

Domestic Renewable Heat Incentive

www.ofgem.gov.uk/drhi

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Factsheet: An introduction to Assignment of Rights What it is, and how it works

This factsheet is an overview. For the full picture, read our [Essential Guide to Assignment of Rights](#)

What is Assignment of Rights?

Renewable heating systems can be expensive to install, but in the right properties, Domestic RHI payments can make them an attractive investment.

The Department for Business, Energy & Industrial Strategy (BEIS) has introduced an option to help householders and organisations access finance to overcome the upfront costs of a renewable heating system. This is called 'Assignment of Rights' and allows an [investor](#) to help fund the purchase and/or installation of such systems. Householders and organisations would then, as applicants to the Domestic RHI Scheme, assign the rights to RHI payments for that heating system to the investor.

Investors can then expect to receive payments for the lifetime of a renewable heating system's accreditation on the Domestic RHI.

How does it Work?

To enter an Assignment of Rights agreement, a prospective applicant would sign a contract with an investor who is registered with us. Investors must meet certain requirements before registering, to ensure consumer protections and investor accountability are in place.

Once an investor has contributed towards the purchase and/or installation costs of a renewable heating system, in accordance with the contract, the applicant will nominate them to receive the RHI payments for it. This would be done as part of the application to the Domestic RHI for accreditation of that heating system.

Accreditation lasts for seven years, provided investors and applicants both meet the scheme requirements and comply with their [ongoing obligations](#). Failure to do so may result in Ofgem revoking an accreditation and applying further sanctions

Codes and Contracts

There are two Chartered Trading Standards Institute (CTSI) approved [consumer protection codes](#) for Assignment of Rights: the [Renewable Energy Consumer Code \(RECC\)](#) and the [Home Insulation & Energy Systems Contractors Scheme \(HIES\)](#).

Investors must be a member of either one of these consumer codes before registering with us.

The consumer codes have published a 'model contract' which we *strongly* encourage investors and potential applicants to use. Copies of the 'model contract(s)' can be found on the RECC and HIES websites. Any differences between the model contract and the contract an investor intends to use for Assignment of Rights agreements will also need to be approved by their consumer code.

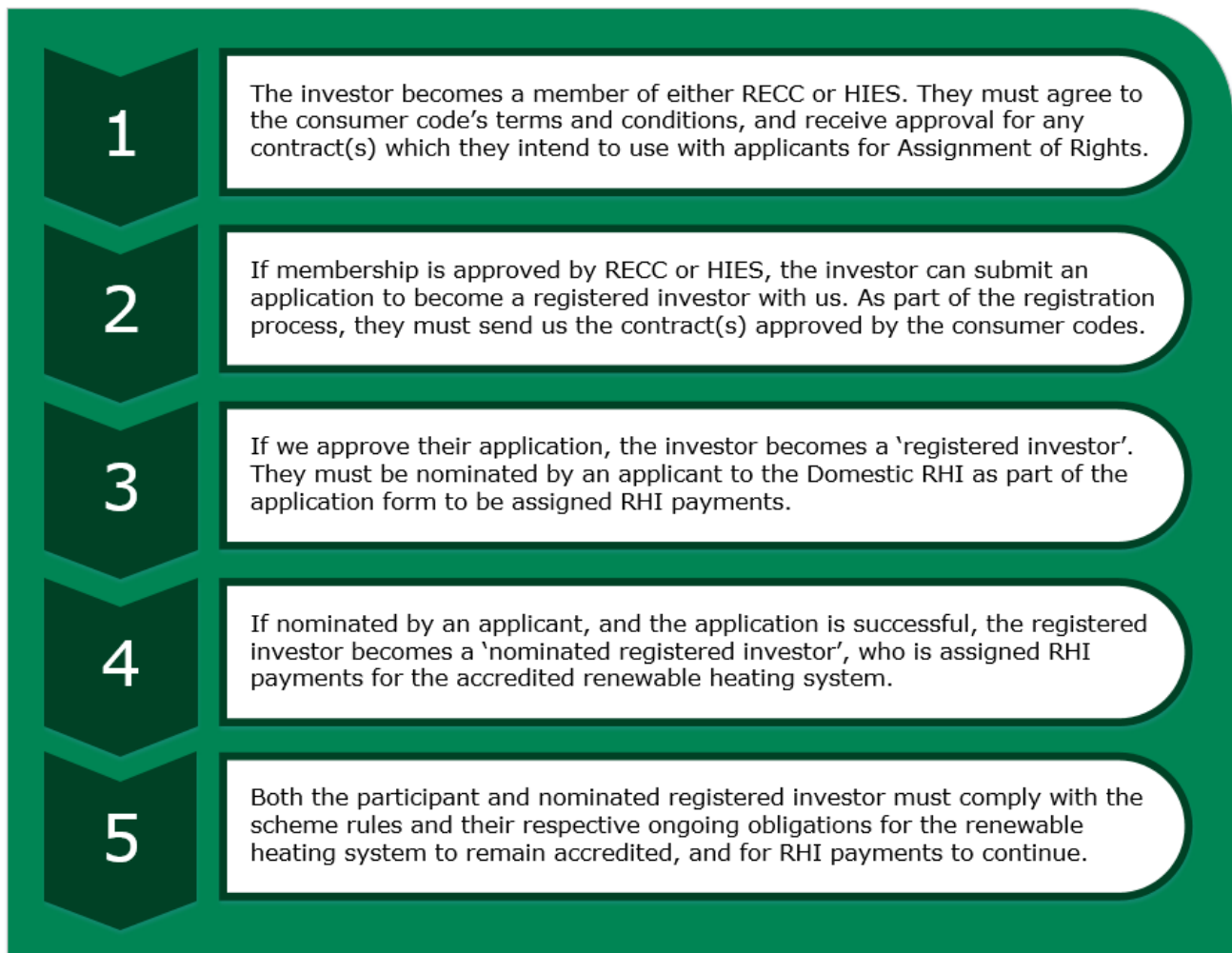
The investor

Before applying for registration, investors must join one of the two consumer codes for Assignment of Rights, and receive its approval for any contracts they intend to use with applicants.

If we approve the registration application, the investor becomes a '[registered investor](#)'. Only registered investors can be nominated to receive RHI payments for an applicant's renewable heating system.

If we grant accreditation to a heating system, and accept a nomination, the applicant becomes the participant and the registered investor becomes the '[nominated registered investor](#)'.

See below for a step-by-step summary of the investor registration and nomination process.



The Applicant

Application to the Domestic RHI doesn't change much as a result of entering into an Assignment of Rights Agreement. However, when completing the online application form, applicants would need to confirm that they are nominating a registered investor to receive the RHI payments, and provide us with some of the investor's details.

It's important to remember that participants still have their own [ongoing obligations](#), which they must continue to meet for the renewable heating system to remain accredited and for RHI payments to continue.

Note: In Assignment of Rights agreements, applicants can only assign **all** of the RHI payments, not just **part** of them. The nominated registered investor will always receive **all** of the payments.

Investors **can't** be assigned the separate payments for a participant's [Metering and Monitoring Service Package \(MMSP\)](#).

Please be aware, when the purchase and installation costs of the renewable heating system are not contributed to by an investor, an applicant can apply to the Domestic RHI independently and receive all payments themselves.

Payments should only be assigned to an investor if they have contributed to the purchase and/or installation cost of the heating system.

Only applicants can complete an application to the Domestic RHI for accreditation. An investor cannot do this for them.

Ownership

Applicants in an Assignment of Rights agreement must be the owners of the renewable heating system. Investors aren't permitted to own any part of a renewable heating system for which they will be nominated to receive RHI payments. They can never repossess it.

Consumer protection

Assignment of Rights came into effect following amendments to the Domestic RHI on 27 June 2018 with the intention of preventing future use of other third party financing models (i.e where individuals and third parties have an agreement outside of the Domestic RHI to transfer RHI payments to the third party). Investors may now only receive RHI payments as a Nominated Registered Investor in an Assignment of Rights agreement.

We work closely with the two consumer protection codes for Assignment of Rights (the [Renewable Energy Consumer Code \(RECC\)](#) and the [Home Insulation & Energy Systems Contractors Scheme \(HIES\)](#)). They can provide advice, and help deal with complaints regarding breaches of contract or the consumer code's membership requirements.

The next step

This factsheet is an overview. If you are interested in entering an Assignment of Rights agreement, read our [Essential guide to Assignment of Rights](#), which should be read by both applicants and investors who wish to do so.

Guidance Material

We update our guidance material regularly. Check the website for the latest versions, to be sure you're reading the most up-to-date information.

See our website:

[Domestic RHI](#)

[Non-Domestic RHI](#)

Domestic RHI Factsheets

[Factsheet: The Renewable Heat Incentive-Domestic or Non-Domestic?](#)

[Factsheet: A Metering and Monitoring Service Package for the Domestic RHI](#)

[Factsheet: Tariffs and Payments](#)

[Factsheet: Do I Need Metering?](#)

Domestic RHI Essential Guides

[Essential Guide for Applicants](#)

[Essential Guide to Assignment of Rights](#)

[Essential Guide for Installers](#)

[Essential Guide to Metering](#)

[Essential Guide to Optional Monitoring - Metering and Monitoring Service Package \(MMSP\)](#)

Domestic RHI Reference Document

[Domestic RHI Reference Document](#)

Find out more

Next steps

If you are interested in entering an Assignment of Rights agreement, read our [Essential Guide to Assignment of Rights](#)

If an applicant would like to apply to the Domestic RHI independently, they can go straight to our [Essential Guide for Applicants](#)

How do I keep informed?

If you wish to receive updates as they become available, please subscribe to our [RSS feed](#) on our [Documents and videos](#) webpage or subscribe to our Domestic RHI quarterly [newsletter](#).

For Help

For queries regarding Domestic RHI Scheme requirements and eligibility and for free impartial general information on how to save energy in the home:

Energy Saving Advice Service

Email: energy-advice@est.org.uk

Home Energy Scotland

(Scotland) **0808 808 2282**

Calls are free from landlines and most mobile networks

[Online email form](#)

For assignment of rights consumer protection information

Renewable Energy Consumer Code (RECC)

Website: www.recc.org.uk

Phone: 0207 981 0850

The Home Insulation and Energy Systems Contractors Scheme (HIES)

www.hiesscheme.org.uk

If you need help with a Domestic RHI application:

Domestic RHI Applicant Support Centre

Telephone: **0300 003 0744**

Email: DomesticRHI@ofgem.gov.uk

For opening hours, please see [our website](#).