

**Cross-Party Group on Consumer Protection For Home Energy Efficiency And Renewable Energy
Annual General Meeting
Meeting 4 of Parliamentary Session 5
Scottish Parliament, David Livingstone Room (CR6)
Wednesday 3rd October 2018 at 18:00-19:30**

Welcome, Apologies and General Update

Apologies Kate Morrison, David Burns, Louise Hampson, several members of Glasgow North East

Marcus Wilson	Citizens Advice Scotland
Emma Ash	Citizens Advice Scotland
Linda Corbett	East Ayrshire CAB
Helen Melone	Energy Action Scotland
Sarah Freshwater	Energy Saving Trust
David Rendell	CEO, Green Deal Finance Company
Victoria Wilson	Green Deal Finance Company
Bruce Clayson	Hamilton CAB
Gerry Chambers	Office of Clare Haughey MSP
Lindsay Stevenson	Office of Gavin Newlands MP
Alexandra Herdman	Office of Graham Simpson MSP
Colin Meek	Renewable Energy Consumer Code
Adrian Simpson	HIES Quality Assured Contractors Scheme
George Arbuckle	Trading Standards Scotland
Isabel McNicoll	HELMS Action Group Ayrshire
Councillor Graham Campbell Campbell	Glasgow North East City Council
MSPs	
James Dornan	MSP
Tom Arthur	MSP
Clare Haughey	MSP
Ivan McKee	MSP

AGM - Election of Office Bearers

Convenor: Tom Arthur was nominated by James Dornan and seconded by Ivan McKee

Deputy Convenor: James Dornan was nominated by Claire Haughey and seconded by Tom Arthur.

Approval of minutes from 12th June 2018

Minutes of the previous meeting were proposed by Marcus Wilson and seconded by Isabell McNicoll

Presentation 1: Trading Standards Scotland (TSS) and Energy Saving Trust (EST)

The Energy Saving Trust highlighted their role as part of Home Energy Scotland whose aims include acting to reach vulnerable households, act as a 'one stop shop,' and provide an effective use of resources. They received 350 complaints, of which 170 cases were passed on to Trading Standards Scotland using questionnaires to be complaint with data protections regulations. Customers were typically told that all measures would be free and were unaware of the exact financial package they had signed up to, or that they had signed away their Feed in Tariff. Many customers still had not achieved a satisfactory outcome, had been left with excessive debts, and were unable to sell or re-mortgage their homes. EST highlighted the joint consumer education raising campaign with Trading Standards Scotland and Citizens Advice Scotland, representing householder experience in relevant groups and meetings and the use of TSS questionnaires.

TSS mentioned their national intelligence database which they have access to. TSS' investigation into Green Deal mis-selling is called Operation Kondracki. They were first required to consider 'established means' – i.e. the Green Deal Framework Regulations. The process included taking statements of 3-4 hours from affected consumers, which shows how complex these cases are. A working group was established as a means of progressing the matter. While a case has been reported to the procurator fiscal, there were limits to what could be discussed on the matter. Issues relating to HELMS included off-premises sales, exploitation of a trusting culture in parts of Scotland, targeting at older and vulnerable clients, and a mis-match between the paper record and how contracts were presented orally. Problems with rogue traders can stem from what a salesperson fails to say to the consumer.

Suggested steps to improve consumer protection included control in the supply chain, less light-touch regulation, greater awareness raising for consumer on what help is available from Government, stronger oversight of supply participants, the supply of services rather than grants, the removal of the assessment process from the sales process, and clear methods for redress. It was noted that such measures cost money and need to be well funded.

Presentation 2: Green Deal Finance Company

GDFC said they believed in the Green Deal as a way of financing home improvements, but that the original Green Deal had been hampered by the way it was introduced. There were delays in getting redress through the Financial Ombudsman Service and GDFC took on these complaints in September 2017. They believe this to be a problem largely with HELMS, with 80% of all complaints received by GDFC from HELMS customers. 10% of HELMS customers have made a complaint compared with 1% of non-HELMS customers. They set out the stages of assessing a complaint. An initial assessment looks at vulnerability, whether a consumer credit agreement was valid, and any evidence of fraud. A detailed assessment follows using a customer complaint form, energy bills and supporting evidence. There are three decision outcomes – a reduction in the loan amount, cancellation, or no offer. A final response has been sent to 60% of all complaints and 78% resulted in a reduction or cancellation of the loan. Those receiving a response are informed of the right to appeal to the secretary of state, although there are concerns over the speed of their response. In terms of next steps, GDFC want to fix the problems caused by HELMS and instil trust in the Green Deal name again. They want to see structural change to make a consumer finance specialist the Green Deal Provider and installation specialist the Green Deal Installer. They have conducted independent audits of installations and EPCs for new Green Deal Loans and applied for permission to be a Green Deal Provider.

Questions and Discussion

The issue of time bars in the case with the Procurator Fiscal was raised. In some cases, the time bar has passed. Under common law fraud there is no time bar, although the case has not been considered fraudulent and is being approached as a consumer protection issue. Questions were raised about GDFC's 3 categories for considering a complaint, whether there was an age profile of customers, and whether those remaining HELMS customers who hadn't complained had been contacted. GDFC responded that this was not an exclusive list, that a given age is not an automatic indication of vulnerability and that those who hadn't complained were welcome to come forward.

There was discussion of the golden rule and reasons other than energy efficiency gains that costs could decrease, such as tariff changes. Energy savings were hard to pin down, and a perfect comparison may be elusive. There was discussion of concerns over debt being tied to a house, not a person, the assignation of the Feed in Tariff, BEIS' consultation last year, MPs' interaction with the government on the issue, a CAB client's case in court to try to get back their Feed in Tariff, and HELMS' director's attempts to contact consumers. The next two meetings will be 19th February 2019 in Committee Room 4 and 4th June 2019.