, a slight increase of 9% from 2020 as shown in Figure 5.1. On average we received 28 complaints per month and most complaints were registered in the second half of the year. The month with the highest number of complaints was February (38), whilst May had the lowest number (17). Of the 335 complaints received, 181 were about current Code members, 112 were about former Code members, and 42 were about companies that have never been Code members. Of the 2,000 Code members in 2021, only 112 had a complaint registered against them as shown in Figure 5.2. This means that 95% of members did not have a complaint registered against them in 2021. Where we did receive a complaint about a Member, most only had 1 complaint registered against them (88).

Fig 5.1 - Total number of complaints registered by RECC

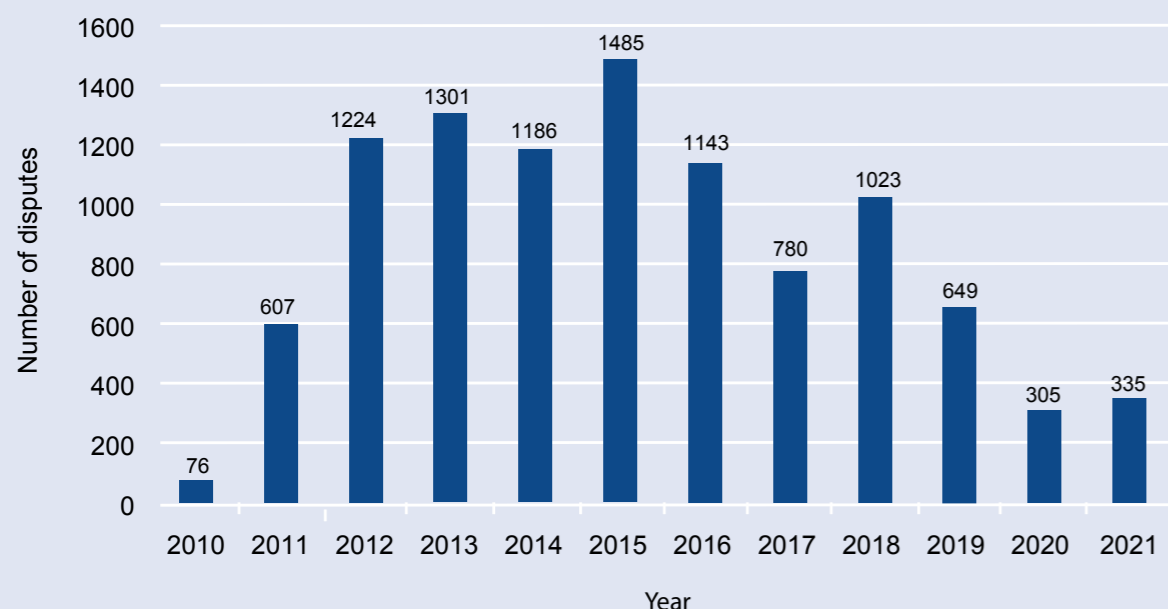
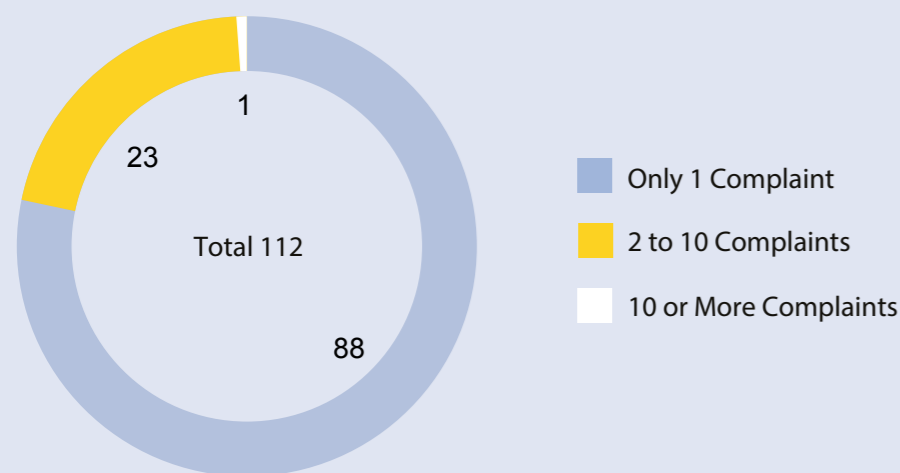


Fig 5.2 - Number of Code members with complaints registered against them in 2021



5.2 Categorising consumer complaints

By Status

Of the 335 complaints registered in 2021:

- 136 (41%) fell within the remit of the Code and were addressed through RECC’s Dispute Resolution Process
- 141 (42%) were classified as feedback/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, and companies that have never been members of the Code.
- 52 (16%) 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.
- 6 (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 15% compared to 2020 and we continue to handle a high proportion of the total number of complaints received. Feedback/potential complaints represented 42%, a small decrease compared with 44% in 2020, whilst the number of complaints which were referred onwards increased to 16% compared to 13% in 2020.

By Technology

The top three energy generators about which consumers registered complaints in 2021 were:

1. solar PV;
2. air source heat pumps; and
3. solar thermal.

Solar PV accounted for 37% of all complaints received, a significant decrease compared to 58% in 2020. Air source heat pumps represented 33% of the total, a noticeable increase compared to 20% last year, and solar thermal complaints increased by 9% in 2021. The Government’s Green Homes Grant Scheme which launched in September 2020, enabled households to apply for a voucher of up to £5,000 per household to help with cost of installing energy efficiency measures, including renewable energy generators, in their homes. The scheme contributed to an increase in the number of air source heat pump and solar thermal installations which may explain the increase in the complaint numbers concerning these technologies. Complaints about battery storage units represented 7% of the total, a slight decrease compared to 9% last year. Biomass, ground source heat pumps and other technologies (non-energy generators), each represented 5% or less of the overall total. (See Figure 5.3. – please note that some consumers have multiple technologies installed and list all these technologies when raising a single complaint.)

Fig 5.3 - Complaints registered with RECC in 2021 by technology

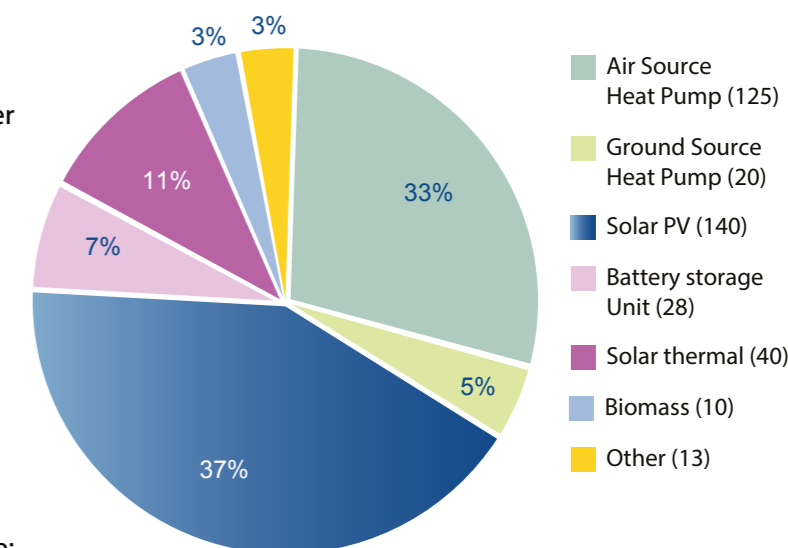
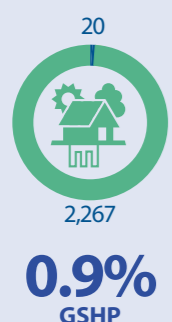
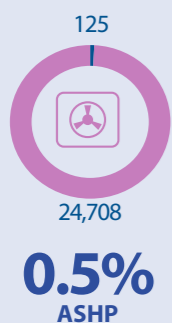


Figure 5.4 - Complaints registered by technology as a percentage of all domestic installations in 2021¹



Snapshot of issues reported by consumers

Solar PV and battery storage systems

- **Product faults** panels, inverters, generation meters, iboosts, battery storage units and manufacturer guarantee claims.
- **Missing documentation or information:** failure to provide MCS handover pack and MCS certificates, and incorrect details in contractual documents.
- **Installation issues:** incomplete installations, damage caused to roof tiles during installation,
- **Financial:** failure to realise expected savings and /or income and mis-selling based on the Feed-in Tariff.
- **Other:** failure to notify DNO of installation.

Heat pumps

- **Product issues:** faulty monitoring meters, product failures, incorrectly sized heat pumps and high level of noise generated.
- **Installation issues:** incomplete installations, inadequate insulation, leaks in the system and poor workmanship.
- **Performance:** system unable to function in low external temperatures, insufficient heating and inconsistent heating of hot water.
- **Contractual:** cancellation of contract due to incorrect design, significant delays to timetable of work, failure to deliver goods and fulfil contract, and disputes over variation of contract terms.
- **Documents:** failure to provide MCS handover pack and failure to issue MCS certificates due to loss of MCS certification.
- **Financial:** DRHI income considerably less than financial estimates quoted, running costs significantly higher than estimates and disagreement over payment terms.

Biomass and other technologies

Of the 10 biomass complaints, some concerned third party DRHI cases where consumers were contacted by Ofgem to request an amendment to their bank details. Other issues were about expensive running costs due to the high cost of pellets and a system installed incorrectly. Complaints about other technologies concerned voltage optimisers which were faulty.

In relation to Figure 5.4, please note that complaints may relate to installations carried out before 2021. This means that conclusions cannot be drawn between the numbers of complaints registered in 2021 as a proportion of the total domestic installations carried out in 2021 for any technology.

Complaints registered in 2021 by key Compliance Area

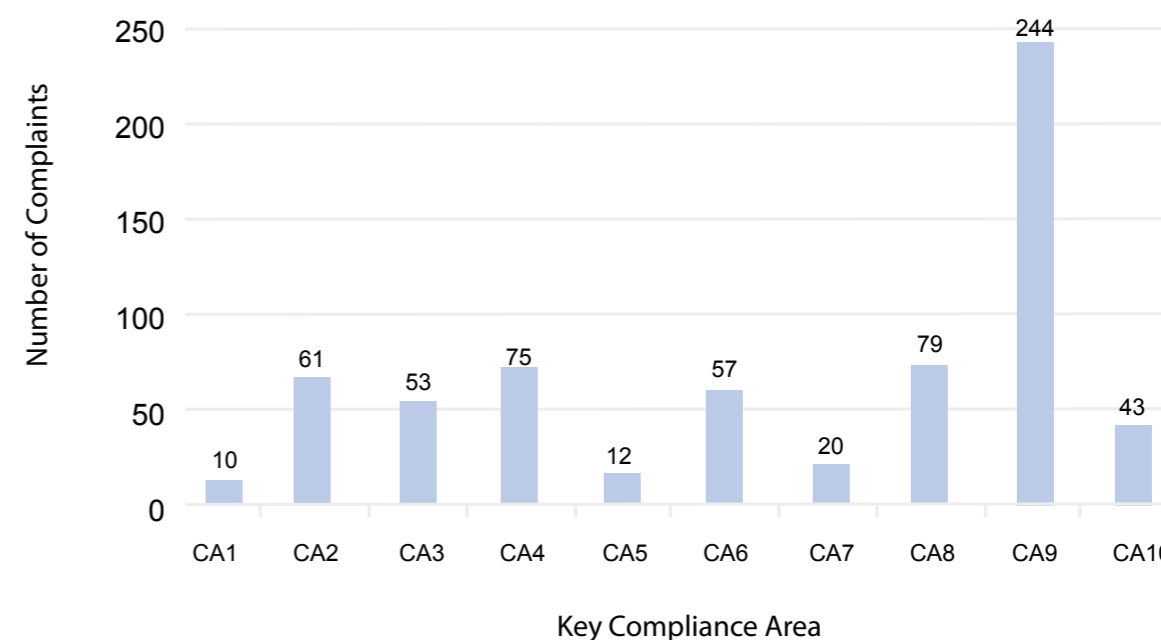
Each complaint that we register is classified into the same 10 key CAs set out in Table 3.1. The aim is to enable us to identify the underlying trends and consumer protection issues in complaints which can cross over multiple areas in some instances.

As shown in Figure 5.5, the top 4 CAs in 2021 registered complaints are:

1. After-sales (guarantees, workmanship warranties and warranty protection, after sales support: customer service) (CA9)
2. Completing the installation
3. Estimates/quotes, particularly performance estimates and financial incentive (CA4)
4. Microgeneration Certification Scheme (CA2)

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 a service are routinely reported as secondary issues. This means that CA9 is the most selected compliance area, showing in 244 of the 335 complaints received.

Fig 5.5 - Individual issues underlying complaints registered by RECC in 2021 by Key Compliance Area



¹ Total number of installations registered on the Microgeneration Certification Scheme Installations Database in 2021 (The MCS Service Company Ltd)

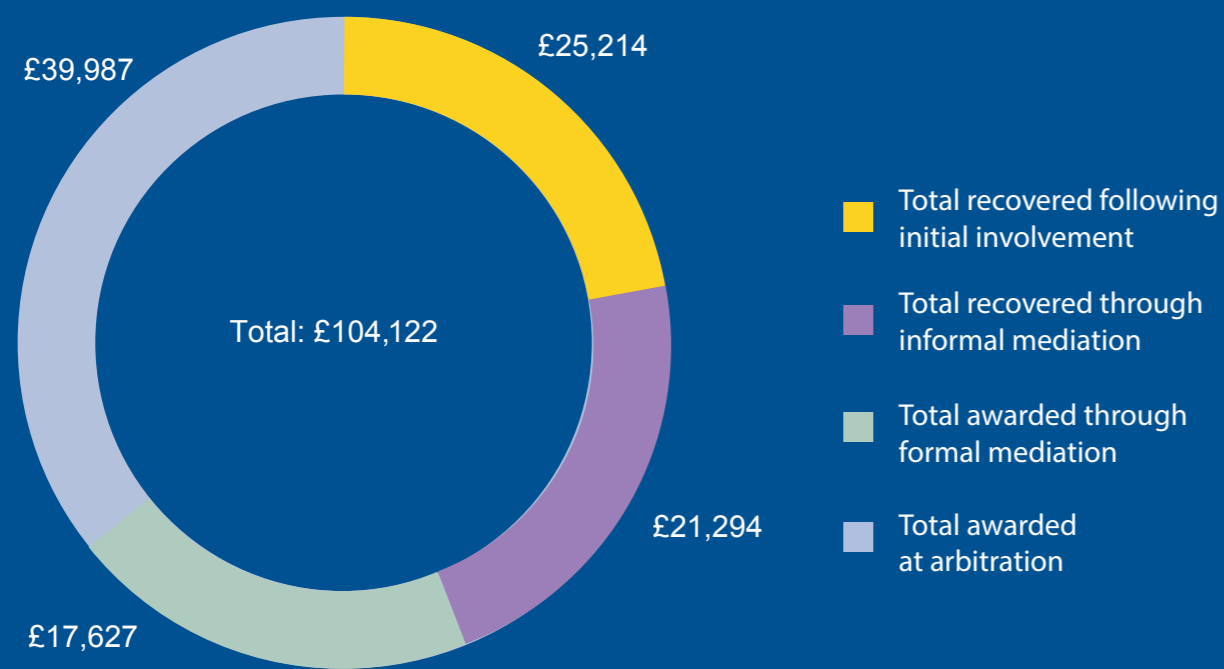
5.3 Resolving consumer complaints

Our Dispute Resolution Process is made up of 3 key stages: initial involvement upon registration, mediation (informal and formal) and the Independent Arbitration Service. Several factors are taken into consideration when deciding which method to use to resolve a complaint, 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. Generally, informal mediation is effective in simple single-issue disputes, whereas formal mediation and arbitration are more suitable for complex disputes.

In 2021, we resolved 63 disputes with a total of £104,122 awarded and recovered for consumers. Of this total, we recovered £64,135 (62%) for consumers through the first and second stage of its process. As well as financial resolutions, we achieved several non-financial resolutions for consumers, including 1 written apology, 5 disputes where consumers were issued with documents, 10 disputes where remedial works were completed and 2 disputes where products were replaced. Here is a breakdown by method of the 63 disputes resolved:

- 17 by initial involvement;
- 19 by informal mediation procedure;
- 7 by formal mediation procedure; and
- 20 by the Independent Arbitration Service.

Fig 5.6 - Total recovered for consumers in 2021 through RECC's Dispute Resolution Process



In total, we successfully resolved 68% of the disputes that fell within our remit, as shown in Figure 5.7. The resolutions achieved for consumers include:

- provision of documents e.g., handover pack and site survey;
- provisions of replacement products;
- compensation for loss of the DRHI and Feed-in Tariff;

- completion of remedial works on roof and internal redecoration;
- price reduction on invoices;
- registration of solar PV system with DNO; and
- installation of a new cylinder and export limiting equipment.

Of the 43 disputes we resolved, whilst the average resolution time was 5.1 weeks, 46.5% were resolved in 2 weeks or less. Please see Figure 5.8 for a breakdown.

Fig 5.7 - Means by which disputes were resolved in 2021

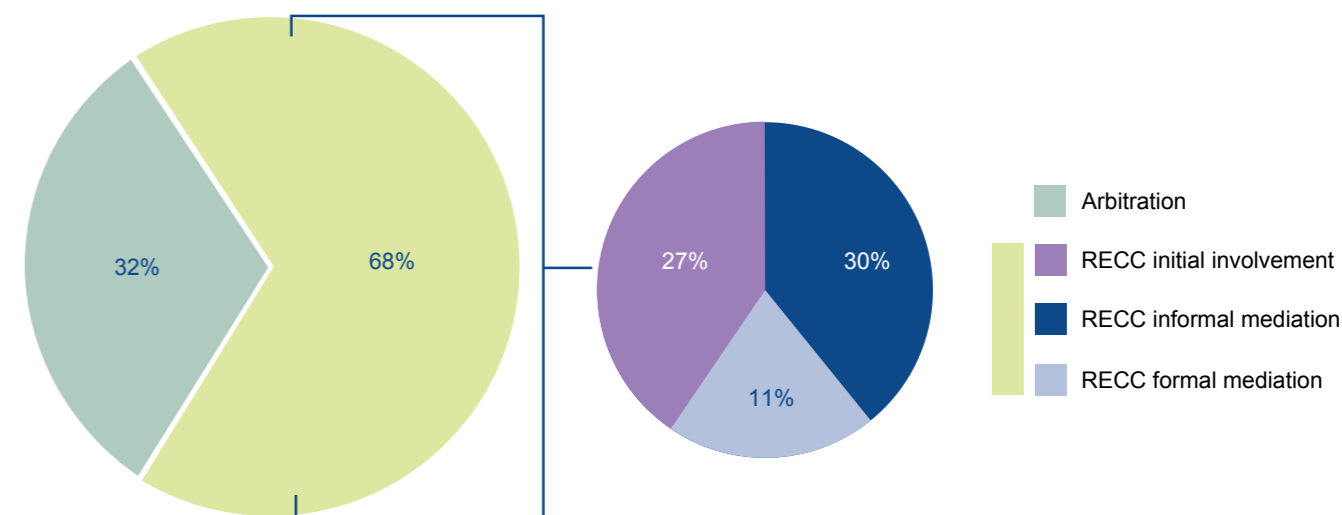
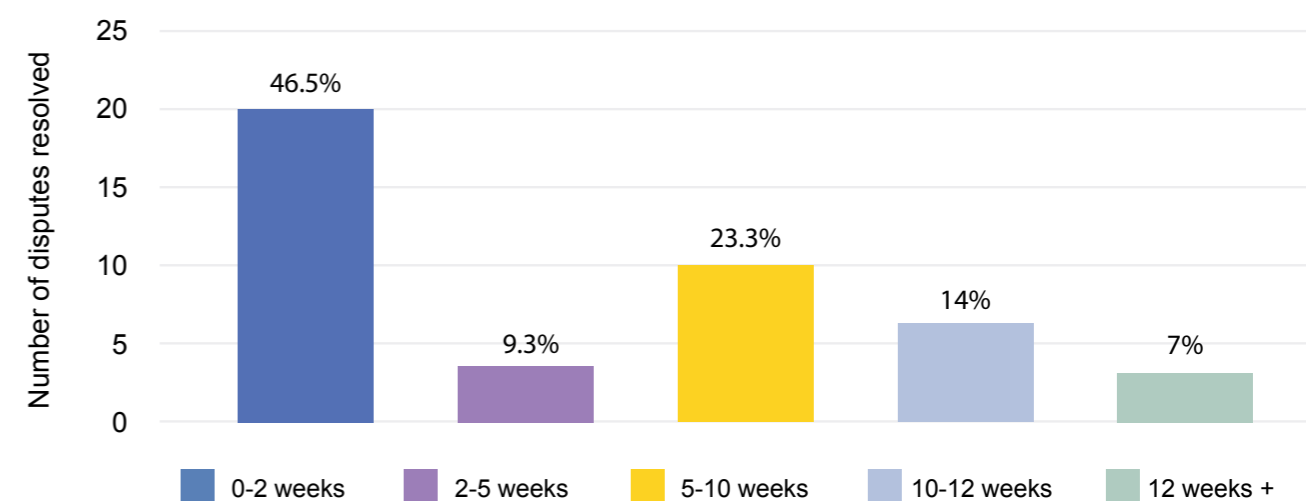


Fig 5.8 - Average number of weeks to resolve disputes



5.4 Referring consumer disputes to the Independent Arbitration Service

The Independent 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. The arbitration service is designed to be straightforward, efficient, low cost and user-friendly for consumers and Code members when compared to court action.

In 2021, 20 disputes were referred to the Independent Arbitration Service which accounts for 32% of disputes resolved. Consumers made claims based on a number of issues, such as:

- the Code member's failure to complete an installation with reasonable care and skill;
- incorrect design and installation of a system;
- cancellation of contract;
- misrepresentation of MCS certification;
- reimbursement of costs incurred for product replacements;
- compensation for loss of income;
- misleading verbal statements about financial performance; and
- installations which were not fit for purpose.

A total of £39,987 was awarded to consumers with successful claims. Of the 20 awards, 12 claims succeeded (60%) and 8 failed (40%). Of the 12 successful claims, the average amount awarded per claim was £3,332, and the highest amount awarded was £18,912.00 for completion of remedial works. In 9 of the successful claims, members were ordered to refund the consumer's registration fee whilst in 3 of the successful claims, each party was ordered to cover their own cost. In all the 8 claims which failed, the consumers were ordered to refund the Code member's registration fee.

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 may take steps to terminate the member's Code membership.

“Just a personal thank you to you for dealing with this dispute in a professional and helpful way. I am happy with the outcome”.

– Mr G September 2021

6. Exclusive benefits and opportunities for Code Members

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

- a listing on RECC's online consumer search tool to introduce RECC Members to potential consumers
- the comfort of knowing that RECC's guidance and model documents are reliable and free to use for members
- authority to use the RECC and CTSI logos showing consumers that the RECC Member is a business they can trust
- 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 TrustMark registration through RECC.
- access to becoming a member of our sister code, Electric Vehicle Consumer Code (EVCC), at a 50% discount.



RECC membership also offers businesses the following optional benefits as a result of RECC's bespoke affinity arrangements:

- an opportunity to become a Which? Trusted Trader, available once businesses 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
- discounted access to Buy With Confidence (BWC), the local authority-backed fair-trading scheme, offering RECC 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 [check]
- 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.

Registered in England and Wales | Company No. 05720606 | Brettenham House, 2-19 Lancaster Place, London WC2E 7EN

