

# businesscompanion

## trading standards law explained

### Part 4. Best practice

In this section

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 businesses.

Since the market itself is relatively new, with cutting-edge technologies being introduced all the time, there may 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 HIES, 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 the Renewable Energy Consumer Code, also says it is important to make sure consumers are given accurate information about exactly what they are signing up for. “Mis-selling has been an issue in the past, where consumers have been told that they are going to save or earn a certain amount of money every month. They have even been persuaded to take out a personal loan to pay for a system to be installed on the basis that the savings or earnings will cover the loan repayments. When they don't these consumers can end up in financial distress.” she says.

“As regards complaint handling, if there is a problem with the technical installation of a system, we would look to work with our colleagues at MCS and the Certification Bodies to investigate whether the standards have been met. For our part, we look at: the pre-contractual issues, such as the claims made, the accuracy of any advertising or marketing, the content of the quotation and performance estimate; the contractual issues, such as the contract terms, the cancellation notice and the payment schedule; and the post-contractual issues, such as the handover documents, the warranties issued and any linked maintenance and/or servicing contract.”

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

Faisal Hussain also advises businesses – particularly new entrants to the sector – against over-stretching

themselves. He says installers should be clear on which technology they would like to install and familiarise themselves with the rules, regulations and schemes required to install their chosen technology.

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.”

Standards Organisations, Quality Schemes Scheme Providers, Certification Bodies and Consumer Codes can revoke certification or membership. Trading Standards may investigate the business and take enforcement action. 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 tend to fall into one of two categories. “The first is where a member is unaware of the requirements of the Code and RECC's Bye-Laws and is breaching them through ignorance. Applicants must declare that they understand the Code and Bye-Laws, and that they will comply with them as a condition of being admitted to RECC. However, in practice we find that this is not always the case. We would work with members in this category to bring them into compliance. We would educate them on the requirements and we can set conditions on their membership

“The second category is where installers deliberately breach the Code or Bye-Laws. For example, they could be failing to insurance-back their workmanship warranties or their deposits or they could be failing to inform consumers about their cancellation rights. We have a range of disciplinary actions we can take in such cases. Our aim would always be to bring members into compliance. However, in extreme circumstances, we can terminate membership.”

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 have your certification suspended or removed entirely. 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 CTSI-approved Consumer Codes, to try to get them on a recovery path. Throwing traders off the scheme is a last resort - we'd rather 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 advice and assistance 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 3: Incentive schemes](#)

[> Part 5: Consumer protection law](#)

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