

June 2025

Chartered Trading Standards Institute (CTSI) response to consultation on the Boiler Upgrade Scheme - Boiler Upgrade Scheme and Certification Requirements Consultation.

Response sent to:

Email Part 1 to: boilerupgradescheme@energysecurity.gov.uk

Email Part 2 to: cleanheatcertification@energysecurity.gov.uk

This response is sent on behalf of The Chartered Trading Standards Institute and has been compiled by the expertise of CTSI members. Founded in 1881 (as the 'Incorporated Society of Inspectors of Weights and Measures'), today's Chartered Trading Standards Institute (CTSI) is one of the world's longest-established organisations dedicated to the field of Trading Standards and Consumer Protection.

At CTSI, and through the Trading Standards profession, we aim to promote good trading practices and to protect consumers. We strive to foster a strong vibrant economy by safeguarding the health, safety and wellbeing of citizens through empowering consumers, encouraging honest business, and targeting rogue practices. We provide information, guidance and develop evidence-based policies and campaigns to support local and national stakeholders including central and devolved governments. CTSI also provides the secretariat to the All-Party Parliamentary Group on Consumer Protection and campaigns on range of topics including product safety issues.

CTSI is responsible for business advice and education in the area of Trading Standards and consumer protection legislation, including running the Business Companion service to provide clear guidance to businesses on how to meet their legal and regulatory obligations.

CTSI is also contracted to provide administrative support to the Approved Code Scheme which was established to give consumers greater confidence when they buy from members of the approved scheme and also raises the standards of trading of all businesses that operate under the relevant Approved Code for that sector.

Question 18: Do you agree that third-party ownership providers wishing to access the BUS should be restricted to MCS certified companies? Yes/No. Please provide evidence to support your response.

We support the Government's aim of ensuring the highest standards of consumer protection in the renewable energy sector. However, to achieve the highest levels of consumer protection standards, we firmly believe that the MCS customer commitment should be independently assessed and approved, for example, under the Approved Code Scheme.

In a fast-moving technological trading environment, legislation can lag behind and even impede business innovation, so there is an opportunity to use a smarter regulatory approach, such as Outcome-Based Cooperative Regulation. Approved Code Schemes play a vital role in the consumer protection landscape, by enabling robust self-regulation in high risk, non-regulated sectors, taking pressure off the overstretched court system. Codes under the Approved Code Scheme ensure the highest standards of customer service and redress. Businesses wishing to be part of an Approved Code are required to offer an approved ADR scheme.

However, we believe no sector should police itself. There needs to be independent assessment of any Code Scheme, coupled with an approved redress scheme to help consumers when things go wrong. This would make it easier for consumers and help to improve consumer confidence in the sector.

One of the key strengths of the Approved Code Scheme comes from the fact that it was originally set up by the Office of Fair Trading (OFT) before being taken on by the Chartered Trading Standards Institute (CTSI) in 2013 through an independent (Community Interest Company) Board. This means the Approved Code Scheme is completely independent of commercial interests, and puts consumers' interests first. The Approved Code Scheme currently covers over 45,000 businesses through 21 code sponsors across 22 different codes in 8 key sectors, including renewable energy retrofit sector. This multi-sectoral approach means the Approved Code Scheme can provide independent oversight of Code Schemes, guarding against a race to the bottom on consumer protection.

Code providers are required to show that their Codes of Practice comply with the Scheme's robust core criteria through a rigorous 2-stage approval process before they can be approved under the Approved Code Scheme. Code providers are also subject to regular audits to ensure continued compliance. Under the Scheme, businesses are also required to continually improve their standards and customer service. Integral to the Scheme is the requirement for businesses to offer consumers access to Alternative Dispute Resolution (ADR). CTSI is a Competent Authority which audits and approves ADR bodies.

It is also estimated that the Approved Code Scheme covers consumer spending of around £155 billion and in 2022/23 helped to recover more than £2.1m for consumers. The Approved Code Scheme's logo gives consumers a clear indication that the Code members can be trusted, providing reassurance to consumers and improving their confidence in the sector.

However, consumers are often confused about how to seek redress when they have a problem (due to a combination of multiple ADR providers and gaps in redress) and do not understand the role of Ombudsmen Services, Redress and ADR schemes. Citizens Advice also found consumer awareness of ADR schemes was only 28% in regulated sectors and 16% in non-regulated sectors, and YouGov found that only 2% of the public

have used an ADR scheme. More needs to be done to protect consumers and to help them seek redress by improving accreditation and accountability, and simplifying the redress routes.

In our manifesto, we called on Government to review the redress landscape to make it simpler for both businesses and consumers to navigate. In addition, there is no overarching mechanism to ensure the quality of Ombudsmen Services. This is why we have called for there to be overarching and independent assessment of Ombudsmen Services. Given, its independence and focus on consumer protection, the multi-sectoral Approved Code Scheme is well-placed to provide that overarching independent oversight of Ombudsmen Services.

Question 19: Do you agree that third-party ownership providers wishing to access the BUS must be carrying out an activity regulated by the FCA and therefore be FCA authorised? Yes/No. Please provide evidence to support your response.

We believe that if the provider is involved in providing financial products would there be a requirement to be authorised by the FCA, for example, a broker or lender.

Question 20: Do you agree that third-party ownership providers wishing to access the BUS must register with Ofgem and provide proof of FCA authorisation? Yes/No. Please provide evidence to support your response.

We believe that high standards of consumer protection can be achieved through businesses becoming members of an Approved Code under an independent Code Scheme, such as the Approved Code Scheme. The Approved Code Scheme is well-placed to ensure compliance with stringent and robust consumer standards. Businesses wishing to sign up to the Scheme could be required to register with Ofgem and have proof of FCA authorisation. This is similar to the New Homes sector which requires businesses to have achieved Stage 1 Approval under the Approved Code Scheme before they can obtain warranty cover for their new builds from warranty providers. This ensures more rigorous vetting of member businesses and therefore provides more robust protection for consumers.

Question 21: Are third-party providers wishing to access the BUS likely to operate as FCA authorised brokers or lenders, or both? Please provide evidence to support your response.

From past experience, we believe that many businesses within the energy sector act as lenders or brokers as they sign consumers up to credit agreements. As a result, we believe they must be FCA registered, and thorough checks would need to be carried out to ensure compliance. This can be achieved through the robust processes in place under the Approved Code Scheme.

Question 22: Are there any additional conditions beyond FCA authorisation and MCS certification that should be required for a third-party ownership provider wishing to access the BUS? Yes/No. Please provide evidence to support your response.

The UK's drive towards net zero presents business opportunities, for example, in green energy products - such as heat pumps, solar products and home insulation – is worth an estimated £1 trillion over the next five years. However, consumers face significant challenges in transitioning to these more sustainable products. For example, the high upfront costs of retrofitting solar panels and heat pumps which cost up to £11,000 to £14,000 respectively; In addition, some electric vehicles are almost double the price of their petrol equivalent. The Competition and Markets Authority uncovered 'greenwashing' where businesses make false or overstated environmental claims and research by Citizens Advice in 2021 estimated that more than 19 million adults across the UK could have been targeted by a green scam in the past year, with an estimated 5.2 million victims impacted by them. CTSI also found that 97% of home maintenance websites did not comply with the law.

In our manifesto, we called on Government to introduce a licensing scheme for green energy businesses. Introducing a licensing scheme which imposes minimum industry standards on businesses in the green energy efficiency retrofit sector would better protect consumers and businesses and help build consumer trust and confidence in these markets. A licensing scheme should also require those businesses to be a member of an Approved Code, such as one approved under the Approved Code Scheme, to provide more robust consumer protection.

Question 23: Do you agree that the minimum requirements outlined above should apply where a third-party ownership agreement is delivered alongside the BUS? Yes/No. Please provide evidence to support your response including whether there are any additional requirements that should apply, or any proposed requirements that are not appropriate.

Yes. We agree that a clear and fair contract must be provided to the consumer so that consumers can make an informed decision. There should be no misleading actions or omissions, with clear and honest information on energy savings. Thorough checks on all providers must be carried out to ensure all authorisation requirements are met. This can be achieved through the robust processes in place under the Approved Code Scheme.

Question 24: Do you agree that third-party ownership providers operating under the BUS should not be able to repossess or remotely decommission a heating system? Yes/No. Please provide evidence to support your response including any potential unintended consequences for the provider and consumer.

Yes. We believe assistance should be provided for those unable to meet payments. Remote decommissioning of a system leaving consumers without heating should not be permitted under any circumstances. Consumers should be kept informed of any action that they may need to take

Question 25: Should there be a maximum term for eligible third-party ownership agreements delivered alongside the BUS? For example, restricting contract length to the average life span of a heat pump. Yes/No. Please provide evidence to support your response.

Yes. We believe there should be a maximum term for third party ownership, which restricts contract length to no longer than the average life span of a heat pump. After which the heat pump becomes the property of the consumer, enabling them to contract with any other third party for servicing.

Question 26: Should third-party ownership agreements delivered alongside the BUS adhere to standard clauses or a model contract setting out the minimum requirements to ensure that consumers are not subject to unfair clauses? Yes/No. Please provide evidence to support your response.

Yes. We agree that there should be no unfair terms or hidden clauses within any consumer contracts. It must be a requirement for consumers to be made fully aware of what they are signing up to, including their obligations.

Question 27: Would the utilisation of standard clauses or a model contract delivered alongside the BUS cause any difficulties for integrated contracts that include packages of technologies e.g. heat pump and solar panels. Yes/No. Please provide evidence to support your response.

We agree that standard clauses or a model contract can be useful to simplify the contract for consumers. However, it will be vital that the contract ensures consumers are well informed of all the elements in the contract, including all aspects of the installation and third-party agreements, and there is nothing in the contract that would cause consumer confusion.

Question 28: Are there additional ways in which we can simplify the heat pump installation process to further improve access to the scheme? Please provide evidence to support your response.

We believe independent, qualified surveyors should be required to ensure consumers' homes are suitable for the installation in the first instance. They should also provide guidance on what changes would need to be undertaken in the home to ensure optimum efficiency of the heat pump. They should also provide clear guidance on who is eligible for the scheme, how the heat pump works and the timescale for installation etc.

Question 29: Do you agree with the approval of the MCS Customer Commitment as a code of practice for the purpose of consumer protection on the BUS? Yes/No. Please provide evidence to support your response.

As we explained in answer to Q.18, we support the Government's aim of ensuring the highest standards of consumer protection in the renewable energy sector. However, to achieve the highest levels of consumer protection standards, we firmly believe that the MCS customer commitment should be independently assessed and approved, for example, under the Approved Code Scheme.

In a fast-moving technological trading environment, legislation can lag behind and even impede business innovation, so there is an opportunity to use a smarter regulatory approach, such as Outcome-Based Cooperative Regulation. Approved Code Schemes play a vital role in the consumer protection landscape, by enabling robust self-regulation in high risk, non-regulated sectors, taking pressure off the overstretched court system. Codes under the Approved Code Scheme ensure the highest standards of customer service and redress. Businesses wishing to be part of an Approved Code are required to offer an approved ADR scheme.

However, we believe no sector should police itself. There needs to be independent assessment of any Code Scheme, coupled with an approved redress scheme to help consumers when things go wrong. This would make it easier for consumers and help to improve consumer confidence in the sector.

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Our manifesto called on Government to review the redress landscape to make it simpler for both businesses and consumers to navigate. In addition, there is no overarching mechanism to ensure the quality of Ombudsmen Services. This is why we called for there to be overarching and independent assessment of Ombudsmen Services. Given, its independence and focus on consumer protection, the multi-sectoral Approved Code Scheme is well-placed to provide that overarching independent oversight of Ombudsmen Services.

Question 30: Are there additional measures the Department and Ofgem could implement to enhance consumer protection under the BUS?

As mentioned above, in summary, consumers should not be misled into installing products that are not suitable for their home, surveys should be required before an installation is undertaken. There needs to be responsibility when things go wrong and consumer issues must be dealt with quickly to avoid emotional and/or financial loss. Also, consumers should not be left with astronomical heating bills if they had been promised energy savings. When faults occur they should be rectified as quickly as possible, and consumers should never be left without heating.

Question 31: Do you agree with the proposal to require installers to deduct the grant amount from the upfront costs of the eligible plant?

We agree as this makes it clearer for consumers to understand exactly what they need to pay, avoiding the risk of or not receiving any reimbursement owed as a result of problems with installers.

Part 2: Certification requirements for clean heat schemes consultation Proposals to require the Microgeneration Certification Scheme (MCS) as the sole certification scheme for UK government clean heat schemes

Question 1: What are your views on the current position in relation to the Boiler Upgrade Scheme, the Warm Homes: Social Housing Fund and the Warm Homes: Local Grant i.e., allowing for MCS or equivalent in relation to certification of clean heat products, installers and installations? Please make clear in your response if your views apply across all schemes, or refer to a specific scheme/schemes.

We support the Government's aim of ensuring the highest standards of consumer protection in the renewable energy sector. To achieve the highest levels of consumer protection standards, we firmly believe that the MCS customer commitment should be independently assessed and approved under the Approved Code Scheme.

Question 2: What are your views on the current position in relation to the Energy Company Obligation which allows for MCS or equivalent in relation to certification of clean heat products for innovation measures, data light measures and standard alternative methodology measures?

We support the Government's aim of ensuring the highest standards of consumer protection in the renewable energy sector. To achieve the highest levels of consumer protection standards, we firmly believe that the MCS customer commitment should be independently assessed and approved under the Approved Code Scheme.

Question 3: What are your views on the advantages that would stem from a sole certification scheme for clean heat measures?

We believe that it is not the role of the Approved Code Scheme to tell a sector what to do, but for the sector to work collaboratively to find the right solution.

Question 4: What are your views on the advantages that would stem from a certification system which may include multiple certification schemes for clean heat measures?

We believe that it is not the role of the Approved Code Scheme to tell a sector what to do; it is for the sector to work collaboratively to find the right solution. We support the Government's aim of ensuring the highest standards of consumer protection in the renewable energy sector. To achieve the highest levels of consumer protection standards, we firmly believe that the MCS customer commitment should be independently assessed and approved under the Approved Code Scheme.

Question 5: Do you agree with the proposal to mandate MCS as the sole certification scheme for clean heat installations under government clean heat schemes and remove the option for equivalence?

We believe that it is not the role of the Approved Code Scheme to tell a sector what to do, but for the sector to work collaboratively to find the right solution. We support the Government's aim of ensuring the highest standards of consumer protection in the renewable energy sector. To achieve the highest levels of consumer protection standards, we firmly believe that the MCS customer commitment should be independently assessed and approved under the Approved Code Scheme.

Enquiries relating to this response can be emailed to Lesley Crompton, Head of Resolution Services, CTSI - lesleyc@tsi.org.uk.

