

June 2025

Chartered Trading Standards Institute (CTSI) response to consultation on Clean Heat Market Mechanism Revisions ahead of Scheme Year 2 (2026/27) – [chmm-year-2-revisions-consultation.pdf](#)

Response sent to: heatmarketmechanism@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 3: Do you agree that there should only be one certification body? Yes/No. Please provide reasoning to support your response.

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 certification scheme should be independently assessed and approved 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.

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 the UK 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 4: Do you agree that, if there is to be only one certification body, it should be MCS? Yes/No. Please provide reasoning to support your response.

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 certification scheme should be independently assessed and approved under the Approved Code Scheme.

Question 5: Are there any other elements of the scheme you would like Government to consider consulting on revisions to in the future?

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, misleading 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 the UK Government to introduce a licensing scheme for green energy businesses. Introducing a licensing scheme which imposes agreed 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.

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