

Annual Report 2023

A word from our Chief Executive	3
Promoting the Code in 2023	4
1 The small-scale renewables sector	5
1.1 Smart Export Guarantee	5
1.2 Boiler Upgrade Scheme	8
2 Code Membership	10
2.1 Applications	10
2.2 Membership	11
3 Monitoring compliance with the Code	14
3.1 Monitoring applicants	15
3.2 Monitoring Code Members	16
3.3 Enforcing compliance with the Code	20
3.4 Promoting compliance with the Code	21
4 Consumer complaints	22
4.1 Quantifying consumer complaints	22
4.2 Categorising 2023 consumer complaints	23
4.3 Resolving consumer disputes	26
4.4 Closed disputes	28
5 Governing the Code	29

A word from our Chief Executive

Welcome to our 2023 Annual Report. I hope you will enjoy reading about our activities during the past year.

2023 was the Renewable Energy Consumer Code's (RECC, the Code) eighteenth year of operation. During the year we were pleased to receive 2,012 new applications to join, and to be able to accept over 1,600 new members. At the end of the year we had more members than we had in 2013 and almost as many as in 2012 which was the height of the so-called 'solar coaster'. Interestingly, 44% of our members were working solely with solar PV while the remaining 56% were working with a range of different technologies.

To put this into context, 189,826 solar PV installations were registered with MCS during the year, almost 30% up on 2022, while 36,799 heat-pump installations were registered, 20% up on 2022. Of course, the UK will need to see more installations if we are to meet Government Net Zero targets but these figures, which do not take account of unregistered installations, represent a considerable achievement by the sector.

I would like to pay tribute to the RECC Team who have worked tirelessly to ensure that all applicants to join met our rigorous standards, and that our existing members are complying with the Code and resolving consumer disputes speedily and effectively. There would be no value in Code membership without compliance. That is why we devote so much time and effort to monitoring and enforcement.

During the year the Team worked closely with the Department of Energy Security and Net Zero and Ofgem to monitor the Boiler Upgrade Scheme

and ensure that the consumer journey is smooth. We have provided guidance to RECC members on best practice for engaging with the Scheme.

The Team has also started looking forward in its work with Government to ensure consumer protection is at the heart of new regulatory frameworks in 2025.

Virginia Graham
Chief Executive, REAL



Promoting the Code in 2023

RECC is the largest and most experienced consumer code in the industry.

We work tirelessly on behalf of our members and their consumers to ensure high standards across the small-scale renewable energy generating sector. By being a RECC member, businesses stand out from their competitors by showing they are committed to high standards of consumer protection. Choosing a RECC member gives consumers confidence and peace of mind when purchasing a small-scale renewable energy generating system.

In 2023 we...

Received over 2,012 new applications to join the Code. We ensured that applications were processed quickly and efficiently whilst maintaining our high standards. We processed 1,791 applications and welcomed 1,661 new members.

Monitored the compliance of 561 members by way of a Compliance Check, monitoring survey or audit and were quick to take effective action where any risk of non-compliance was found. We required 282 members to respond to suspected breaches of the Code and terminated 23 members for non-compliance.

Resolved 152 disputes helping our members and their consumers deal with problems speedily and effectively and helped recover over £281,000 for consumers.

Snapshot of our 2023 numbers

- **4,533** businesses were members of the Code
- Our members installed over **161,000** renewable energy generators across the UK
- **2,012** businesses applied to become a member of the Code
- **2,178** businesses were monitored for compliance with the Code
- **282** members were asked to respond to breaches of the Code and/or Bye-Laws
- **£281,643** 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, together with any add-ons such as battery storage units, installed in domestic consumers' homes.

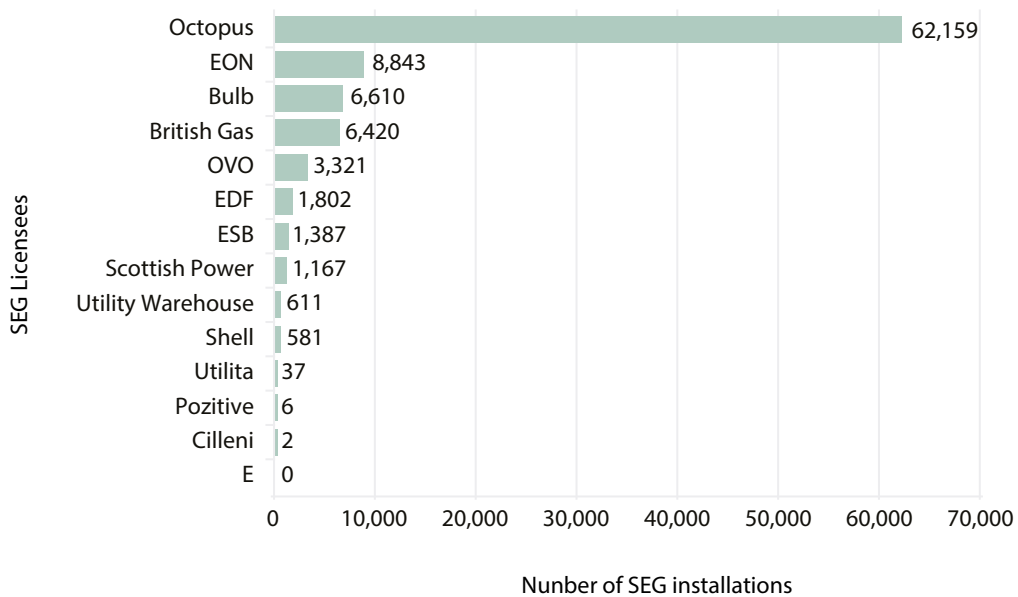
2023 was a record year with 220,500 small-scale renewable installations registered on the MCS Installations Database (MID). More than 183,000 of these were solar PV installations, while 35,000 were heat pump installations, a record year for heat pumps in the UK. There will have been many other installations that were not registered though it is hard to know exactly how many.

During 2023, there were several Government schemes in place designed to incentivise consumers to engage with renewable energy in their homes. The schemes most relevant to members were the Smart Export Guarantee and the Boiler Upgrade Scheme.

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. Ofgem published its third annual report on the SEG in September 2023 covering the period 1 April 2022 to 31 March 2023. This was the Year Three of the scheme. We are grateful to Ofgem for permission to publish the chart and tables from it here.

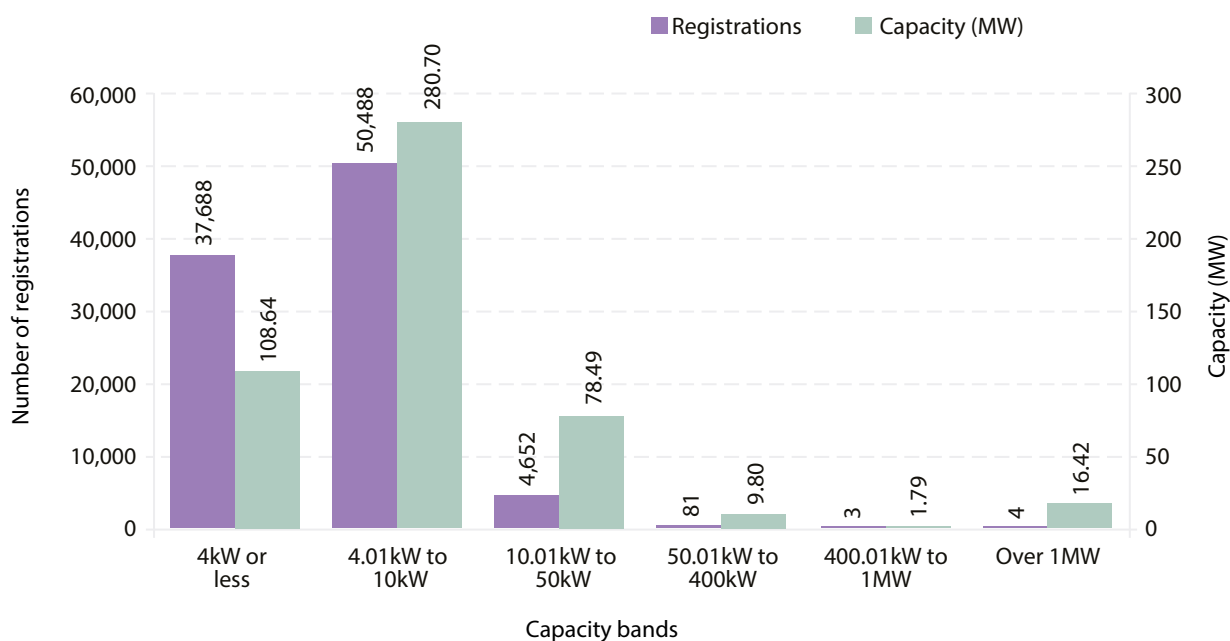
Ofgem reports that, during the year, 14 electricity suppliers were offering 39 different tariffs for SEG payments. Figure 1.1 shows the number of generators registered for the SEG tariffs by participating electricity suppliers. Of the 39 tariffs, 24 were 'bundled' often meaning they are only available where other linked conditions have been met (such as the homeowner also purchasing import electricity from the supplier.) Bundled tariffs typically offered homeowners higher rates than unbundled tariffs. The average tariff rate for all installations registered during the year was 8.77 p/kWh. This is down from 12.15 p/kWh in Year Two of the scheme.

Figure 1.1 - Generators registered for the SEG tariffs by participating electricity suppliers

During the year, 93,000 SEG installations were registered with a combined capacity of 496,000 kW. Solar PV accounted for 99.97% of the total SEG registered installations in Year Three. Of the remainder, 7 were wind turbines and 23 were micro-CHP generators with a combined capacity of 149 kW (see Table 1.1). Most solar PV installations registered were under 10 kWp (88,176) with a total installed capacity of 389.3 MW (see Figure 1.2).

Table 1.1 - Installations and installed capacity registered on the SEG by technology

Technology	Installations	Installed capacity (kW)
Solar PV	92,916	495,832
Wind	7	93
Hydro	-	-
AD	-	-
Micro-CHP	23	56
Total	92,946	495,981

Figure 1.2 - Solar PV Installations registered on the SEG by installed capacity

During the year a total of £7,185,739 was paid to solar PV exporters eligible for payment, in respect of 77,195,055 kWh of eligible electricity exported. (See Table 1.2.)

Table 1.2 - Export and payments associated with solar PV installations

Capacity band	Solar PV stations registering export	Solar PV Export (kWh)	Solar PV stations receiving payment	Solar PV payments*
<=4kW	31,950	23,079,905	31,947	£1,940,228
>4kW to <=10kW	45,882	45,514,701	45,871	£4,345,179
>10kW to <=50kW	4,523	7,303,240	4,518	£837,465
>50kW to <=400kW	62	1,292,737	62	£62,702
>400kW to <=1MW	-	-	-	-
>1MW to <=5MW	4	4,472	4	£165
Total	82,421	77,195,055	82,402	£7,185,739

*Payments have been rounded to the nearest pound (£)

1.2 Boiler Upgrade Scheme

The Boiler Upgrade Scheme (BUS), launched in May 2022, provides upfront capital grants to support the installation of heat pumps and, in some circumstances, biomass boilers in homes and some non-domestic buildings located in England and Wales. The scheme will run to 2028.

At the end of 2023, Government boosted the initial £450 million funding available for the scheme, making a further £1.5 billion funding available between 2025 to 2028. Under the BUS, installers registered with Ofgem can, on behalf of their consumers, claim:

- £7,500 towards the cost and installation of an air source heat pump
- £5,000 towards the cost and installation of a biomass boiler (including one with an integrated cooking function)
- £7,500 towards the cost and installation of a ground source heat pump

Ofgem reports that, between 1 April 2023 and 31 March 2024, it received 22,111 voucher applications of which 13,997 were paid, with a total value of £88,822. Ofgem also reports that 96% of the grants paid during the year were in respect of air-source heat pumps and that 72% were for systems replacing fossil fuel (mainly gas) boilers. (See Table 1.3 and Figure 1.4.)

Table 1.3 - Applications received in 2023/24 by technology

	ASHP	GSHP	Biomass	SGL* GSHP	Total
Number	21,281	675	124	31	22,111
% of total	96.2%	3.1%	0.6%	0.1%	100%

*shared ground loop

An analysis of the total quotes for systems for which grant applications were submitted shows that, during the period, air-source heat pumps on average cost £14,000, biomass boilers £17,000 and ground-source heat pumps £27,000. (See Table 1.4, below.)

Ofgem reports that, since the start of the scheme, a total of 23,875 grants have been paid with a value of £138,925,500. Of the 1,286 installers currently registered with Ofgem under the BUS, the 'top ten' by application volumes are responsible for almost 25% of all grant applications.

Figure 1.3 - Grants paid by technology type since launch

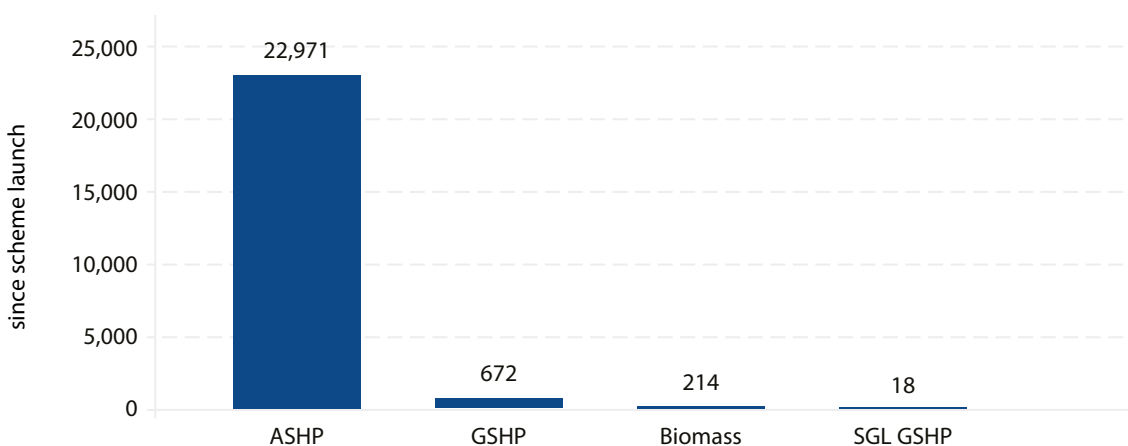
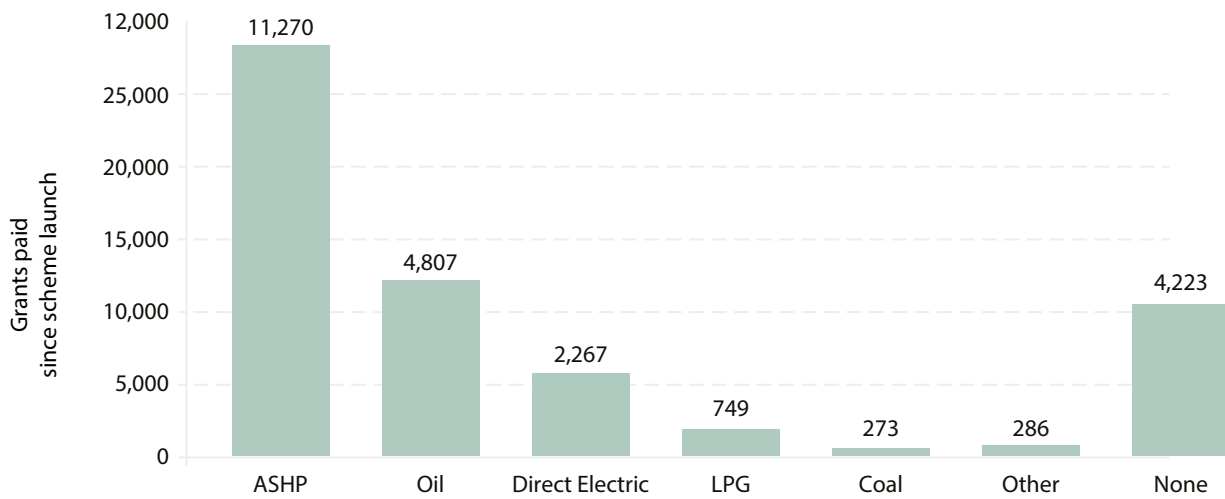


Figure 1.4 - Heating systems replaced since launch

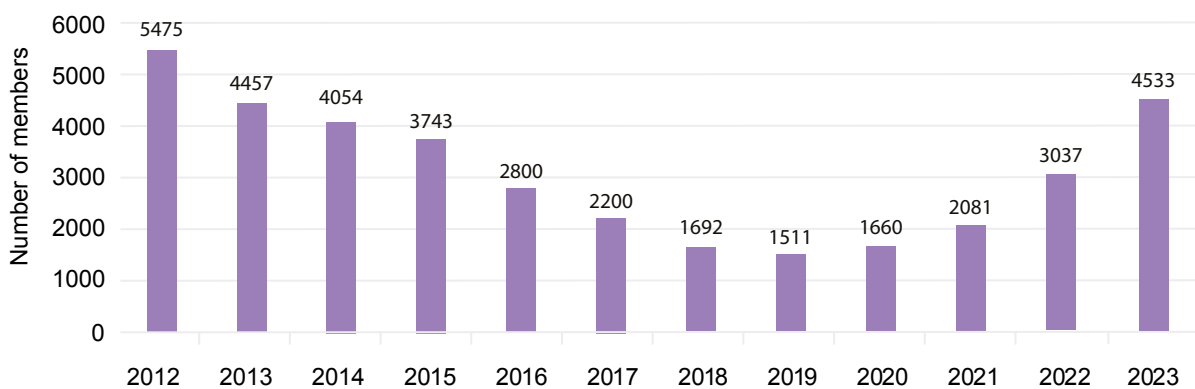
Finally, Ofgem reports that the compliance action it took between 1 April 2023 and 31 March 2024 resulted in £894,000 of public funds being protected or identified for recovery. Common non-compliances identified by Ofgem were the existing system not being fossil fuel or electric (80 instances), the installer no longer holding the correct certification (47 instances) or the system not meeting eligible space and hot water demands (7 instances).



2. Code membership

Membership of the Code continued to grow throughout 2023 and, at year end, we had over 4,500 members. We are delighted that the sector has continued to expand year on year since 2019. Figure 2.1 shows how membership has changed over the past 10 years, and how our membership is now larger than it was in 2013.

Figure 2.1 - Total number of Code members by year



2.1. Applications

We received 2,012 new membership applications in 2023, a 20% increase from the number received in 2022. Applications came from businesses offering a wide range of business models and technologies, and we saw a steadily high number of applications received per month as we moved through 2023 (see Figure 2.2).

Most applications received came from businesses offering solar PV (77% compared to 75% in 2022). We saw a 6% increase in the number of applicants offering air source heat pumps (43%) and a slight decrease in those offering battery storage - 45% of applicants compared with 52% in 2022. (See Figure 2.3 for a comparison of all technologies).

Figure 2.2 - Applications received by month comparison between 2022-2023

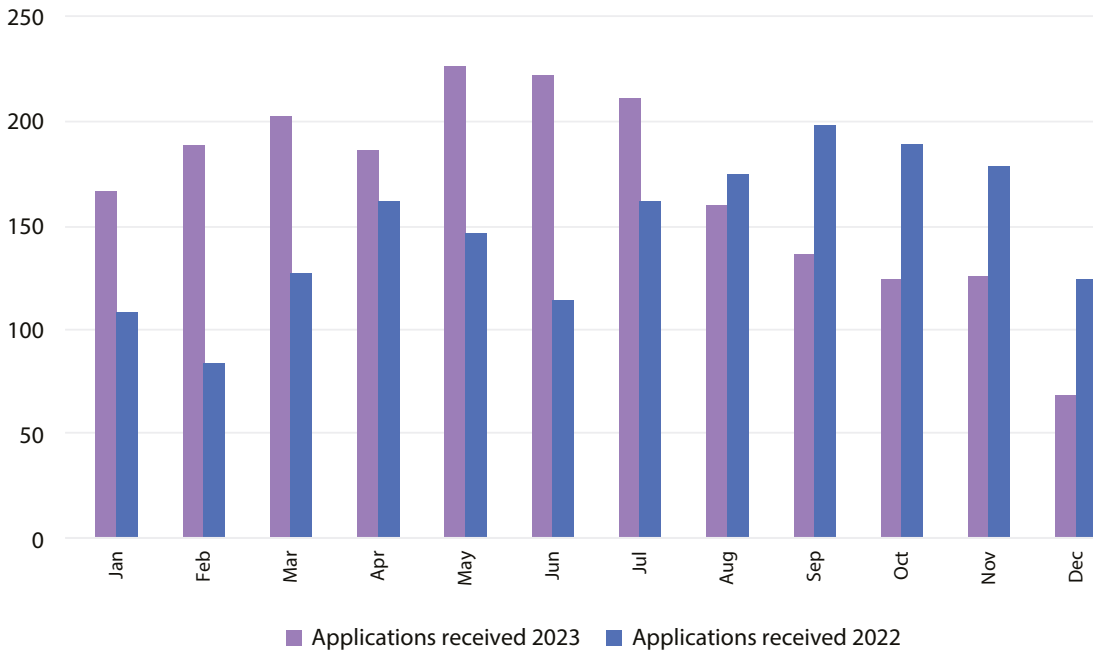
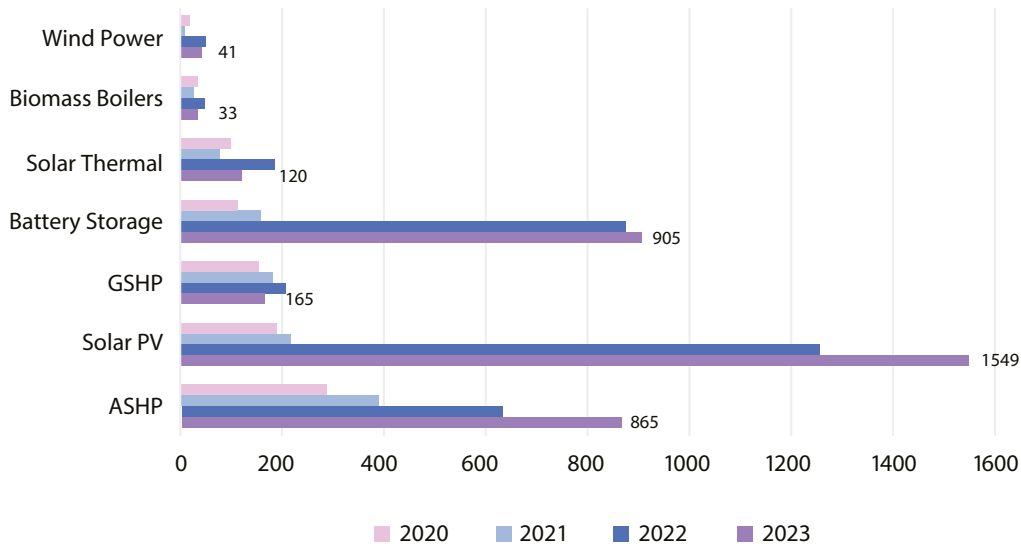


Fig 2.3 - 2023 applications by technology



2.2. Membership

In 2023, 44% of members were working solely with electricity-generating technologies, namely solar PV, wind and/or battery storage, and 56% were working with a variety of technologies including renewable heating systems. Over 90% of members were small and medium-sized enterprises, largely falling into our smallest category for incorporated companies or partnerships with 1-6 employees, 5% were sole traders and 4.6% were businesses in our Commercial Only category. These figures are broadly like the 2022 figures (see Figures 2.4 and 2.5).

Fig 2.4 - 2023 membership by technology category

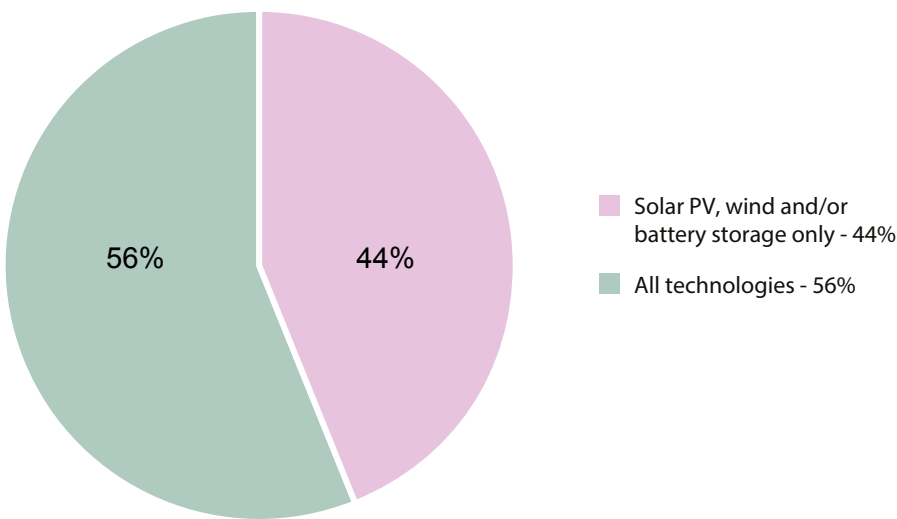
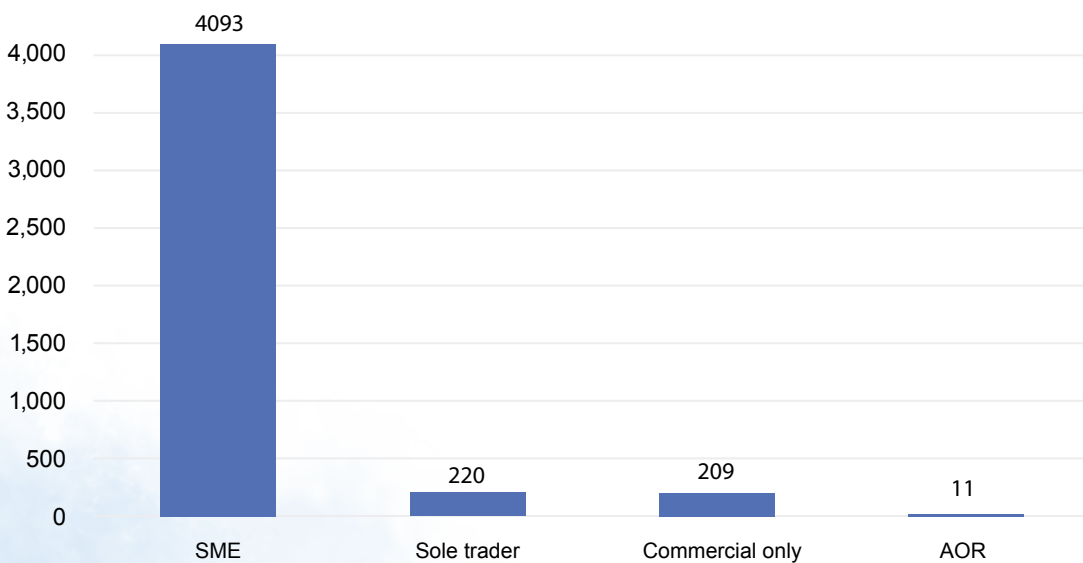


Fig 2.5 - 2023 membership by category



In 2023, our members installed over 161,000 energy generators in the UK, a 49% increase from 2022, representing over 70% of all UK MCS certified installations. Figure 2.6 shows the technologies our members have installed over the past 3 years, and Figure 2.7 shows a comparison of installation levels by month. Annual installation numbers continue to increase year-on-year and across all technologies. Heat pump and solar PV installations have increased with growth of 20% and 55% respectively. Though the percentage of 'other' technologies installed remains small, the number has doubled over the past 12 months. Installations per month were significantly higher than 2022 and stayed at over 11,000 save for a dip in December.

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

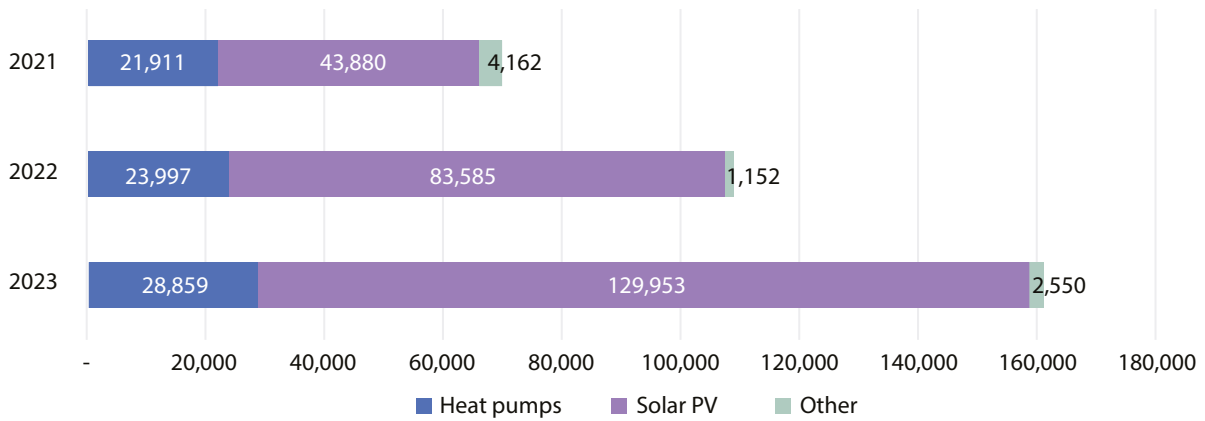
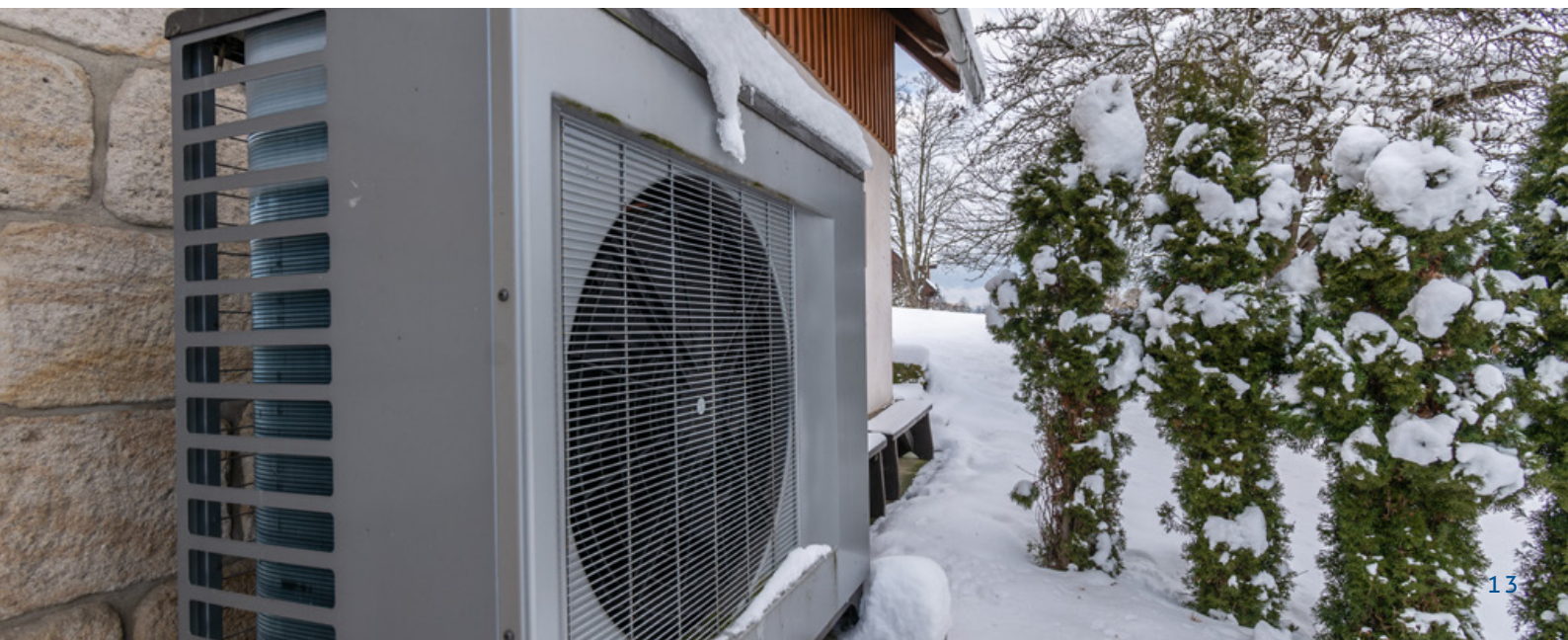
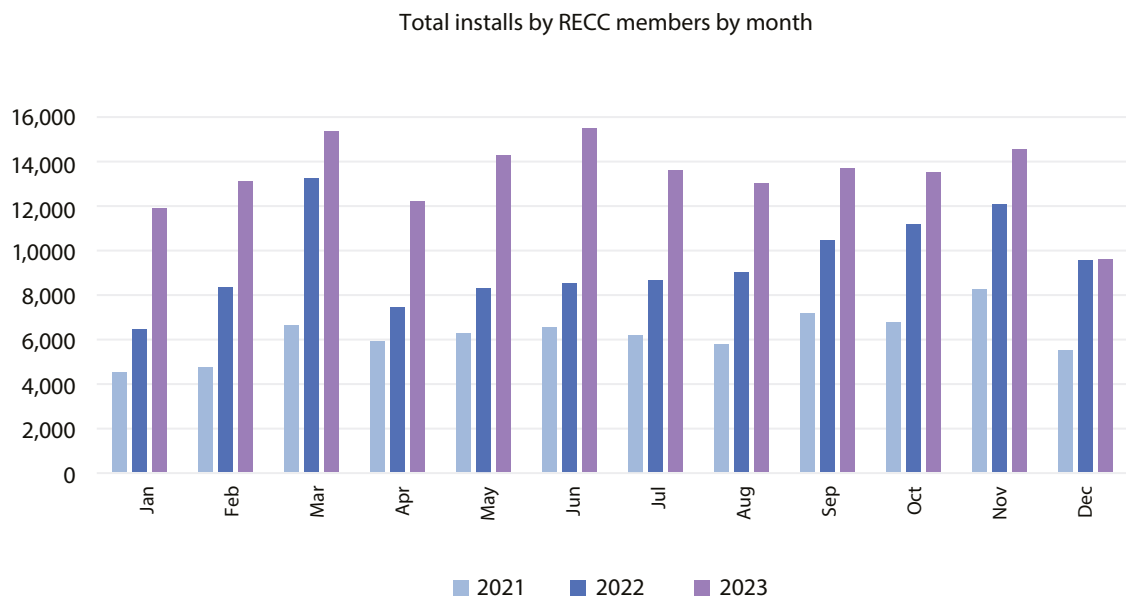


Fig 2.7 - Total installations by members by month 2021 to 2023



3. Monitoring compliance with the Code

In 2023, 2,178 members had their businesses closely assessed for compliance with the Code, either by means of a detailed Due Diligence Check 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. 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).

We carry out extensive Due Diligence Checks on all new applicants against a series of important legal undertakings and questions to check their ability to comply with the Code. Every application we receive is subject to an in-depth Due Diligence Check before we decide whether a business is suitable to be a member of the Code. If we have concerns about an applicant, depending on the nature and seriousness of those concerns, their application may be:

- accepted subject to conditions / accepted on a temporary basis subject to conditions; or
- referred to the Independent Applications Panel (IAP); or
- rejected without reference to the IAP.

In deciding whether an application should be accepted, we are able draw on our significant experience in the sector. This uniquely places us in a position to quickly identify and react to applications from phoenix companies and/or from businesses connected to individuals of concern. If initial checks on an applicant show that they are not fit and proper for Code membership, the application will be rejected.

As well as these Due Diligence Checks, and in line with the Monitoring Strategy, we:

- undertake compliance surveys on a random basis;
- carry out risk-based Compliance Checks;
- undertake an in-depth audit programme;
- analyse Consumer Satisfaction Questionnaires and consumer complaints; and
- liaise closely with other enforcement bodies, consumer-facing bodies and other industry stakeholders, including Trading Standards, Companies Investigation Branch, Age UK, Which?, Citizens Advice, TrustMark and Department for Energy Security and Net Zero (DESNZ).

In 2023, we implemented a new Monitoring Strategy. The strategy aims to provide, when taken as a whole, a clear picture of:

- the level of compliance across our membership;
- areas that are causing particular difficulty and may require guidance or assistance;
- how individual members perform against the average;
- improvements in the level of compliance and reduction of consumer detriment over time;
- reported customer satisfaction levels; and
- the aspects of service giving rise to complaints, the level of complaints and the status of their resolution.

As part of our review of the strategy, a new set of key performance indicators has been developed to allow us to consistently record how a member is performing in each CA. A tool has been created to track performance across all monitoring activities. Together, this allows us to identify trends and deliver best practice guidance to members.

As all new applicants are subject to an in-depth Due Diligence Check, the new strategy focuses on our monitoring of existing members, setting clear targets for the number of businesses to be monitored on an annual basis. Full details of our current Monitoring Strategy can be found at recc.org.uk/monitoring/monitoring-strategy.

3.1. Monitoring applicants

During 2023, a Due Diligence Check was carried out on 1,791 applicant businesses. This marks a 29% increase compared to checks undertaken in 2022 (1,387). This reflects the continued increase in applications we have received over the past 3 years (see Figure 2.3 and 3.1).

Of the 1,791 applicants checked:

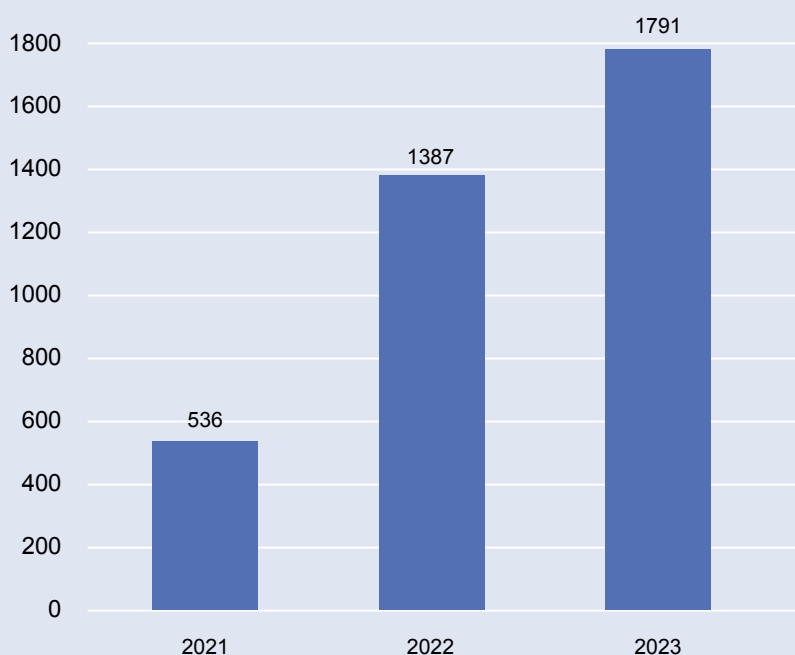
- 1,661 were accepted as members of the Code.

- 4 were rejected¹ (without reference to the IAP) due to connections with previous members about whom we had received multiple complaints and, in 1 case, the applicant’s connections to an individual who had been convicted of fraud.
- 126 had their applications closed - an application may be closed after an applicant withdraws its application once aware of issues we have identified or if it has failed to pay the membership fee and/or respond to our communications within a reasonable timeframe.

Of the 1,661 applications accepted for membership in 2023, 8 were accepted for a period of temporary Code membership. During this period the compliance of the member will be under scrutiny and subject to conditions relevant to any concerns we may have had. At the end of the period, the business will have to reapply for membership. In these cases, grounds of temporary membership included:

- premature use of the RECC logo without authority
- connections to a previous member about whom we had concerns.

Fig 3.1 - Due Diligence Checks completed 2021-2023



¹ The 4 applicants who were rejected without reference to the IAP did not ask for their applications to be reconsidered by the IAP.

3.2. Monitoring Code members

Members are required to co-operate with all monitoring activities. 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.

Our monitoring consists of 3 main activities: compliance surveys, compliance checks and audits.

3.2.1. Compliance surveys

In 2023, we introduced a new monitoring activity, aimed at low-to-no-risk members, in the form of a compliance survey. This survey asks members to answer a short set of questions relating to their business model and business activities. The aim of the survey is to help understand how those surveyed comply with the Code in key areas. Whilst it is not possible to assess the survey results against all 10 CAs, it focuses on key questions which clearly signify compliance or non-compliance. In our review of a survey response, we scrutinise, and check the veracity of the answers given.

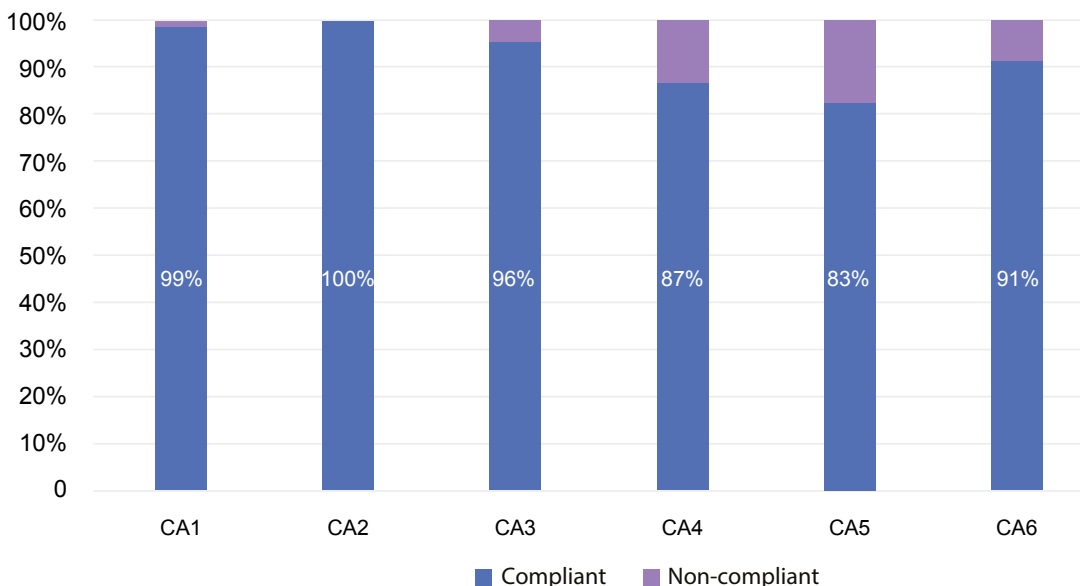
In 2023, 202 members were asked to respond to the compliance survey, and we received complete responses from 166 members – a response rate of 82%. Of the 166 responses received:

- 110 demonstrated the member’s compliance with the Code in the first instance and required no further action; and
- 56 required further action to promote compliance with the Code, all of which have since been resolved.

Overall, the results of the compliance survey were very positive, with 66% of responses coming back as compliant, and with 4 of 6 CAs showing a compliance rate of over 90% (see Figure 3.2). A review of the 56 non-compliant responses found a range of potential issues, notably inadequate deposit, workmanship warranty and/or public liability insurance arrangements. Most responses initially flagged as potentially non-compliant were found to be compliant after follow-up discussions with the member. Issues which were found to be non-compliant were largely minor and often linked to a misunderstanding of a Code requirement or administrative error.

The 36 members who did not respond to the survey within the prescribed timeframe were then made the subject of a Compliance Check.

Fig 3.2 - 2023 Compliance survey results by Compliance Area



Note on Figure 3.2 – members are only assessed against CA1, CA2, CA5, CA6, CA7 and CA9 in the compliance survey.

3.2.2. Compliance Checks

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 these checks 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. 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.

During 2023, 351 members were the subject of a Compliance Check, a significant increase of 61% compared to 2022. This does not indicate an increased risk of non-compliance among members, but rather is illustrative of our ability to undertake checks efficiently and respond to risks not necessarily associated with non-compliance (e.g. increased number of installations over a period). The members checked in 2023 were selected for several reasons, including:

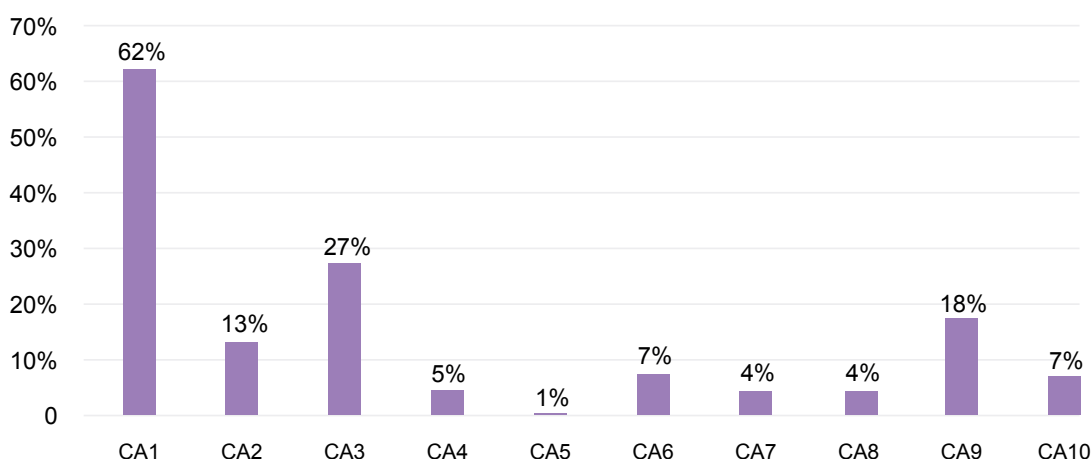
- 216 members who would fall within our regular monitoring requirements in the next 12 months;
- 56 members about whom we had received 2 or more complaints within a set period of time or about whom we had received 1 complaint of particular concern; and

- 6 who had a large increase in installations within the previous two-year period).

We record the results of each Compliance Check, along with any recommended action and the relevant CAs which have been flagged as a risk for each member. Figure 3.3 shows the results of each Compliance Check by the CAs set out in Table 3.1. The most common areas flagged were:

- Awareness of Consumer Protection/ RECC (CA1) - relating to the failure to display the RECC and/or Chartered Trading Standards Institute (CTSI) 'approved code' logos on websites.
- Marketing and Selling (CA3) - relating to unsourced or substantiated claims made in online marketing materials, or using logos incorrectly and/or without authority. Many issues found were minor. Whilst guidance around claims in marketing is available for members, it is a difficult area and most issues found relate to inadequate sourcing or substantiation rather than purposeful, misleading omissions.
- After-sales (CA9) – relating to incorrect or inconsistent information about workmanship warranty insurance provided on the MID. Issues found were in most cases administrative issues rather than a member's failure to provide consumers with insurance.

Fig 3.3 - 2023 Compliance Check results showing non-compliance percentage by Compliance Area



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 351 Compliance Checks, we decided to:

- take no further action in the case of 34 members;
- send 255 members compliance communications:
 - requesting evidence relating to MCS certification; and/or
 - requesting changes to be made to websites and other marketing materials; and/or
 - requesting evidence of deposit and workmanship warranty insurance arrangements.
- allocate 40 members for a desk-based audit;
- allocate 1 member for a site-based audit;
- carry out further monitoring in the case of 11 members; and
- place 10 members into the disciplinary procedure.

3.2.3. Audits

Members are either allocated for a desk-based or a site-based audit, depending on the level of risk identified during a Compliance Check. Before the audit can begin, the member is asked to complete a pre-audit compliance assessment, 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 2023, 46 members were allocated for an audit and we completed 50 audits (12 of which had been allocated in 2022). Four allocated audits were ongoing at the end of 2023 and 4 were closed as the member had its membership terminated.

Passing or failing an audit reflects how a member has performed on each CA. To pass the audit, the member needs to demonstrate compliance in:

- all high priority areas; and
- at least 2 of the 3 medium priority areas.

Of the audits completed in 2023, all 50 members failed in the first instance, 42 of which subsequently passed after demonstrating compliance, 1 had non-compliance action invoked against it, and 7 remained open at the end of 2023 with minor outstanding issues.

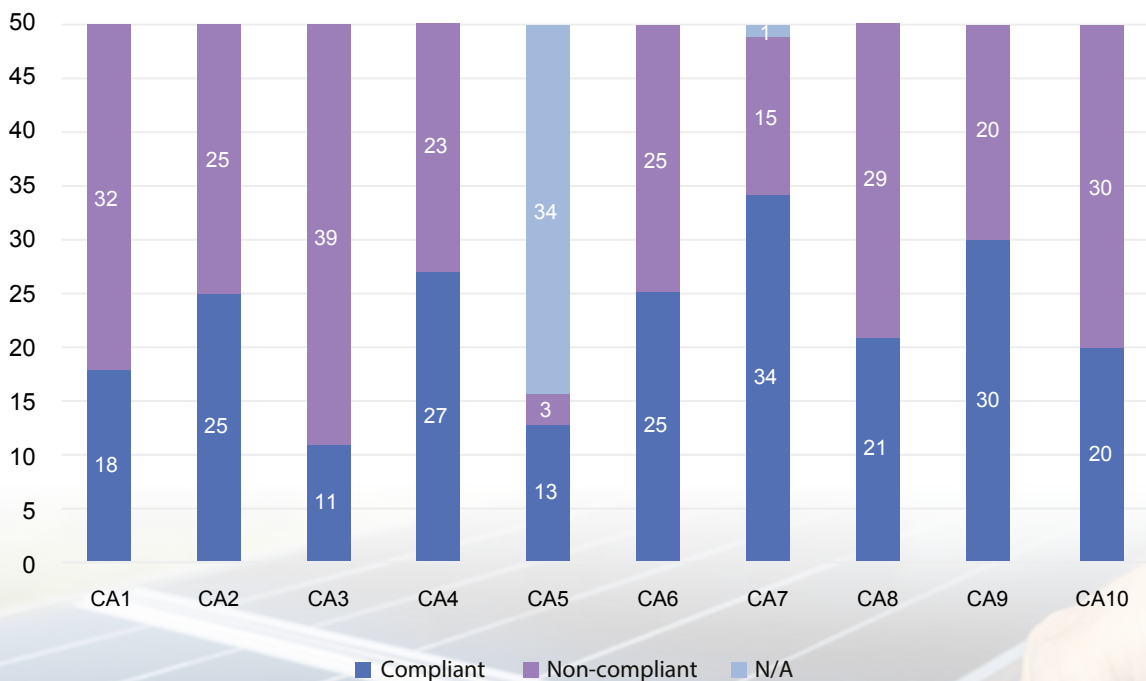
In most cases, failing an audit is not an indication of serious problems or consumer detriment. An audit is a welcome opportunity for members to learn and make improvements in their day-to-day practices. Most issues found at audit were easily remedied by the member. Figure 3.4 below shows the results from the completed 2023 audits against the CAs set out in Table 3.1.



The most frequent areas of non-compliance were:

Marketing and Selling (CA3)	Unsubstantiated or unsourced claims, use of consumer testimonials without written permission, and no policy for working with consumers in vulnerable circumstances.
Microgeneration Certification Scheme (CA2)	Members' sub-contract agreements failing to properly reference compliance with the Code and relevant MCS Installation Standards.
Contracts and Cancellation Rights (CA6)	Failing to provide required terms within contractual terms and conditions, and not keeping adequate records of contract cancellations and the reasons for cancellation.
Completing the Installation (CA8)	Designs given to consumers not showing the location of component parts in the consumer's property and failing to evidence that consumers have reviewed and agreed the final designs.
Dispute Numbers, Handling and Procedures (CA10)	No written complaints handling process, having a process that does not include timeframes required by the Code, and failing to keep adequate records of complaints received.

Fig 3.4 - Areas of non-compliance in 2023 audits by Compliance Area



Note on Figure 3.4 – members are only assessed for compliance with CA5 (Finance agreements) at audit if they offer finance to domestic consumers and are only assessed for compliance with CA7 if they take deposits and/or advance payments.

Table 3.1 - Key Compliance Areas

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

3.3. Enforcing compliance with the Code

3.3.1. Investigating breaches of the Code

In 2023, 282 members were asked to respond to suspected breaches of the Code and/or Bye-Laws, a significant increase from 2022 (121). Whilst this increase is significant, it is not a sign of increased non-compliance. The increase in the number of members contacted about potential breaches is linked to how we identify and react to a perceived risk.

In 2023, our Compliance Team continued to investigate suspected breaches of the Code and/ or the Bye-Laws. Where we have received evidence of a suspected breach, and the issues are of a nature which cannot be addressed through one of the monitoring activities, we send a report to the member. This is the start of the disciplinary procedure. This report invites them to respond providing the necessary clarification and explanation.

Of the 282 members who were invited to respond to evidence of a potential breach of the Code and/or Bye-Laws in 2023:

- 17 had non-compliance action invoked against them in accordance with clause 7 and/or 9 of the Bye-Laws, of which:
 - 10 were closed after the member took the necessary action to resolve the issues;
 - 2 had their Code membership terminated;
 - 1 failed to renew its membership before the issues were resolved; and
 - 4 were ongoing at the end of 2023.
- 265 were sent compliance notices, of which:
 - 256 were able to resolve all issues and/or areas of concern identified;
 - 1 had its membership terminated;
 - 1 failed to renew its membership before the issues were resolved; and
 - 7 were still ongoing at the end of 2023.

As well as the 282 members who were asked to respond to evidence of potential breach, of the 10 compliance cases ongoing at the end of 2022, 8 were closed after the member evidenced compliance, and 2 members had their membership terminated.

3.3.2 Termination of Code membership

In total, 23 members had their Code membership terminated in 2023 for non-compliance with the Code and/or Bye-Laws. Terminations occurred for several reasons, including:

- 1 member who lost their MCS certification and was unable to provide us with a reasonable explanation for the loss; and
- 5 members had the Code membership terminated after they failed to respond to their audit allocation or failed to respond to compliance communications.

3.4. Promoting compliance with the Code

The results of each monitoring activity are collated at the end of each round to, as far as possible, provide a picture of compliance levels by member, by CA, across the Code and over time. The results of these activities are reviewed on a quarterly basis by our Supervisory Panel and annually by CTSI.

It is important that we feedback the results of our monitoring, including the analysis of complaints, to share both best practice and trends of non-compliance. Where common issues and/or best practice are identified, we endeavour to provide members with targeted guidance, assistance and training. Previously, emails have been sent to members setting out areas where we have seen a high level of non-compliance and reminding them of the relevant Code requirements. In 2024, we will be taking a more proactive approach, sending regular communications to our members, offering topic specific webinars on key areas of the Code, updating our member guidance, and developing our member resources to give them the best tools possible to comply with the Code.



4. Consumer complaints

4.1 Quantifying consumer complaints

In 2023, a total of 447 complaints were registered, a 15% increase from 2022, representing the third year of consecutive growth (see Figure 4.1). We received the largest number of complaints in the second quarter of the year (121). The month with the highest number of complaints was May (53), whilst July had the lowest (26). An increase in complaints is in line with our expectations given the significant increase in members over the same period.

In 2023, whilst we saw the number of complaints received increase, we still only received complaints about a very small percentage of members. We received complaints about 240 members (5%), about 75% of which we only received 1 complaint. Overall, we did not receive a complaint about 95% of our members. (See Figure 4.2 for a breakdown).

Fig 4.1 - Total number of complaints registered by year

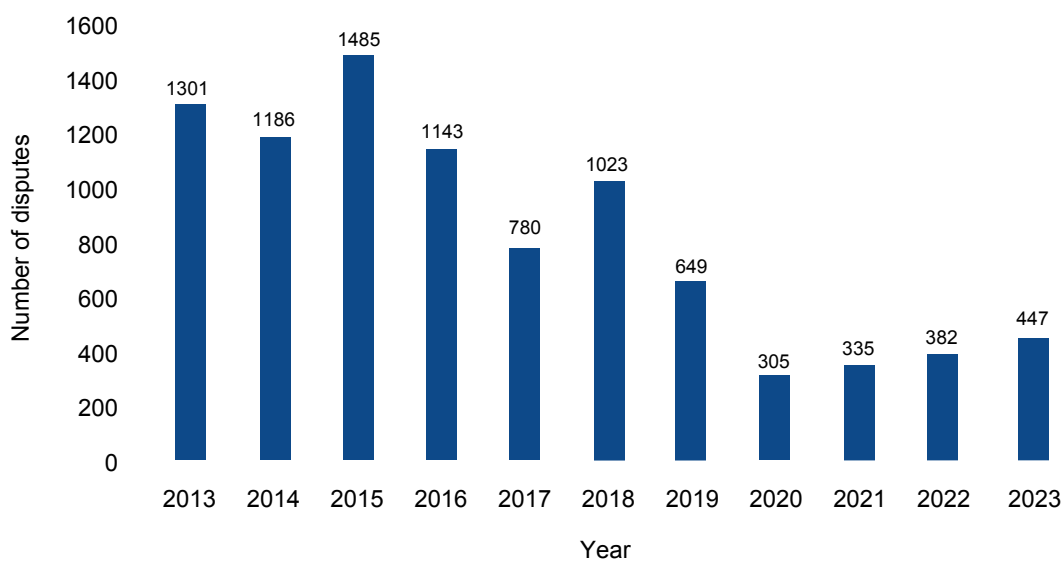
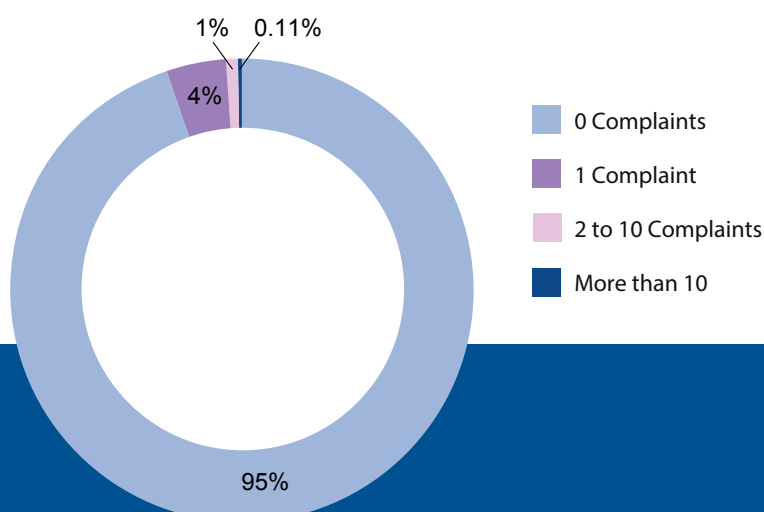


Fig 4.2 - Complaints received by members in 2023



4.2 Categorising 2023 consumer complaints

By complaint status

Of the 447 complaints registered:

- 237 (53%) fell within the remit of the Code and were addressed through the Dispute Resolution Process.
- 133 (30%) were classified as feedback (about current and former members) as:
 - the complainant wished to bring a business' practice to our attention but was not seeking a specific outcome or response; or
 - the business was no longer a member and/or had ceased trading; or
 - the issue fell outside the remit of the Code, e.g. the complaint concerned a non-energy generator.
- 73 (16%) were, in the first instance, more appropriately handled by a third party, e.g. the complaint included an unresolved technical and/or safety issue with the installation.
- 4 (1%) were raised by non-domestic complainants.²

By Code membership status

Of the 447 complaints registered:

- 312 (70%) concerned current members.
- 115 (26%) concerned business who were not members in 2023 but had been members when the consumer signed a contract.
- 20 (4%) concerned businesses who had never been members.

As a percentage of total complaints received, complaints about current members increased by 10% since 2022. Previously, a high number of complaints have been about businesses who were not members meaning we were unable to assist with the matter. We have worked hard to ensure our dispute resolution process is well signposted to consumers, and that it

is clear where we can and cannot assist. It is a positive sign that we were able to offer some form of assistance to most consumers, whether it was access to our dispute resolution process or consumer guidance by telephone or email.

By technology

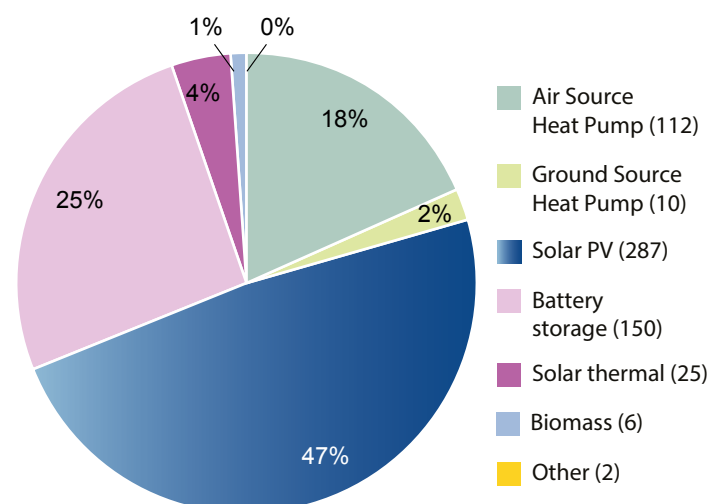
In 2023, the top 3 technologies about which complainants were registered were:

1. solar PV - 47%, an increase of 3% from 2022
2. battery storage - 25%, an increase of 8% from 2022
3. air source heat pumps - 18%, a decrease of 6% compared to 2022.

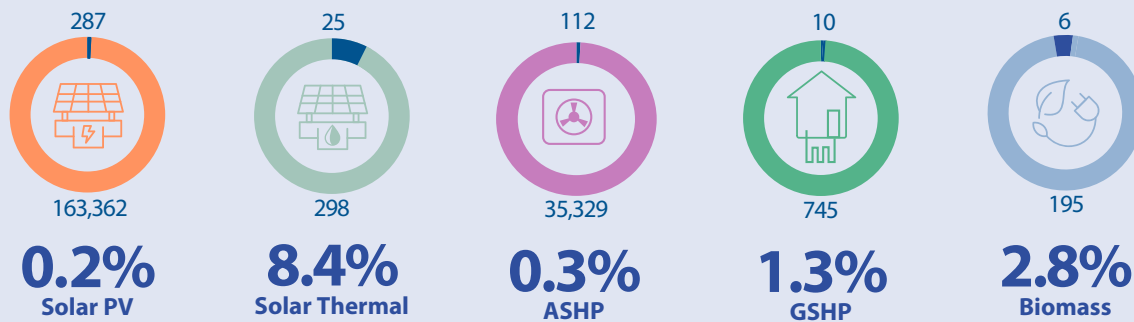
Ground source heat pumps, solar thermal and biomass each represent less than 5% of the total (see Figure 4.3).

The data shows that battery storage complaints have nearly doubled from 80 in 2022 to 150 in 2023. Of the 150 complaints, 89% related to contracts signed for solar PV with battery storage, whereas 11% concerned a retrofitted battery. At the end of 2023, 44% of members listed battery storage as one of the technologies they offer. It continues to be an area of growth with over 1,000 members now MCS certified to install batteries. The issues reported overlap with solar PV e.g. faulty products, failure to provide documents and incomplete installations. (See Table 4.1 for more details.)

Fig 4.3 - Complaints registered in 2023 by technology



² A non-domestic complainant may be, for example, a complainant who is a business or charitable organisation.

Figure 4.4 - Complaints registered by technology as a percentage of all domestic installations in 2023³

³ Installation numbers are taken from the [MCS Data Dashboard](#). Please note that complaints may relate to installations carried out before 2023. This means that conclusions cannot be drawn between the numbers of complaints registered in 2023 as a proportion of the total domestic installations carried out in 2023 for any technology.

Table 4.1 - Snapshot of issues reported by consumers

Installation and product issues Solar PV, Solar thermal and Battery storage	Installation and product issues Heat pumps	Contract and documentation issues (all technologies)
<ul style="list-style-type: none"> Product issues: faulty batteries, undersized inverters Installation issues: failure to install goods according to contract, incorrect and/or incomplete installation, damage caused to property during installation, solar PV installed without equipment to protect installation from pests, delays and multiple cancellations of installation dates. Erroneous survey and unsuitable design 	<ul style="list-style-type: none"> Product issues: noise and performance issues Installations issues: poor workmanship, failure to carry out adequate site survey, incorrect and/or incomplete installation, incorrect heat loss calculation causing oversized/undersized system, and damage to property. 	<ul style="list-style-type: none"> Cancellation of contract Failure to supply and install goods Misrepresentation of MCS certification status Failure to refund deposits and advance payments after cancellation Failure to provide handover pack Issues with submitting notifications to District Network Operator Pressure selling and mis-selling Running costs above figures quoted Boiler Upgrade Scheme (BUS) eligibility and payment issues

Complaints registered in 2023 by Compliance Area

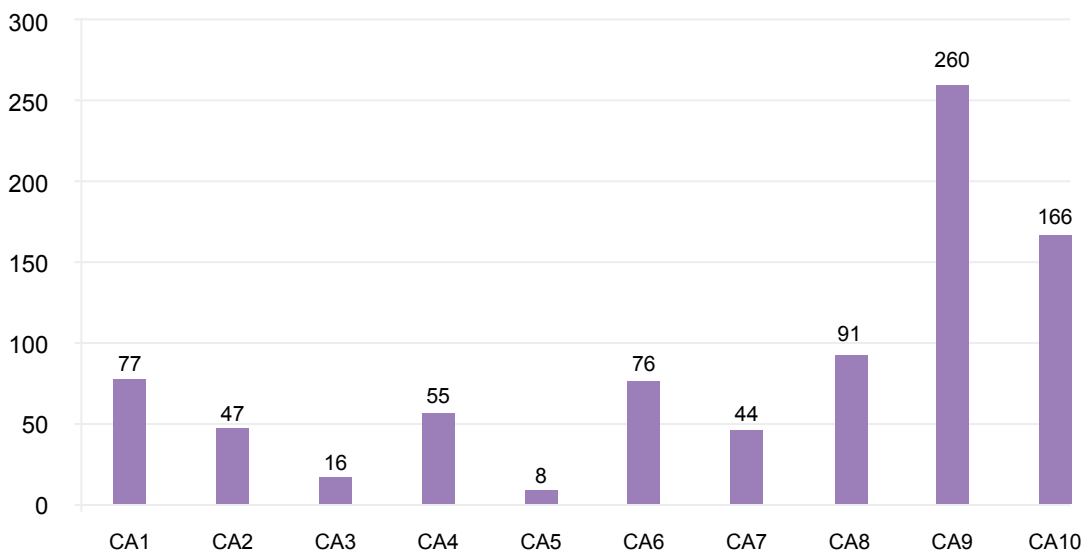
Each complaint that we register is classified into the CAs set out in Table 3.1. The aim is to enable us to identify the underlying trends and consumer protection issues in complaints which can cross over multiple areas in some instances.

As shown in Figure 4.5, the top 4 CAs identified in complaints registered in 2023 were:

1. After-sales (guarantees, workmanship warranties and warranty protection, after sales support: customer service) (CA9)
2. Disputes numbers, handling, procedures (CA10)
3. Completing the installation (CA8)
4. Contracts and cancellation rights (CA6).

Before registering a complaint, consumers must have first sought a resolution directly with the member. Where they have not been successful, often not receiving an adequate response from the member, if any, in addition to the specific issue raised in their complaint, poor customer service and after sales support are routinely reported as secondary issues. This means that CA9 is the most selected compliance area, showing in 260 of the 447 complaints received.

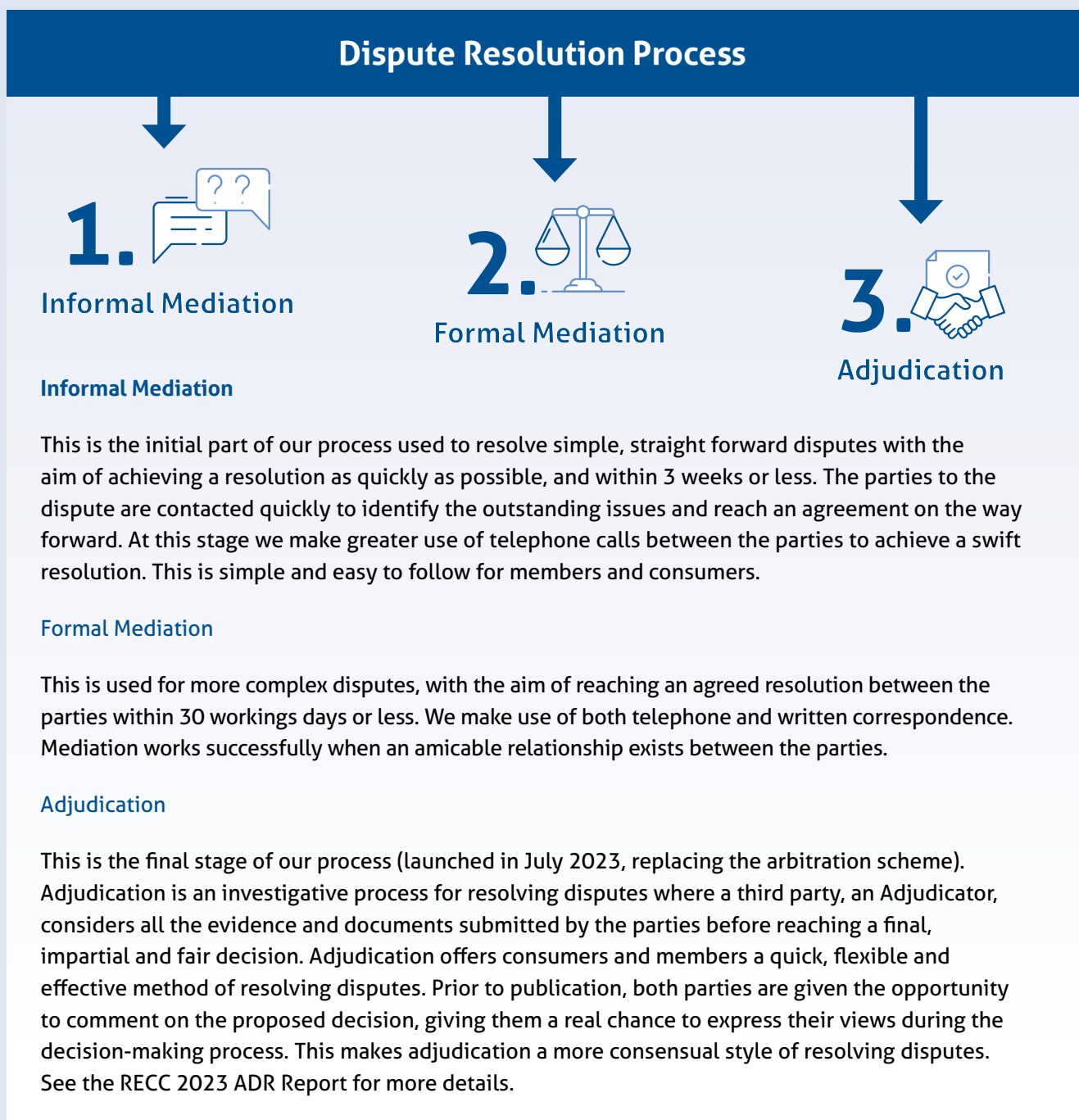
Fig 4.5 - Individual issues underlying complaints received in 2023 by Compliance Area



4.3 Resolving consumer complaints

In 2023, we resolved 152 disputes through our Dispute Resolution Process, recovering a total of £281,643 for consumers, £171,357 of which was recovered through mediation.

Our Dispute Resolution Process consists of 3 key stages outlined below. The aim is to provide consumers and members with an effective and swift means of resolving disputes. We have an in-house team of experienced and highly trained officers who work with both parties to resolve disputes.



Consumer disputes may be resolved at any stage or through a combination of stages. Several factors are taken into consideration when deciding which method to use to resolve a dispute in the first instance, namely the complexity and the value of the claim, the nature of the relationship between the parties and the prospects of achieving a resolution within a timely manner.

4.3.1. Means and timeframes for resolution

In 2023, we resolved 152 disputes, an 87% increase from 2022. The means of resolution were:

- 116 by mediation (76%)
 - 69 by informal mediation
 - 47 by formal mediation
- 36 by arbitration and adjudication (24%).

Fig 4.6 - Means by which disputes were resolved in 2023

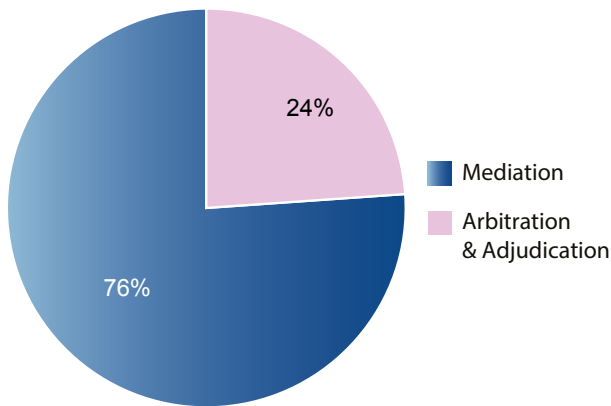
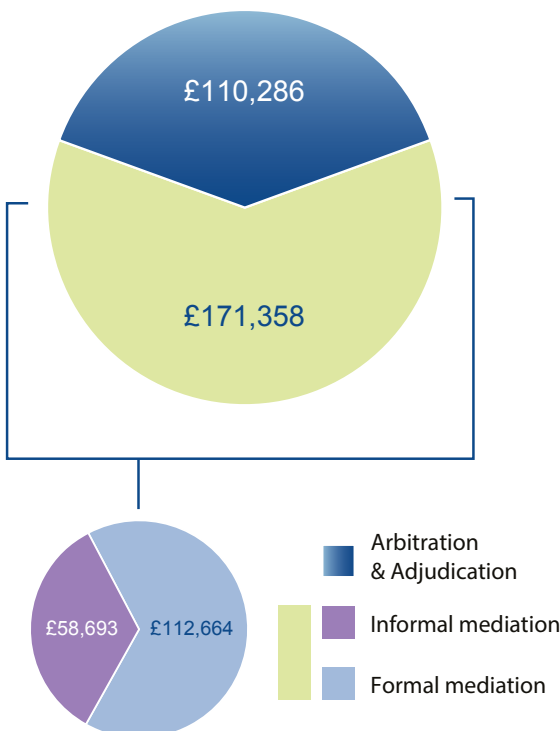


Fig 4.7 - Total recovered for consumers in 2023 through RECC's Dispute Resolution Process



Disputes resolved through informal mediation took an average of 2 weeks to resolve, and almost 50% were resolved in 1 week or less. Disputes resolved through formal mediation took an average of 6 weeks to resolve, and 26% of these were resolved in 3 weeks or less.

4.3.2. Types of resolutions

In the resolution of the 152 disputes, a total of £281,643 was recovered for consumers, a 37% increase from 2022. Of this total, we recovered £171,357 (61%) through informal and formal mediation (see Figure 4.7). The average amount recovered per successful dispute was £1,853.

The resolutions achieved through mediation include:

- Financial resolutions including compensation for a variety of issues, deposit refunds, discounts on final invoices, complete removal of system and refund, and return of BUS grants.
- Deposit refunds, and complete removal of system and refund, taken together, represent the largest proportion of the amount recovered for consumers (£53,701 across 43 disputes). These mainly concerned contracts cancelled within the cancellation period either before or after the installation has started, as well as instances where consumers cancelled due to breach of contract under the Consumer Rights Act 2015.

A total of 6 resolutions concerned a refund of a BUS grant and represent £23,900 of the total recovered for consumers. In these cases, consumers had paid the total contract price upfront, and the member had failed to issue a refund of the grant once Ofgem had redeemed the qualifying voucher. The refunds issued to consumers were between £1,000 and £5,000.

- Non-financial resolutions including the completion of contracts, issuing of apologies, completion of remedial works and the provision of documents and/ or replacement parts.

4.4 Closed Disputes

These figures relate to complaints categorised as disputes for RECC when first received which are later closed without a resolution achieved directly through the Dispute Resolution Process. A total of 109 disputes were closed in 2023. The main reasons for closing these disputes were:

- the consumer sought alternative route for redress (15). In 2023 this included where:
 - they commenced legal action against the member before registering the complaint;
 - they commenced legal action during or after the mediation process; or
 - they pursued a financial resolution via a credit card or finance company under section 75 of the Consumer Credit Act 1974.
- the consumer did not go on to make an application for arbitration or adjudication (55)
- the consumer chose not to take their complaint further through the Dispute Resolution Process (19)
- the consumer failed to respond to correspondence from RECC (16)
- the member ceased trading before the end of the dispute resolution process (4).

4.5 Referring consumer disputes to adjudication and arbitration

Our Renewable Adjudication Service was launched in July 2023, replacing the arbitration service previously available to members and consumers. As such, our 2023 resolution figures for the final stage of our Dispute Resolution Process are split between the two schemes. We transitioned from arbitration to adjudication to keep pace with changes within the

consumer redress landscape. For more information about this change and the outcomes, please see the RECC 2023 ADR Report.

In 2023, 91 consumers were offered the option of achieving a resolution to their dispute through the final stage of our process. Of this number, 44⁴ consumers applied for either arbitration or adjudication, and 36 progressed to final decisions. This total represents 24% of the total disputes resolved in 2023. Of the 36 disputes resolved, 32 were by arbitration and 4 were by adjudication.

Most disputes referred to arbitration concerned the sale and installation of solar PV or other power generators (64%). This is a significant turnaround in contrast to 2022 when 66% of claims concerned heat generators, mainly air source heat pumps. Consumers made claims based on several different issues. For example, claims related to breach of contract under the Consumer Rights Act 2015, misrepresentation and /or rights to cancel under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013.

A total of £110,286 was awarded to consumers with successful claims at arbitration or adjudication. Of the 36 decisions, 29 claims succeeded and 7 failed. Of the 29 successful claims, the average amount awarded per claim was £3,676, and the highest amount awarded was £22,799.

Most of the decisions were solely financial (21), whilst in 8 cases consumers were awarded a financial and non-financial remedy. Non-financial outcomes included the provision of documentation, specific performance directions to complete installations and the rescission of invoices. In 7 cases, members were required to issue the complainant with an apology.

⁴ Some applications were withdrawn by consumers.

5. Governing the Code

The Code is administered by Renewable Energy Assurance Ltd, a wholly-owned subsidiary of The Association for Renewable Energy and Clean Technology (REA). The Code is approved by CTSI under its Approved Code Scheme.

The Code and REAL's running of the Code are overseen by CTSI and the RECC Supervisory Panel. The Supervisory Panel meets quarterly and oversees the development of Code, which has to reflect developments in the policy, legal and industry context within which it operates.

The Supervisory Panel and CTSI require us to reflect the lessons drawn from our monitoring activities, any feedback we receive and the disputes we register. In doing so we can identify any systemic issues and provide feedback to help raise standards across our membership. In addition, we take account of guidance and specific suggestions we receive from CTSI and the Supervisory Panel.

The Supervisory Panel is chaired by Steve Liseter. Steve is an independent consultant specialising in consumer and competition law issues. He has previously overseen the approval of a wide range of consumer codes of practice to assure consumers of good practices by member businesses. Panel members are drawn from a wide range of stakeholder organisations and most are independent of the sector.



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.

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