WEB TEXT

BEIS Renewable Energy

October 2021

Introduction

- Part 1: Home renewable technologies
- Part 2: How to become a certified installer
- Part 3: Incentive schemes
- Part 4: Best practice
- Part 5: Consumer protection law

Introduction

The UK Government's goal for the country to become net-zero carbon by 2050 presents huge challenges for businesses. It also brings with it huge opportunities. Some of the greatest of those lie in the home renewable energy sector, as the coming years will see major efforts to install green energy technologies in existing homes across the country, as well as in new homes being built.

The information in this guide has been designed to help businesses installing green energy technology in existing homes to ensure that they are following the rules for installing under government schemes. Why Install under government schemes? The government wants to see 240,000 'green jobs' and has announced £3.9bn of funding for decarbonising heat and buildings.

The range of technologies available to homeowners who want to make their homes greener and more energy-efficient includes tried-and-tested methods of harnessing renewable resources such as sunlight and wind power, as well as relatively new, developing technologies such as large-scale lithium-ion battery storage. An overview of these technologies, along with their potential advantages and disadvantages, as well as practical considerations for installers, is given in Part 1.

Installers who wish to install under most government schemes and/or feed back electricity into the national grid will need to join the Microgeneration Certification Scheme. Details of this, as well as the purposes and requirements of Consumer Codes, is given in Part 2.

In order to achieve the net-zero goal, various financial schemes have been introduced which enable homeowners to access funds they can use to make their homes greener. It is in this area that the most pronounced differences between the four nations come into play, with some schemes being available across the UK, while others can only be accessed by homeowners in certain locales. Details of each of the current incentives and their geographical reach are provided in Part 3.

Part 4 of this guide contains practical advice from experts in the sector about what traders should avoid doing. This includes common mistakes, exaggerations and omissions that can result in either censure from Certification Bodies and Consumer Codes, or enforcement action from trading standards. An overview of the consumer protection legislation relevant to traders in the sector is given in Part 5.

In addition to the written content of the guide, Business Companion has also produced handy graphics of the typical green home with renewable energy technologies installed, as well as a flowchart to show the ideal journey to becoming a fully certified installer. At the end of the guide, you will also find a checklist to help you ensure that your business has followed all of the necessary steps.

Part 1: Home renewable technologies

Renewable energy technologies and energy efficiency measures have become increasingly mainstream over the past few years, meaning they have become more accessible to the average homeowner. The advent of Government-backed incentives, grants and funding schemes (*see Part 3*) has also put these technologies within reach of many people for the first time. This trend is likely to continue as the technologies become more refined, widespread and affordable.

As well as helping people to save money on energy bills in the long term, each of the following technologies has a vital part to play in mitigating the catastrophic effects of climate change as the UK moves towards a net-zero carbon future.

Heating systems

Air source heat pump

Air source heat pumps (ASHPs) use a vapour-compression process to draw energy from the air outside a building and convert it into heat inside the building. Most ASHPs can also transfer energy in the other direction when in cooling mode, drawing heat from inside the building and transferring it outside. The technology works in a similar way to a traditional refrigeration system; a heat exchanger coil positioned outside the building extracts heat from ambient air; meanwhile, another heat exchanger coil placed inside the building transfers that heat to an indoor system consisting of, for example, heating ducts or water-filled radiators. While ASHPs are more expensive to install than traditional boiler systems, they are less costly and complicated to install than ground source heat pumps, which require excavation work (see below).

Ground source heat pump

Ground source heat pumps (GSHPs) work in a similar way to ASHPs, but instead of drawing heat from the air outside a building, they are connected to a ground heat exchanger – a loop of pipework typically made of high-density polyethylene and filled with a mixture of water and anti-freeze – which absorbs heat from underground and carries it upwards into the building. Ground heat exchangers can either be horizontal or vertical, meaning they can either be buried at shallow depths and over a wider area or in deeper boreholes that take up less space, respectively. The choice of a horizontal or vertical configuration is likely to be determined by the surroundings and position of each building. As with ASHPs, most GSHPs can also be used to keep buildings cool.

Water source heat pump

A more niche option than GSHPs, water source heat pumps (WSHPs) work in a similar way by extracting energy from a waterway near a house and transferring it via pipes to a heating system. Obviously, they will only be an option for those living near a waterway, and they require a large amount of water to be effective. When working at optimum capacity WSHPs can be more efficient than ASHPs or GSHPs, but because of the limitations inherent in their design – including a likely need for larger radiators and expensive underfloor heating systems to get the most from the technology – they will probably remain less popular than the air- and ground-based alternatives.

Biomass heating system

Biomass heating systems use agricultural, domestic and industrial residues and waste – rather than fossil fuels – to produce energy, which is converted to heat. Burning biomass materials – such as wood pellets or dried manure – does produce carbon dioxide, but less than traditional fossil fuels. The most suitable type of biomass heating system to be installed will depend largely on the size of the property; log-burning stoves and boilers are more suitable for smaller properties, but require regular maintenance, while pellet or chip burners are more suited to larger properties. Because most pellet or chip burners are filled automatically from a silo or feeder, they are easier to use and control – but this extra equipment will take up more space inside or outside the property. Biomass heating systems also require thermal stores – essentially water tanks – to store the hot water that will be pumped into radiators.

Solar thermal

Solar thermal heating systems gather energy from solar thermal collectors placed outside a building, usually on the roof, and transfer it via pipes containing water and anti-freeze to a hot water cylinder inside the building. The heated water in the cylinder can then be used for baths and showers, and in some cases can be pumped around the building to heat radiators as well. There are two types of solar thermal collector: evacuated tubes, consisting of glass tubes mounted on top of the roof; and flat plate collectors, which can either be integrated into the roof itself or mounted on top. It is important to note that in order to provide heating for an entire home, it is necessary to use many solar thermal collectors covering a large area, and even then, the amount of energy absorbed may be insufficient. If the system is just being used to heat water, fewer solar panels are necessary and the system is likely to be more efficient.

Electricity

Solar photovoltaic

Solar photovoltaic – or solar PV – systems harness the sun's energy and convert it into electricity to power the home. They achieve this by using solar panels consisting of photovoltaic cells – as opposed to pipes containing fluid, as in the case of solar thermal heating systems. These solar panels are usually mounted on rooftops, above the existing tiles; they can be integrated into the rooftop itself, but this tends to be more costly and complicated. Most solar PV systems are connected to the mains grid, meaning that when the building they are attached to is not using the power they emit, that surplus energy can be diverted into the network and used to power other homes. This also means that homes with solar PV systems can access electricity from the grid when needed. In some cases, instead

of being connected to the grid, solar PV systems can be connected to a battery

that stores surplus energy, which can be used later (see below).



Wind turbines

There are two types of wind turbine available for home use: free-standing, pole-mounted turbines which can be placed in a garden; or building-mounted turbines which can be affixed to the side of a building or its roof. Because pole-mounted turbines can be placed in more exposed locations they can be larger, and therefore generate more electricity – they typically have a capacity of about 5-6kW. Building-mounted turbines are more restricted by space and are therefore smaller, with a capacity of around 1-2kW. Building-mounted turbines are likely to be more popular though, since not every house will have a garden of sufficient size; they are also usually less expensive to install. As with solar PV systems, most homes with wind turbines will also be connected to the grid, so they can access

extra electricity when needed, or transfer power into the grid when there is a surplus. They can also be connected to battery storage systems (*see below*).

Battery storage

Battery storage systems can gather the power generated by solar PV or wind power systems, store it, and then release it at times when insufficient power is being generated – for example at night or on a still day. While home energy battery storage technology is still fairly new – and therefore relatively expensive – several big-name manufacturers and energy companies have entered the market with their own electricity production and storage systems, and the growing popularity of these is likely to bring prices down. The storage capacity of the lithium-ion batteries used in these systems is determined largely by their size and ranges between 1kWh and 8kWh. A 1kWh battery – which takes up about the same amount of space as a desktop computer – can store enough electricity to boil a kettle around nine times. Batteries can be combined and stacked, but the large amount of space they take up, as well as the high cost, is likely to make this prohibitive for most homeowners.

Heating and electricity

Micro-combined heat and power

Although they use fossil fuels in the form of mains-supplied gas, micro-combined heat and power (micro-CHP) systems are considered a low-carbon technology because of the efficiency that results from providing both heat and power simultaneously. Some systems can be supplied by biomass fuels, further improving their eco-friendly credentials. For mains-supplied systems, the installation process and space requirements are similar to those of traditional household boilers, so they require relatively little upheaval for the homeowner. When running at full efficiency, domestic micro-CHP systems supply heat and electricity at a ratio of about 6:1 – so their heat output is always greater than the electricity they produce. There are three main types of micro-CHP: internal combustion systems, which tend to be larger and noisier and are therefore mainly used in industrial settings; external combustion, or Stirling engine systems, which are quieter but less efficient; and fuel cell CHP systems, which use a chemical process to create electricity from fuel, and emit heat energy as a by-product.

Energy efficiency

Insulation

Home insulation is an important way of ensuring that domestic buildings maximise their energy efficiency and minimise waste. Cavity wall insulation can be used in a building's internal walls to fill empty space and prevent the convection of warm air between rooms. This usually consists of a fibrous material such as mineral wool or polyurethane spray foam, which can be pumped into



cavities through holes drilled in existing walls. This spray foam expands to fill any gaps and inhibits heat transfer. Similar materials can be used in loft and roof cavity spaces for the same purpose. In addition to insulation inside the home, external wall insulation can be applied to the outside of buildings in the form of cladding, usually consisting of expanded polystyrene or polyurethane, and then finished with an additional layer of cement or synthetic finish. Homes that have been properly insulated are likely to see far lower energy bills than their non-insulated neighbours.

Part 2: How to become a certified installer

Overview

Just as a restaurant needs to be registered with its local authority before it can serve food, or a taxi firm needs a licence before it can accept passengers, a business that installs renewable energy under a government scheme needs to be a member of a Certification Scheme before it can go into people's homes and carry out work.

A Certification Scheme such as the Microgeneration Certification Scheme (MCS) will further require an installer to be a member of two bodies:

- A Certification Body (CB). A CB will assess your technical competency. However, different CBs specialise in particular types of green energy technology, so traders should join the one that fits best with their type of business (see list below).
- A Chartered Trading Standards Institute (CTSI) **approved code of practice**. A Consumer Code will ensure that your business practices go over and above the requirements of consumer law.

It is important to note that a business must be a member of a Certification Scheme it is based in England, Wales, Scotland or Northern Ireland.

Standards Bodies

In the home renewables sector, the organisation which oversees Certification Bodies themselves is the Microgeneration Certification Scheme (MCS). As a Standards Body, MCS sets the rules to which installers must adhere, and also certifies green energy products – such as solar panels or storage batteries – themselves. In addition, MCS maintains a database of all installations in the UK so it can keep track of problems and issues with particular traders.



Another Standards Body that operates in the home renewables sector is <u>TrustMark</u>, a Governmentendorsed organisation set up to improve consumer protection. Tradespeople carrying out home energy improvements should be TrustMark-approved and adhere to TrustMark's <u>requirements</u>. In the words of Chief Executive Simon Ayers, TrustMark's involvement in the sector is in response to "the need for an all-encompassing mark of quality for consumers to recognise and rely upon – regardless of the type of work they are having carried out in their home."

While traders that solely install home insulation products do not have to belong to an MCS-approved certification scheme, they must still be TrustMark-approved. It should be noted that both the RECC and HEIS Consumer Codes (*see below*) provide their members with the opportunity to become TrustMark-approved when they join, thus making the process simpler and more convenient.

Certification Bodies

Certification Bodies assess installers to ensure they come up to MCS's standards. According to Ian Rippin, Chief Executive of MCS, the first thing Certification Bodies focus on is "'hygiene factors' that show you are running a quality business" – this includes record-keeping and complaint-handling procedures.

"We look for evidence that you are managing the business in a way to deliver quality every time to every customer," Rippin explains. "Our expectation is that a business is able to learn from its mistakes and not make them again, and show continual improvement around equipment and training of personnel."

In addition to checking a business's paperwork, Certification Bodies also conduct practical checks in the field to ensure technical competency. As Rippin says, "They check traders are installing to the technical standards set out by MCS. If you're fitting a heat pump, for example, there is a technical standard for that. You need to demonstrate in the field with an audit of a specific installation to show that you are fitting it in a competent way."

"The scheme includes all sorts of safety nets, including if a business ceases to trade and there's a problem with the workmanship. There are insurance-backed warranties that you're obliged to buy as an installer to back up the guarantee that you're giving your customers."

Membership of a Certification Body is not just a box-ticking exercise; it gives traders the confidence that their practices and procedures are safe and robust, and have been scrutinised by experts. "MCS is the custodian of standards which have been written by industry for industry – we benefit from over 200 experts who sit in our working groups, defining best practice," says Rippin.

Each of these organisations assesses and monitors the technical competency of renewable technology installers. The areas they each specialise in are listed in the column on the right.

Name	Contact	Technologies
APHC (Association of	0121 711 5030	Solar thermal
Plumbing and Heating	info@aphc.co.uk	Biomass
<u>Contractors)</u>		Heat pumps
NICEIC (National Inspection	01582 539 140	Micro-CHP
Council for Electrical	Customer.services@niceic.com	Wind turbines
Installation Contractors)		Solar thermal
		Biomass
		Heat pumps
		Solar PV
NAPIT (National Association	0845 543 0330	Micro-CHP
of Professional Inspectors	Info@napit.org.uk	Wind turbines
and Testers)		Solar thermal
		Biomass
		Heat pumps
		Solar PV
HETAS (Heating Equipment	01684 278 170	Solar thermal
Testing and Approval	Info@hetas.co.uk	Biomass
<u>Scheme)</u>		
OFTEC (Oil Firing Technical	01473 626 298	Solar thermal
Association)	https://www.oftec.org/about/contact	Biomass
		Heat pumps
Certsure LLP (Elecsa)	03333 218 220	Micro CHP
	microgeneration@certsure.com	Wind Turbines
		Solar Thermal Biomass
		Heat Pumps
		Solar PV



Consumer Codes

Consumer Codes exist to ensure consumers are protected before, during and after the purchase and installation of home renewables products. They require that businesses provide consumers with clear and accurate information, and provide access to Alternative Dispute Resolution (ADR) if a consumer is dissatisfied with the work carried out (*see below*). They also provide businesses with valuable support and advice to help them avoid receiving complaints in the first place.

Every business carrying out installations must be a member of one of the two Consumer Codes: the Home Insulation and Energy Systems scheme (<u>HIES</u>) and the Renewable Energy Consumer Code (<u>RECC</u>). In a similar way to how MCS oversees Certification Bodies, the Chartered Trading Standards Institute (<u>CTSI</u>) administers Consumer Codes.

Becoming part of a Consumer Code requires a business to demonstrate they have the integrity, capacity and procedures in place to abide by consumer law.

Virginia Graham, Chief Executive of RECC, explains: "The application process is divided into two parts. The first concerns a range of declarations about the previous trading history of the company, and the histories of all the directors, shareholders and senior managers. We want to know about the credit rating, about any County Court Judgments, and any rulings from the Information Commissioner's Office or the Advertising Standards Authority. When we receive the application form, we check all the declarations. If we find that a trader has not filled in the form correctly, that will raise a red flag immediately.

"The second section is what we call compliance checks. That is designed to give us comfort that the company is able to comply with the Code. We would want to see all the training logs, contracts, cancellation notices, warranties, performance estimates and all consumer-facing documents, to check that they're compliant with the legislation and with the Code.

"If they don't have those documents – if they're a new business, for example – we have models which they can use. We try to help traders; we're not trying to make life difficult for them, but we want to make sure that they comply. If they don't think they can comply in the first instance, then they can use our documents."

Faisal Hussain, Chief Executive of HIES, likewise says that the Code exists not to penalise traders, but to make sure everyone gets a fair deal. "The Code of practice is designed to give a framework to our members of how they should interact with a customer throughout the customer's journey," he says. "It starts with marketing – you shouldn't make any misleading claims, for example. Then it moves on to selling practices and how information should be presented to a customer.

"Then it moves on to the installation side of things; installation should be fit and proper, and use the correct products. Then it covers post-installation customer service. In a nutshell, the Code is about treating customers the right way and in a fair and respectful manner."

Alternative Dispute Resolution

Alternative Dispute Resolution (ADR) services are provided by both RECC and HIES as a means of helping consumers and traders find a mutually agreeable solution to any disputes that may arise. It brings the two parties involved together and, through dialogue with an impartial intermediary, finds a

binding outcome to which both parties should adhere. It is beneficial to consumers and businesses alike because it is a quicker, less costly and less intensive process than a traditional court case.

More information about ADR and how it works can be found here.

Other organisations

In addition to Standards Bodies, Certification Bodies and Consumer Codes, various organisations exist to ensure that those operating within the home renewables sector adhere to their legal responsibilities. Many of them are also useful sources of advice to traders and can help businesses of all sizes and with all levels of experience get the most from the industry.

As mentioned above, CTSI administers the Consumer Codes scheme. It also operates the <u>Business</u> <u>Companion</u> website on behalf of the Government, and its consumer law experts can assist businesses with best practice advice. It works alongside Local Authority Trading Standards services, which enforce consumer protection law.

The <u>Energy Saving Trust</u> and <u>Home Energy Scotland</u> are Government-backed advice services that can help consumers and businesses with queries about energy efficiency and renewable technologies for domestic use.

Within Government itself, the Office for the Gas and Electricity Market (Ofgem) provides administrative support for Government-backed incentive schemes, in addition to investigating fraudulent activities committed by consumers and businesses against the incentives. Finally, the Department for Business, Energy and Industrial Strategy (BEIS) sets renewable energy policy for the UK, while the devolved Governments of Scotland, Wales and Northern Ireland administer local energy efficiency schemes.

Part 3: Incentive Schemes

Schemes to encourage homeowners – and, in some cases, tenants – to make their homes more energy-efficient have been created with the intention of reducing carbon emissions and cutting energy bills in the long term. They vary across the UK – with certain schemes only being accessible to people in certain parts of the country – and offer either grants or loans to pay towards purchasing and installing energy-efficient technologies.

The sums of money available, what that money can be used for, and the eligibility criteria, vary from scheme to scheme and are applied on a case-by-case basis. For traders, familiarising yourself with each scheme will help you gain a better picture of where opportunities lie and enable you to help your customers find the option that works best for them.

In order to gain access to funds, the majority of these schemes stipulate that consumers must use a trader that belongs to an MCS-approved Certification Body and a Consumer Code to carry out the work. This is, in part, due to the somewhat troubled history of such schemes, which in the past have proved vulnerable to exploitation by rogue traders seeking to cash in on the funding available. Most of the schemes require the homeowner to have their property assessed by, and submit at least one quote from, a certified trader.

As the home renewables sector comes of age, more stringent measures have been introduced to ensure that money is only spent with legitimate traders who treat customers fairly and conduct work to the high standards required.

At present, the only UK-wide incentive scheme is the Energy Company Obligation (<u>ECO</u>), a Government-backed project designed to help reduce carbon emissions and tackle fuel poverty. It is available to low-income households and requires suppliers to promote actions that result in heating savings, such as replacing broken heating systems or upgrading inefficient systems. The latest iteration of the scheme was launched in December 2018 and will run until 31 March 2022.

For Great Britain (i.e. England, Scotland and Wales), two Government-backed incentive schemes are currently in operation. The Domestic Renewable Heat Incentive (<u>RHI</u>) provides money towards renewable heating costs in the home. It is applicable to biomass boilers, solar water heating systems and certain types of heat pump. The RHI will close in March 2022.

The Boiler Upgrade Scheme (BUS) will offer capital grants to property owners to install heat pumps and in some limited circumstances, biomass boilers, to replace fossil fuel heating systems. The scheme will open in spring 2022.

The Smart Export Guarantee (<u>SEG</u>) is for homeowners with renewable energy systems such as wind turbines or solar PV that export energy back into the grid, enabling them to claim money for the energy they produce, as long as certain conditions are met.

In England, the Green Homes Grant Local Authority Delivery Scheme (<u>LADS</u>) is a £500m fund administered by local authorities, which can bid to access money to install energy-efficiency measures and renewable energy heating systems in low-income households.



Scotland currently has three incentive schemes in operation. The <u>Home Energy Scotland Loan</u> can provide up to £17,500 as an interest-free loan to pay for energy-efficiency measures and low-carbon energy systems.

Meanwhile, the <u>Warmer Homes Scotland</u> programme offers grants of up to £5,000 for similar energysaving improvements.

Finally, the <u>Private Rented Sector Landlord Loan</u> can be accessed by registered private landlords and provide grants of up to £10,000 to install green technologies in eligible properties.

In Wales, the <u>Nest</u> scheme provides a range of grants to eligible homeowners, renters and private landlords seeking to make their homes more energy efficient.



Northern Ireland's Government currently offers three incentive schemes.

The Northern Ireland Sustainable Energy Programme (<u>NISEP</u>) is an £8m fund that is used to provide funding for energy-efficiency schemes across Northern Ireland, mainly for vulnerable consumers.

The <u>NI Affordable Warmth</u> scheme is available in areas with high rates of fuel poverty and is designed to help low-income homeowners and tenants make their homes more energy-efficient.

The <u>Boiler Replacement Scheme</u> helps homeowners on low incomes to replace their existing boilers with more energy-efficient alternatives.

On the horizon

The <u>Boiler Upgrade Scheme</u> will come into operation in April 2022 and will replace the existing Domestic Renewable Heat Incentive (see above).

The Boiler Upgrade Scheme (BUS) will offer up to £5000 grants to property owners to install heat pumps and in some limited circumstances, biomass boilers, to replace fossil fuel heating systems.

The government has a target for all new heating systems installed in UK homes by 2035 to be either using low-carbon technologies, such as electric heat pumps, or supporting new technologies like hydrogen-ready boilers.

The Government however made It clear that: "No-one will be forced to remove their existing fossil fuel boilers, with this transition of the next 14 years seeing the UK's households gradually move away from fossil fuel boilers in an affordable, practical and fair way, enabling homeowners to easily make these green choices when the time comes to replace their old boiler."

It is likely that new incentive schemes will be introduced in the coming years as we move towards 2050. Details of these schemes, and links to their websites, will be added as they emerge.

Part 4: Best practice

While most traders operating in the home renewables sector will be legitimate and conscientious, inevitably, from time to time problems with sales, installation and after-care of energy-efficiency products will arise. This is particularly likely to be the case for new entrants to the market.

Since the market itself is relatively new, with cutting-edge technologies being introduced all the time, there may well also be issues with consumers' understanding and expectations of what the technology can do for them – particularly when it comes to saving money on their energy bills.

Faisal Hussain, Chief Executive of the HIES Consumer Code, says: "The first thing for an installer to avoid is agreeing something with a consumer without putting it in writing; as the phrase goes, 'agreements prevent disagreements'. You want to be able to make sure that whatever you have said to the customer is documented for your benefit, but also for the customer's benefit because things can get misunderstood.

"Don't rely on information that you've got second- or third-hand, because that information might be inaccurate. We've had situations in the past where installers have used certain presentations about certain products given to them by the manufacturer, for example. We had to explain to the installer that actually that's not the right thing to do, because there are claims in there which cannot be substantiated for various reasons. It's important to do your own research."

Virginia Graham, Chief Executive of RECC, also says it is important to make sure consumers are given accurate information about exactly what they are getting. "Mis-selling has been an issue in the past, where installations have been sold on the basis that the consumer is going to make a certain amount of money and often even persuaded to take out a loan – and then persuaded that the money they make might repay the loan," she says.

"If there is a problem with the technical installation of the system that would be more for our colleagues at MCS to investigate; we would be looking more at the selling – the claims made, the advertising, as well as any contractual, pre-contractual, and post-contractual issues."

When it comes to post-contractual issues and complaints, Hussain says communication is key. "One of the most important things from a from a complaint-handling point of view is keeping an open dialogue with the customer. Tell them exactly what's going to happen. If you say to the customer, 'I'm going to come back to you within seven days,' but on the seventh day you don't have an answer, that's OK; go back to the customer and say 'I'm really sorry, we don't have an answer, but I just want to let you know we are still looking at your complaint.

"Communication is so important because, without that, a consumer will feel ignored. And then the complaint can get escalated."

Hussain also advises businesses – particularly new entrants to the sector – against over-stretching themselves. The ambitious target of net-zero carbon by 2050 will require traders to really ramp up the number of installations they carry out, and some may feel tempted to take on more work than they have the capacity to competently fulfil. "Just make sure that if you are expanding your business, that you're expanding your business in the right way," he says.

"Don't run before you can walk. We're here to help an installer on their journey of expansion because we want to help them do things in the right way. Sometimes we've experienced installers expanding too quickly. And then they've not been able to control their business and their customer service skills."

Standards Bodies, Certification Bodies, Consumer Codes and Trading Standards all have the ability to penalise traders who break the law – whether that be by revoking their certification or, in the case of Trading Standards, pursuing legal action through the courts. These measures are always a last resort though and are reserved for the most serious, repeated breaches of the rules.

According to Graham, installers who break the rules fall into two categories. "One is because the trader is not aware. So, they might breach by mistake, without really knowing. The other category is traders who would breach on purpose. For the first category, it might be a question of just getting them to sign a consent order that they understand what the breach is and that they won't be doing it again.

"With the latter category, then it's a little bit harder. They could be failing to ensure their workmanship warranties or their deposits, or they could be signing contracts with companies and then they're not the ones who are carrying out the installations. We would tend more to take disciplinary action in those cases."

MCS Chief Executive Ian Rippin says: "If you are a serial offender, and you haven't learned from mistakes and put them right, then the ultimate sanction is that you can be thrown off a scheme. But we give everybody a chance. We all make mistakes.

"If we find that there are traders who are continually misleading their customers or that their skills are not up to scratch, then we'll work with our partners, the Certification Bodies and the CTSIapproved Consumer Codes, to try to get them on a recovery path. Throwing traders off the scheme is a last resort – what I'd rather do is work with a business to get them to improve, because then they're accountable. If they disappear from view, that's bad news, because then it becomes even harder for the consumer to get things resolved and get recompense." Adrian Simpson is a Non-Executive Director at CTSI with expertise in the home renewables sector and consumer protection law (*see below*). "My advice always is just follow the methodology given out by bodies such as MCS and the Consumer Codes, he says. "They've got great experience within this area; they want consumers to have confidence in your installation."

Part 5: Consumer protection law

The consumer protection legislation that applies to the home renewables sector is the same as for any other type of business. In essence, the legislation requires traders to treat consumers fairly by ensuring they are given accurate information about what they are buying; that services are carried out with reasonable care and skill; and that there are no hidden charges or unfair terms in the contracts they sign. The key points for traders in the home renewables sector are outlined below, followed by links to more detailed information about each of the three pieces of legislation on the Business Companion website.

Consumer Protection from Unfair Trading Regulations 2008

The Consumer Protection from Unfair Trading Regulations 2008 (CPRs) prohibit misleading actions and misleading omissions that cause, or are likely to cause, a consumer to make a transactional decision they would not have done otherwise. They apply to commercial practices relating to goods and services before, during and after a contract is made.

Consumers can in some cases, seek redress against traders if they have been the victim of a misleading action or an aggressive practice. This can be 'right to unwind (the contract)', right to a discount and/or damages (compensation).

Under the CPRs, businesses can be fined up to £5,000 in a Magistrates Court or be subject to a fine and up to two years imprisonment if the case goes to a Crown Court. More in-depth information is available <u>here</u>.

Consumer Rights Act 2015

The Consumer Rights Act 2015 (CRA) sets out rules relating to the supply of goods and services to consumers, as well as unfair contract terms and notices. It requires businesses to communicate with consumers in a, clear and unambiguous terms which are not unfairly balanced in favour of the trader. The CRA also provides the consumer with basic rights around receiving goods of satisfactory quality and demands that services are carried out with reasonable care and skill. These rights can be enforced through the County Court. More in-depth information is available <u>here</u>.

Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs) set out the rules for what information must be included in a contract, and at what stage in a transaction a consumer must be provided with certain information.

The regulations also provides the consumer with a 14 day 'cooling off period' for **off-premises** contracts. An off-premises contract is usually classed as a contract made In the consumers home, or at a place away from your usual place of business. The rules around whether a premise is on premises

(e.g. in a store or showroom) or off-premises (In a consumer's home or away from the trader's usual place of business) can be complex. However, it is important to get the laws on cancellation rights correct. Failure to give the correct cancellation rights at the right time can be a criminal offence.

It sounds difficult, but there are resources and organisations that can help you:

- Business Companion https://www.businesscompanion.info/en/quick-guides/off-premises-sales/consumer-contracts-off-premises-sales

- A consumer code of practice (RECC and HIES links)

- Your local trading standards service - https://www.tradingstandards.uk/about-ctsi/contact-us

Disclaimer : The information in this guide is provided in good faith, using information available at the time of writing. Government grants can change or stop over time

Checklist for businesses to follow when setting up as renewable energy technology installers

This checklist should be used once the accompanying guidance on the home renewable energy sector has been read.

Following these simple steps will give you and your staff peace of mind that you have met the legal requirements to install renewable energy equipment in people's homes.

Checklist	Y/N/Notes
Ensure that paperwork regarding your business's company directorships, accounts and staff qualifications is complete and up to date. This will help when you apply to join a Certification Body and Consumer Code.	
Contact one of the Certification Bodies within the Microgeneration Certification Scheme (MCS) to begin the process of becoming certified.	
Make sure you, or if applicable, your employees, are competent to perform an installation. The Certification Body you join will require your business to demonstrate its technical skills as part of an on-site assessment.	
Register your business with an Insurance Backed Guarantee provider. This is a legal requirement to make sure your customers are protected.	
Register with one of the sector's Consumer Codes: either RECC or HEIS. Among other things, they can provide standard templates of customer- facing documentation you can use when your business is up and running.	
Become TrustMark-approved. You can do this via TrustMark itself, or your Consumer Code can include TrustMark certification when you join.	
Familiarise yourself with the relevant incentive schemes available in your area, and where necessary, register with them as an approved installer.	





BEIS Renewable Energy

November 2021

V3.0 (657 words)

VIDEO STYLE - FOOTAGE

The UK's ambitious goal of reaching net-zero carbon by 2050 will require a concerted effort on the part of everyone in the country, and will mean big changes to how we heat, power and insulate our homes.

The push to net-zero will see homes up and down the UK being fitted with domestic renewable technologies such as air source heat pumps, solar-PV panels, biomass boilers and battery storage systems. Some technology heats the home, some powers the home.

The Government recently announced ± 3.9 billion of new funding for decarbonising heat and buildings from 2022 to 2025, which will be broken down as follows:

£1.425 billion through the Public Sector Decarbonisation Scheme

£950 million for the Home Upgrade Grant scheme

£800 million for the Social Housing Decarbonisation Fund

£450 million for the Boiler Upgrade Scheme

£338 million for the Heat Network Transformation Programme

This will require an army of skilled tradespeople, properly trained and equipped to install these renewable energy technologies.

The domestic renewables sector represents a huge opportunity for businesses, as well as an opportunity to turn back the clock on some of the polluting practices that cause harm to the planet.

But it is important that if you operate a business in this sector, you are able to demonstrate that you are competent, trustworthy and legitimate. To do this, there are certain procedures that you must follow. Most Government renewable schemes require membership of a Certification Scheme such as the Microgeneration Certification Scheme (MCS).

To get MCS membership you must first register with an accredited Certification Body or relevant Competent Persons Scheme. To do this, you must submit documentation that proves your directors are legally entitled to operate a company, details of any qualifications you have and, where applicable, information about your trading history.

A Certification Body or Competent Persons Scheme will also assess your technical competency by observing you carrying out an installation. There are a number of Certification Body Schemes and Competent Persons Schemes.

Take a look at a number of them to see which one works best for your business, and the sector you're looking to operate in.

The next step to becoming an installer requires you to sign up to one of the sector's Consumer Codes of practice. This will involve an assessment of your consumer-facing documents and complaints-handling procedures, as well as checks that your business is backed by insurance if something goes wrong. Consumer Codes of Practice include the Home Insulation and Energy Systems Contractors Scheme and the Renewable Energy Consumer Code.

Consumer Codes exist to protect your customers, but they are also useful sources of information and advice which will help your business to operate successfully. They can help you to gain approval under the Government-endorsed TrustMark quality scheme, which is a requirement for some installations.

If you have a problem with a customer complaint, the Alternative Dispute Resolution services offered by the Consumer Codes can help you to get it settled quickly and efficiently. Alternative Dispute Resolution provides your customers with a cheap and fast way to resolve complaints. ADR bodies will work with you positively to resolve consumer complaints.

Membership of a Certification Body or Competent Persons Scheme and a Consumer Code will mean your business will be eligible to carry out work covered by one of the financial incentive schemes which have been designed to enable householders to access funds to make their homes more energy-efficient. These include the Renewable Heat Incentive and may include the Boiler Upgrade Scheme which is set to launch in 2022.

It will also give you peace of mind that your business is backed by the shared expertise of industry professionals, ready and able to provide support, advice and guidance.

Detailed guidance on the steps you must follow to set up your business is available on the Business Companion website, including a written guide, handy graphic resources and a podcast with advice from the experts.

To find out more, visit www.businesscompanion.info/renewable-energy



Business in Focus

Alternative Dispute Resolution (ADR)

Guidance for tradespeople

Make sure your business complies with The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015

Updated

business companion trading standards law explained This guide was produced as part of a business advice project by the Department for Business, Energy and Industrial Strategy and the Chartered Trading Standards Institute.



Department for Business, Energy & Industrial Strategy



Introduction

his short guide is a follow-up to the previous business advice guide on Alternative Dispute Resolution issued by the Department for Business, Energy and Industrial Strategy (BEIS) and the Chartered Trading Standards Institute (CTSI) in 2019.

Alternative Dispute Resolution (ADR) describes a process for resolving disputes between consumers and traders that doesn't involve going to court. This is done by the consumer and the trader contacting a neutral third party, with the aim of assisting a speedy, mutual agreement.

ADR applies to many industries: finance; insurance; energy; retail; leisure services; and transport services, to name just a few. In this document the focus is on the regulations as they apply to tradespeople.

In a recent consulation, Reforming Competition and Consumer Policy, BEIS proposed that ADR become compulsory in the home improvements sector. It is especially important that tradespeople understand the legal requirements around ADR as they currently stand as well as the business benefits of using ADR.

For more detail on the ADR process, visit:

<u>https://www.businesscompanion.info/en/quick-guides/</u> <u>consumer-contracts/alternative-dispute-resolution</u>

CONTENTS

ADR for tradespeople4		
Common questions about ADR 5		
Do I have to take part?5		
Who starts ADR?5		
Why should I join?6		
Do I need to tell customers?6		
What are common complaints?6		
How long does it take?6		
Which scheme should I join?6		
Will ADR cost me?9		
Will the body understand my technical complaint?9		
What if I don't agree with the outcome?9		
Further reading9		
More Information 10		

Published by: Chartered Trading Standards Insititute, 1 Sylvan Way, Southfields Business Park, Basildon SS15 6TH www.tradingstandards.uk 01268 582 200

Alternative Dispute Resolution for tradespeople

If you work in home improvement then you need to be aware of the rules around Alternative Dispute Resolution (ADR). ADR is a way of resolving complaints between you and your customers. It is a quicker, easier and cheaper alternative to court action.

WHAT IS ADR?

If you have a customer complaint that cannot be resolved, then you can consider using ADR. In ADR, a neutral and impartial organisation (an 'ADR body') will examine the facts of the complaint.

IN MANY CASES THE ADR BODY WILL LOOK AT:



The facts behind the complaint. What happened?



Consumer law relevant to the complaint such as the Consumer Rights Act, which gives consumers the right to have services carried out with reasonable care and skill.



That you have followed any code of practice or technical standard that you have signed up to 'or similar'.

"In July 2021, the Government proposed that in the future ADR may be considered compulsory in Home Improvements."





Common questions about ADR

DO I HAVE TO TAKE PART IN ADR?

No. Unless it is a requirement of a trade association or code of practice that requires you to take part in ADR.

However, as a trader, you need to give the consumer details of an approved ADR provider, but you do not have to agree to use ADR. You should provide the consumer with details of the ADR provider once you have exhausted your internal complaints procedure.

In July 2021, the Government proposed that in the future ADR may be considered compulsory in home improvements. [**BEIS, Reforming Competition and Consumer Policy**]

WHO STARTS ADR?

A consumer will usually begin the ADR process by contacting an ADR body. The ADR body will then contact you to advise that a complaint has been made.

See legislation Schedule 3.1

https://www.legislation.gov. uk/uksi/2015/542/schedule/3/ paragraph/1

IF IT'S GOING TO COST ME THEN WHY SHOULD I JOIN?

ADR can often resolve complaints without the need for court action. Typically, court cases can take a long time before they are heard.

I AM A MEMBER OF AN ADR SCHEME ALREADY. DO I NEED TO TELL CUSTOMERS THIS?

Yes. You need to tell customers that you are a member of an ADR scheme. The information about your ADR provider should be available to consumers in any contracts and on your website.

WHAT ARE THE COMMON ADR COMPLAINTS?

In home improvement the typical ADR complaints brought by consumers involve:

- Failing to use 'reasonable care and skill', usually meaning that the service didn't meet the customer's expectations.
- Missed appointments.
- Not coming back to finish work.
- Customer service.

HOW LONG DOES ADR TAKE?

Some cases can be resolved relatively quickly. It's not uncommon for ADR bodies to resolve issues through an initial phone call or email using an informal method of ADR.

Once the consumer has sent in their complaint and the ADR body has the relevant information from both parties, the ADR scheme should resolve the case within 90 days, unless the case is deemed as complex. Most cases are resolved well before 90 days.

However, some cases will require technical and expert reports, meaning the case can take longer than expected.

WHICH ADR SCHEME SHOULD I JOIN?

There are several schemes available, some of which specifically cover home improvement – see the full list at:

https://www.tradingstandards.uk/ consumers/adr-approved-bodies "Once the consumer has sent in their complaint and the ADR body has the relevant information from both parties, the ADR scheme should resolve the case within 90 days."





"If you are a member of a trade association or code of practice, then you may be under an obligation to follow the outcome of ADR."

Further reading

WILL ADR COST ME AS A BUSINESS?

Schemes will often charge a fee for businesses to take part in ADR. This can be through a 'per case' fee or as part of an annual membership fee. ADR bodies can charge consumers a 'nominal fee', although many choose to provide ADR for free to consumers.

MY AREA IS HIGHLY SPECIALISED AND TECHNICAL. WILL THE ADR BODY WILL UNDERSTAND MY COMPLAINT?

In many cases, ADR bodies can request technical reports. These reports will be carried out by technical experts and used to help ADR bodies to resolve the complaint.

WHAT IF I'VE BEEN THROUGH ADR AND DON'T AGREE WITH THE OUTCOME?

If you don't agree with the outcome of ADR you may be offered alternative resolutions such as:

- Referral to an appeals panel.
- Referral to an Ombudsman, who can often provide a legally enforceable decision.
- Court action, although this is usually the last course of action.

If you are a member of a trade association or code of practice, then you may be under an obligation to follow the outcome of ADR. More detail on the ADR process can be found here:

https://www.businesscompanion. info/en/quick-guides/consumercontracts/alternative-disputeresolution

For a list of approved ADR bodies, please see:

https://www.tradingstandards.uk/ consumers/adr-approved-bodies

More information

Other guides in this Business in Focus series:





Produced on contract by Fourth Estate Creative Ltd | 4ec.uk © Copyright Chartered Trading Standards Institute (2021) www.tradingstandards.uk | www.businesscompanion.info



www.businesscompanion.info

Home renewable energy

A range of technologies are available to householders seeking to make their homes more energy-efficient, from heating and electricity to power storage and insulation.

Wind turbine

There are two types of wind turbine available for home use: free-standing, pole-mounted turbines which can be placed in a garden; or buildingmounted turbines which can be affixed to the side of a house or its roof.

External wall insulation

External wall insulation can be applied to the outside of buildings in the form of cladding, usually consisting of expanded polystyrene or polyurethane, and then finished with an additional layer.

Cavity wall insulation

Cavity wall insulation can be used in internal walls to fill empty space and prevent the convection of warm air between rooms. This usually consists of a fibrous material such as mineral wool or polyurethane spray foam.

Air source heat pump

Air source heat pumps (ASHPs) use a vapour-compression process, similar to a refrigerator, to draw energy from the air outside a building and transfer it inside, where it can be converted into heat.

Biomass heating system

Biomass heating systems use agricultural, domestic and industrial residues and waste to produce energy, which is converted to heat. Burning biomass materials produces less carbon dioxide than fossil fuels.

Micro-combined heat and power

Micro-combined heat and power (micro-CHP) systems are classed as a low-carbon technology because of the extra efficiencies that result from providing both heat and power simultaneously.

Solar PV

Solar photovoltaic – or solar PV – systems harness the sun's energy and convert it into electricity to power the home. They do this by using solar panels consisting of photovoltaic cells.

Solar thermal

Solar thermal heating systems gather energy from solar thermal collectors and transfer it via pipes containing water and anti-freeze to a hot water cylinder inside the building.

Water source heat pump

Water source heat pumps (WSHPs) extract energy from a waterway near a house and transfer it via pipes filled with water and anti-freeze to an indoor heating system.

Ground source heat pump

Ground source heat pumps (GSHPs) are connected to a ground heat exchanger – a loop of pipework made of high-density polyethylene – which absorbs heat from underground and carries it upwards.

Battery storage

Lithium-ion battery storage systems can gather the energy generated by solar PV panels or wind turbines, store it, and then release it at times when insufficient power is being provided by the system.

The route to becoming an installer

Step 3

Step 1

Ensure paperwork regarding company directors, accounts and qualifications is complete and up-to-date. This is required to register with Certification Bodies and Consumer Codes.

Contact the Microgeneration Join an MCS-approved Certification Scheme (MCS) to Certification Body. MCS can help begin the process of becoming advise you about which one certified. The costs and is best suited to your area of timeframe of this will depend on individual circumstances. Bodies in the guidance).

Step 2

Step 4

Demonstrate your competency. This is the practical element to becoming certified and involves a Certification Body conducting business (see list of Certification an assessment of how you carry out an installation.

Step 5

Make sure you are insured with an Insurance Backed Guarantee provider. This protects customers if something goes wrong or you cease trading. Consumer Codes can advise on this.

Step 6

Register with one of the sector's Consumer Codes schemes, either RECC or HEIS. They will ensure your company's paperwork and consumer-facing documents are compliant.

Step 7

Become TrustMark-approved. You can do this separately via TrustMark itself, although both of the Consumer Codes can include TrustMark certification when you sign up with one of them.

Step 8

Familiarise yourself with the relevant incentive schemes necessary, register with them as an approved installer. This will help you to find business.

Step 9

You are now certified to operate as a home renewables energy available in your area, and where installer! It is important not to take on too much work – overexpanding too early can affect customer service.

Step 10

If there is a problem which leads to complaints, make sure you maintain an open dialogue with customers. Your Consumer Code can provide alternative dispute resolution (ADR) services.