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OFGEM
9 Millbank
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18th January 2018

Dear OFGEM ,

Draft Forward Work Plan 2018-2019

Thank you for providing us with an opportunity to comment on your draft forward plan. Please find below our comments on the plan.

This response is not considered to be confidential and we intend to publish our response on our website www.hiesscheme.org.uk, so we would not consider this restricted under the Freedom of Information Act 2000. In addition, we would ask that any quotes taken from our response are used in the context in which they are intended and we would be happy to advise if the context is not clear.

About Us

The Home Insulation and Energy Systems Quality Assured Contractors Scheme (HIES) is the most comprehensive consumer protection organisation in the renewables industry. We are totally dedicated to ensuring consumers are protected and have peace of mind. HIES ensures the best consumer protection comes as standard and all our services, including our Ombudsman Scheme, are completely free of charge to consumers.

We operate a comprehensive consumer code of practice that has received endorsement from the Chartered Trading Standards Institute Consumer Codes Approval Scheme (see www.tradingstandards.uk/consumerCodes).

Nick Ross, former BBC Watchdog & Crimewatch Presenter and our ambassador said:

"With HIES you get accredited installers, independently backed guarantees even if the firm refuses to help you or goes out of business, free access to industry inspectors, professional mediators and – if you're still unsatisfied – a highly regarded Ombudsman who can settle your dispute with the power of the law behind him."

Our trade members represent around one quarter of the renewable energy market place (by volume of work) many of whom are recent entrants to the domestic energy storage market place. Our affiliate partner manufacturers are also leaders in the energy storage market and, as such, we are ideally placed to understand the key challenges that the future shape of regulation and systems will have on the industry.

Although the price of a typical solar installation has come down from around £10,000 in 2010 to £5,000 now the purchase of any renewable product can be an emotive one. Consumers who we deal with through our mediation service feel very strongly towards saving the planet just as much as cutting energy bill costs.

Consumer Protection

For markets to work well for consumers and for confidence from outside investors there needs to be a strong element of consumer protection. Unfortunately, the energy sector has in the past suffered from negative issues due to some very high profile investigations into energy mis-selling for example:

2010

Scottish and Southern Electric fined £1.2M for mis-selling

2013

Scottish and Southern Electric fined £10.5M for mis-selling

2014

E.on ordered to pay consumer's back £20M for mis-selling

2015

Economy Energy fined £250,000 for mis-selling

With cuts to trading standards services of around 53% since 2009, we have concerns that energy firms operating across the retail energy and renewable sectors will continue to mis-sell. We feel so strongly about preventing mis-selling that we have developed an **Energy Performance Validation Scheme (EPVS)**. This is a certification standard that certifies the processes used by installers to ensure energy saving, generating and/or storage calculations/estimates for home energy products are accurate and valid.

Currently the role of regulating mis-selling in the domestic renewable sector is down to private sector consumer codes such as HIES, who rely on membership fees in order to operate.



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Future Energy Solutions

We believe that Ofgem should also look into Energy Storage Control Centres (ESCC) as a future method of energy storage. Ofgem should ensure that the deployment of ESCC devices are controlled, managed, maintained, and decommissioned. A consultation should come from Ofgem discussing the deployment of large volumes of domestic energy storage devices with fast frequency response allowing for grid trading capabilities and interoperability. This in turn will create a network of small scale energy storage devices that can be accessed by the grid to ease load balancing issues.

Our recommendations

We would like to see further attention paid to consumer protection in the forward plan. Specifically, what methods Ofgem will use to prevent breaches of Ofgem's rules and legislation such as the Consumer Protection from Unfair Trading Regulations 2008 and the Consumer Rights Act 2012. Industry designed consumer protection solutions such as EPVS should be considered a solution by Government which gives confidence to consumers, businesses and investors in this sector.

We would like to see more in the plan surrounding enforcement and support from Ofgem for the Consumer Codes Approval Scheme.

I would be delighted to discuss this further and look forward to attending any workshops based on your plan.

Yours sincerely,

Adrian Simpson B.A. (Hons) MCTSI

Assistant Director of Consumer Policy

Full member of the Chartered Trading Standards Institute