



# ANNUAL REPORT

1<sup>ST</sup> JANUARY 2022 - 31<sup>ST</sup> DECEMBER 2022

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“ As the Brand Ambassador for HIES, I truly believe it offers the ‘real deal’ in providing robust consumer protection and, even better, they provide strong support for the installer. I know that HIES is serious about raising standards and ensuring that everybody is treated fairly. ”

George Clarke  
Brand Ambassador

# STATEMENT FROM CHIEF EXECUTIVE

“ HIES is a Chartered Trading Standards Institute Consumer Code within the renewable sector. Our vision is all about transforming consumer protection and with new technologies appearing every year we adapt and evolve our consumer protection mechanisms.

Our mission is based on three fundamental principles:

- Protecting consumers;
- Supporting our installer members; and
- Raising industry standards.

### As of 31/12/22, HIES:

- Protected over 260,900 customers;
- Covered over £1.7 billion worth of contract value;
- Received over 32,100 customer surveys on installer performance; and
- Professionally and quickly handled over 4,200 disputes between consumers and members.

### Relationship Building

We regularly meet with civil servants, trade bodies, BEIS, Ofgem, Trustmark, MCS, Flexi-Orb and UKAS certification bodies to help shape the protection mechanisms within the renewable sector.

### This Report

I hope this report will give you a flavour of the sweeping nature of HIES’ unique protection and comprehensive approach. It is far reaching and all embracing, but much needed.

We welcome your thoughts on improving our scheme and the sector.

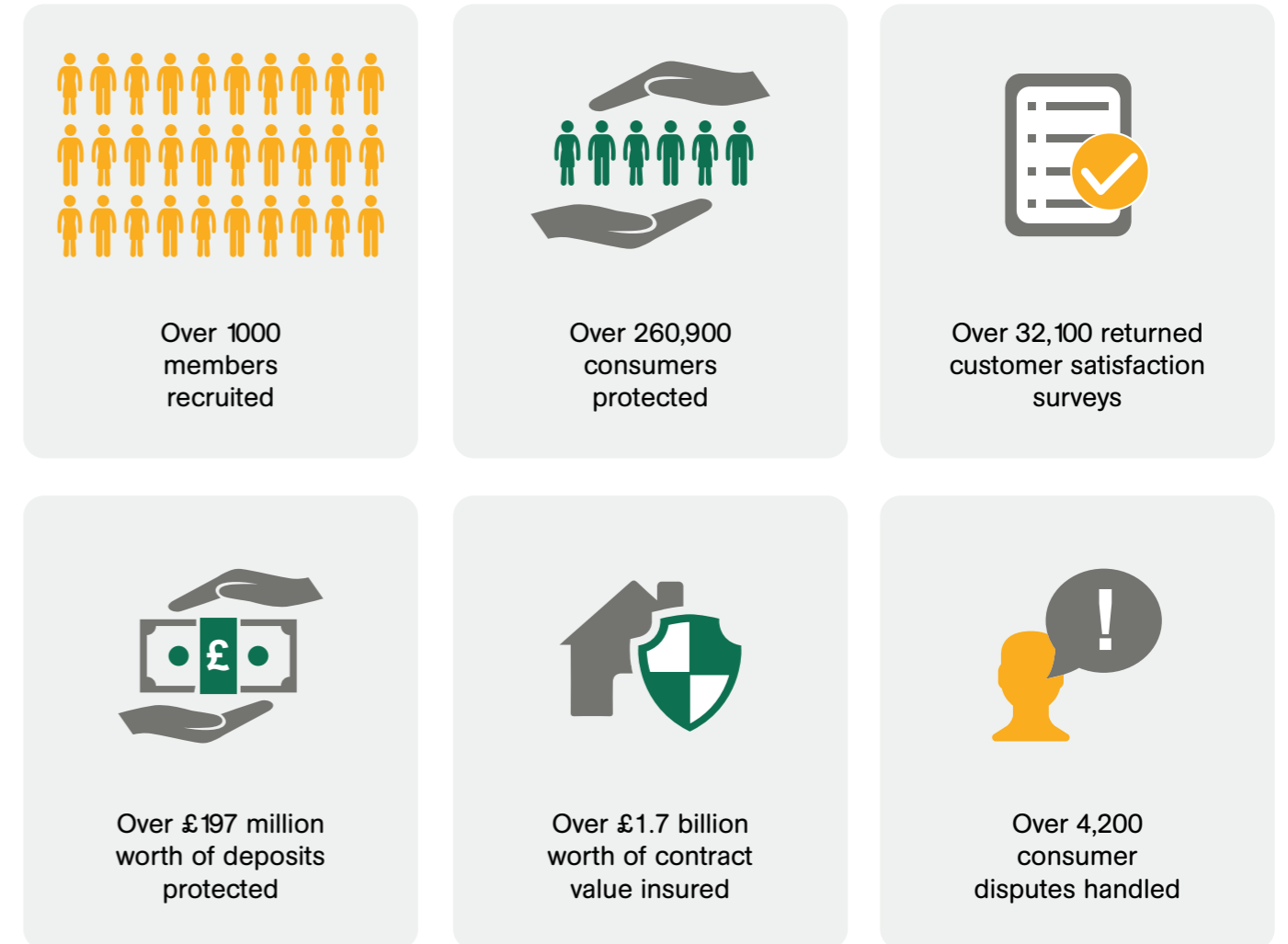
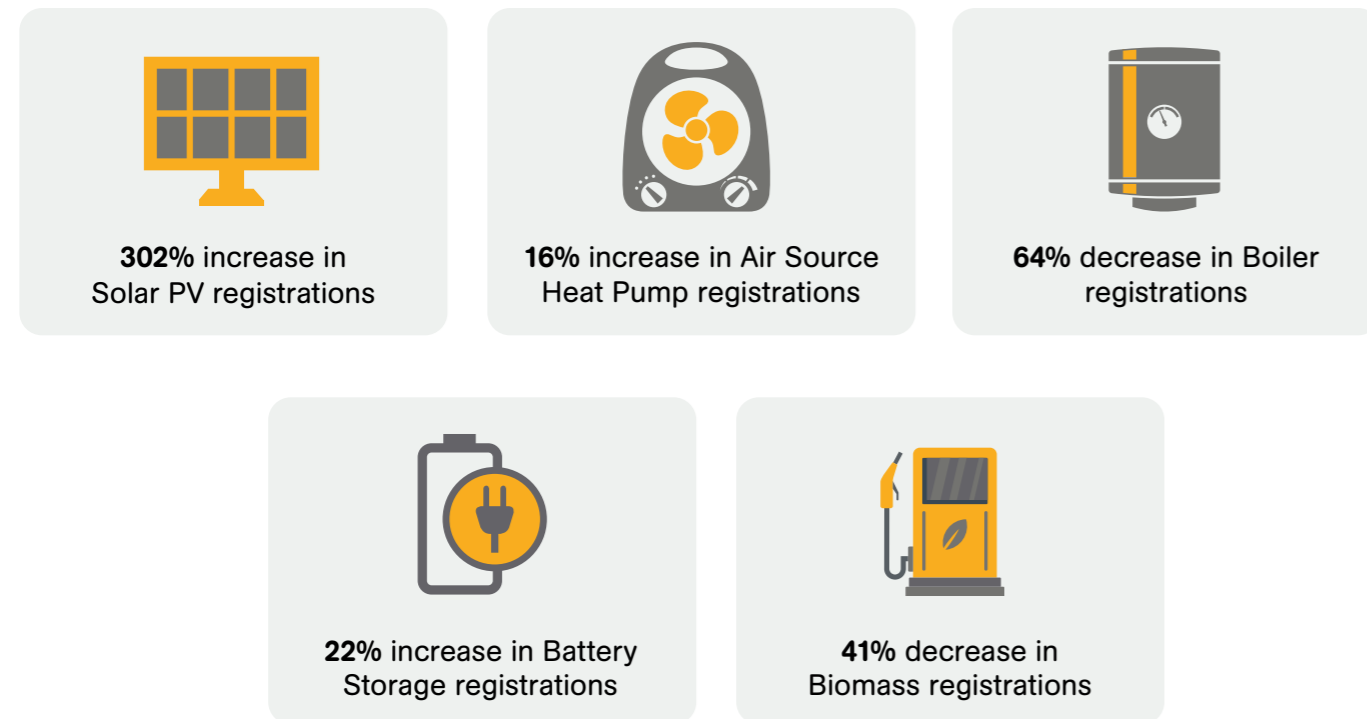


Faisal Hussain, Chief Executive

## Where is the industry?

Where is the industry? 2022 has been a busy year for renewable energy installers. The Boiler Upgrade Scheme launched in 2022 which is a UK Government initiative to support the decarbonisation of heat in buildings, aiming to reduce the cost of low carbon heating technologies so they are more affordable for consumers to buy and run.

HIES has seen an increase in registrations for solar PV, air source heat pumps and battery storage but seen a decrease in registrations for biomass and boilers. The figures below provide you with a snapshot of our experience in the last 12 months:



# OUR ETHOS ON CONSUMER PROTECTION

HIES' main mission is to protect consumers. The HIES Code of Practice requires that consumers are dealt with professionally, courteously and sympathetically. Any products installed by HIES members must be fit for purpose, installed professionally and come with comprehensive guarantees which are covered by specialist insurance providing consumers with a high level of protection and peace of mind.

## Benefits to consumers using a HIES member

- **Vetted and accredited installers.** All members have successfully passed our strict accreditation process for the product (or products) they want to be accredited for. We also monitor them continuously.
- **Deposit and stage-payment protection insurance.** This covers up to 25% of the contract value (maximum limit of £5,000) for 120 days (from the date you sign the contract), once your installation has been registered with us.
- **Alternative dispute resolution.** Our expert mediators are always on hand to help resolve any disputes you may have with one of our members.
- **Consumer advice line.** We are on hand to answer any questions you may have once you have entered into a contract with a scheme member.
- **Insurance-backed guarantee.** An IBG provides protection if your installer ceases (stops) trading and cannot honour the terms of their written guarantee. You will receive an IBG once the member has added in a date on our system to show when they completed your installation.
- **Access to an ombudsman.** You will have free access to an ombudsman if we cannot settle your complaint.



To receive the protection from our scheme, consumers must:

- ensure your installer is a member of the scheme when you enter into a contract with them to carry out the work;
- enter into a contract direct with the member;
- ensure the installation is on a domestic property; and
- ensure the installation is in England, Scotland, Wales or the Isle of Wight.

If consumers don't meet the above conditions, we may not be able to protect them.

# ACCREDITATION

HIES accreditation team carry out a variety of checks of an applicant, which includes:

- Company and director background checks;
- Competency and qualifications;
- Accreditations and MCS membership;
- Contractual paperwork and terms;
- Insurance;
- Product guarantees and;
- Complaint handling procedures.

If an applicant does not meet the HIES minimum accreditation criteria, they may be rejected or the applicant may request a decision to be referred to the Independent Applications Panel as per the Memorandum of Understanding (MOU) between the current Code Sponsors and the Chartered Trading Standards Institute (CTSI).

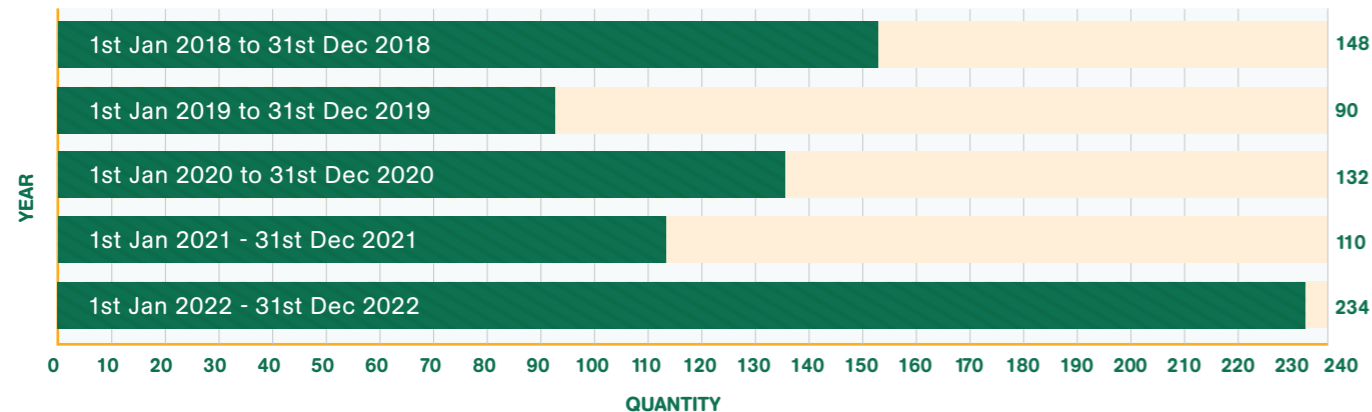
# MEMBERSHIP RECRUITMENT

Within the last 12 months we have received 767 enquiries from installers interested in HIES membership. We accepted 234 members who met the HIES accreditation criteria. At the start of the year we had 48 installers in the accreditation process from the previous year. Below is a breakdown of what happened next:

### Main reasons why installers fail accreditation:

- Ongoing/previous issues with another Code Sponsor
- No response to queries in relation to their application
- Non-submission of required documentation
- Directors' previous trading history
- Mis-selling statements on their website

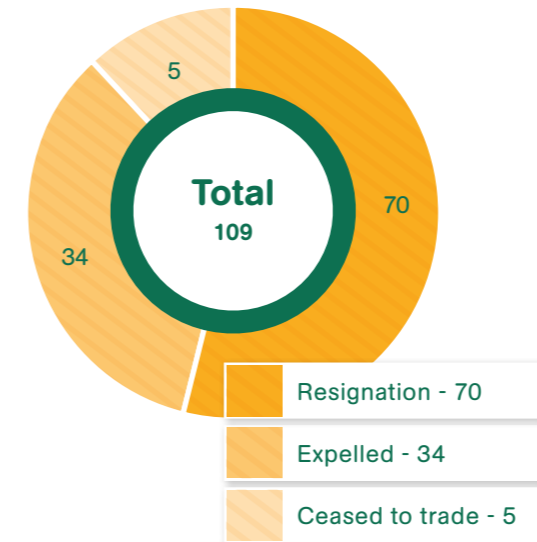
### NEW MEMBERS RECRUITED TO HIES



# MEMBERSHIP RETENTION

Within the last 12 months there were 109 installers whose membership ceased with HIES. Our current membership stands at 553 (as of 31/12/22). This compares to 428 members at the same period last year (31/12/21).

### WHY MEMBERSHIP CEASED



### Main reasons for resignation of membership:

- No longer operating in the marketplace
- Switched to another consumer code

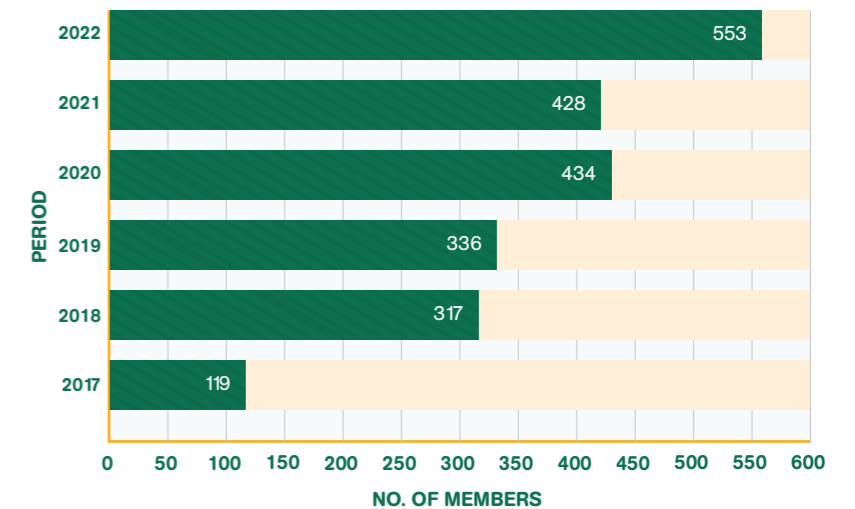
### Main reasons for ceasing to trade:

- No longer trading in renewables
- Company in debt or liquidation

### Main reasons for expulsion of membership:

- Non-payment of fees
- Non-compliance with scheme rules

### TOTAL HIES MEMBERSHIP



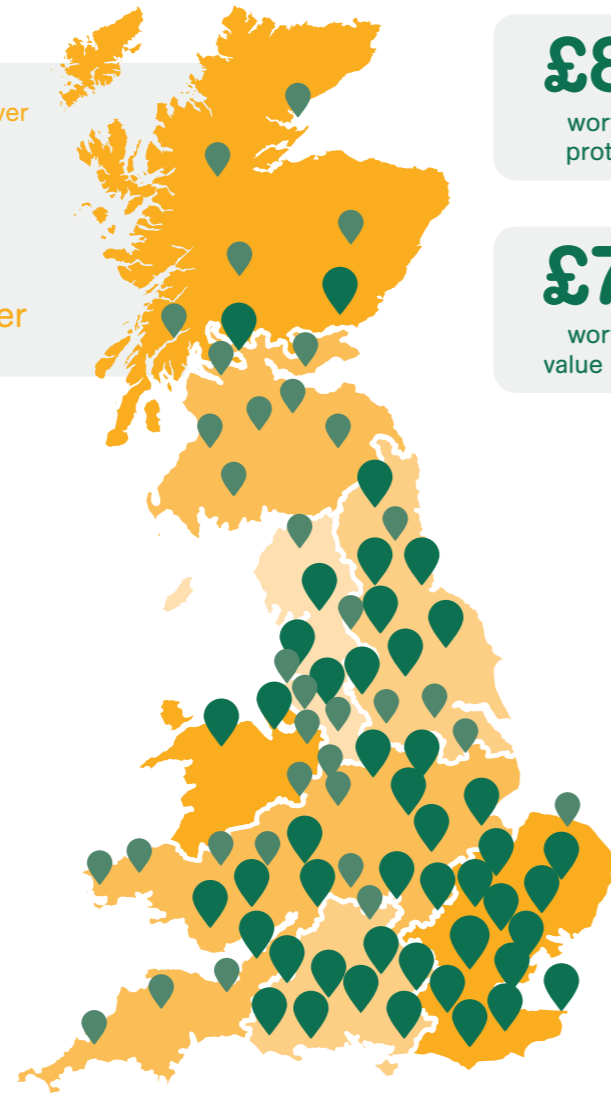
# CONSUMERS USING A HIES MEMBER

Within the last 12 months we have seen over

# 74,100

consumers use a HIES member

Type of Product Installed by HIES Members	2021	2022
Solar PV	14,498	58,315
Boilers	825	294
Heat Pumps	6,793	7,900
Battery Storage	1,661	2,032
Biomass	17	10
Other	6,668	543
<b>Total</b>	<b>30,462</b>	<b>69,068</b>



## £87.3m

worth of deposits protected in 2022

## £710m

worth of contract value insured in 2022

# DISPUTE RESOLUTION

We aspire to deliver industry leading dispute resolution services for consumers and members of our schemes. In order to reduce consumer detriment HIES provides a single point of contact for consumer complaints. We know from experience that complaints handling is critical to the development of the renewable sector.

Alternative Dispute Resolution is a service that is used to resolve disputes between consumers and traders, preventing the need to go to court.

- **Mediation** - We employ professional, trained mediators to resolve disputes. Mediators can commission independent inspections at no cost to the consumer or member (in most cases) where they deem it necessary to help resolve the dispute. Should a dispute not be resolved in 1st stage mediation, it would be escalated to 2nd stage where the process becomes more formal.
- **Ombudsman** - Consumers have free access to a Dispute Resolution Ombudsman (HIES pays the fees for this) to settle disputes without incurring legal costs. The Ombudsman's decision is binding on the member.

Our process is designed to provide transparency and quick resolution of disputes if accepted by the customer which aims to protect consumers and and the industry's reputation. HIES takes ownership and investigates all complaints within the remit set out by MCS.

## The Dispute Resolution Ombudsman

HIES use The Dispute Resolution Ombudsman to investigate and settle any disputes between members of our schemes and their consumers that may not have been settled at an earlier stage.

The Dispute Resolution Ombudsman are an independent, not-for-profit, government approved organisation set up to help resolve disputes and raise standards. Their decisions are binding on members, but are not binding on consumers, so using The Dispute Resolution Ombudsman does not prevent a consumer from using the Courts.



# DISPUTE RESOLUTION STATISTICS

The table below is a breakdown of the Dispute Resolution statistics for 2022

1st stage		
No. of new complaints received		632
No. of complaints resolved by 1st stage ADR		383
% 1st stage ADR success rate		62.68%
2nd stage		
No. of complaints resolved by 2nd stage ADR		198
% 2nd stage ADR success rate		32.41%

8 complaints from 2021 were carried in 2022.

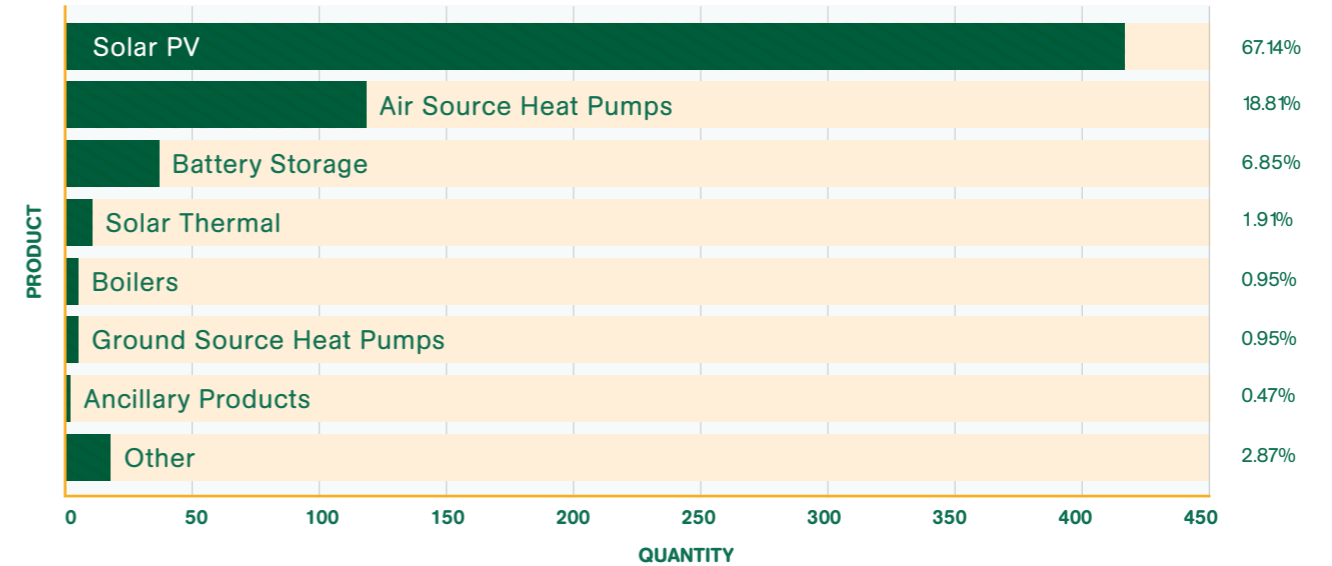
Ombudsman	
No. of complaints referred to the Ombudsman	30

## Main reasons for complaints in 2022:

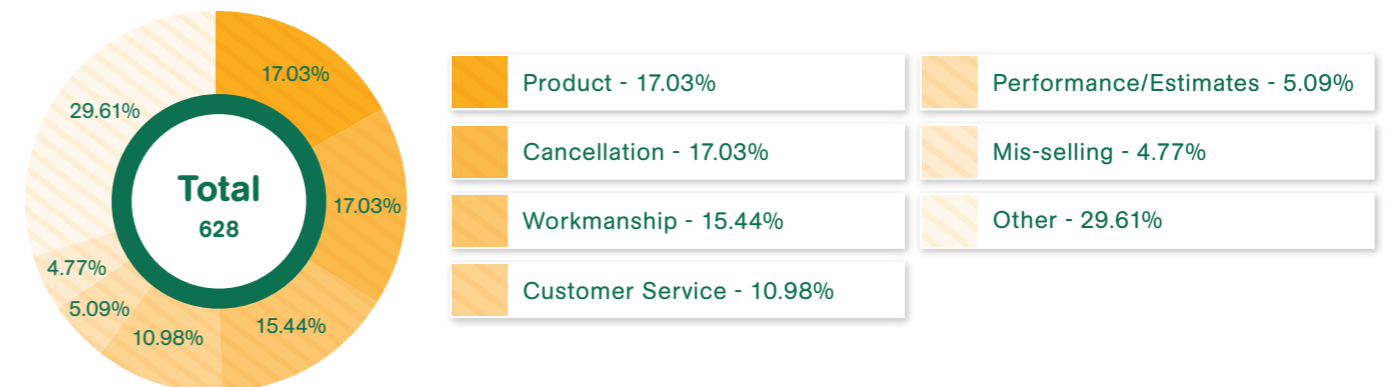
- Poor workmanship
- Product fault
- Performance estimates
- Mis-selling
- Customer service
- Compensation
- Cancellations

# DISPUTE RESOLUTION STATISTICS

## TYPE OF PRODUCTS COMPLAINED ABOUT IN 2022

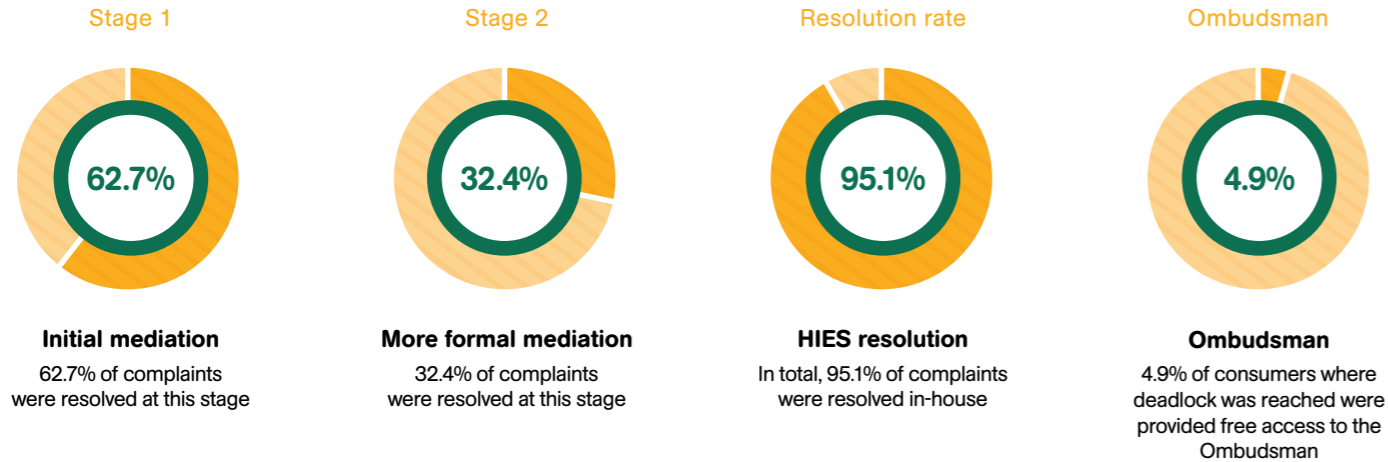


## TYPE OF COMPLAINTS RECEIVED IN 2022



# DISPUTE RESOLUTION STATISTICS

HIES' dispute resolution process achieved the following results in 2022:



# 13.3 days

was HIES' 2022 average dispute resolution time

Please note: Complaints have been carried in 2023.

# AUDITING OUR MEMBERSHIP

The auditing function ensures that members are complying with the Scheme Rules & Code of Practice. The four types of audits undertaken are:

- **Questionnaire**  
A HIES member will complete a questionnaire audit if they have 0 jobs registered with us within the last 12 months of their membership.
- **Lite**  
A HIES member will complete a lite audit if they have successfully completed a comprehensive audit within the last 36 months of their membership and have registered a job with us within the last 12 months of their membership.
- **Comprehensive**  
A HIES member will complete a comprehensive audit if they have not completed a comprehensive audit within the last 36 months of their membership and they have registered jobs with us within the last 12 months of their membership.
- **Onsite**  
An onsite audit is where the audit team (or an external audit team appointed by HIES) visit the member's premises to complete an onsite audit. This will generally be undertaken on a risk-based approach. The onsite audit involves visiting the member's premises and gathering the information needed. One onsite audit was completed in 2022.



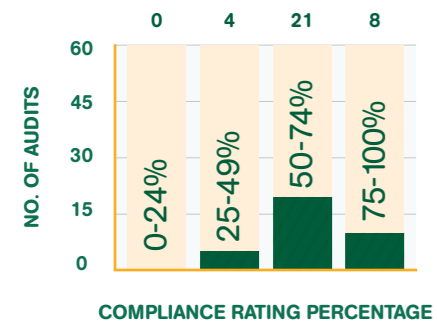
# AUDITING OUR MEMBERSHIP

## Annual Health Check Report

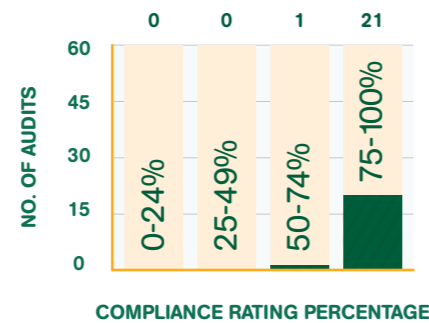
The member is provided with an annual health check report which details a compliance score, compliance rating percentage, mandatory further actions, and advisory further actions.

The graph below shows the compliance rating percentage results of the audits completed in 2022:

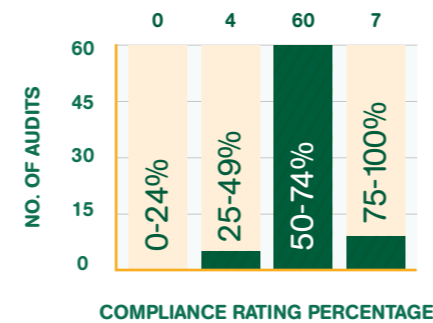
### QUESTIONNAIRE



### LITE



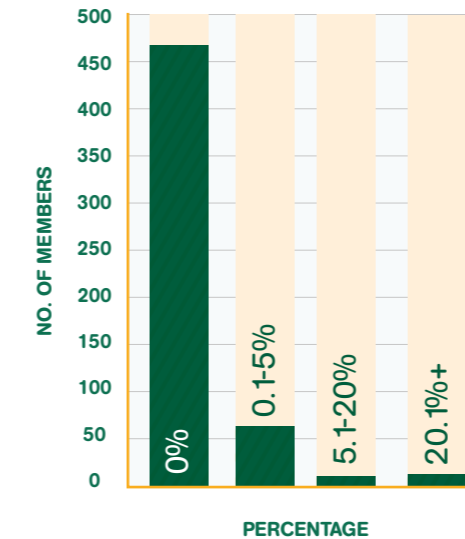
### COMPREHENSIVE



# MONITORING CONSUMER COMPLAINTS

We analyse the number of complaints our members received within a 12 month period compared to the number of installations registered with HIES. This then gives us a 'complaint ratio' for each member. Members who have a complaint ratio of less than 5% are considered within tolerance. However, all complaints are taken extremely seriously and any complaint may result in the member being referred to the Membership Review Panel for investigation. The graph below shows the results of our analysis across the membership:

## COMPLAINT RATIO



### Analysis of Results

- 84.73% of members had 0 complaints
- 11.49% of members had a complaint ratio between 0.1 - 5%
- 1.43% of members had a complaint ratio between 5.1 - 20%
- 1.79% of members had a complaint ratio more than 20%

## The next step

The compliance team analyse the results of the complaint ratio for each member and also look at the type of complaints the members receive. The compliance team then determine the level of risk the member poses to the scheme, the insurer and the consumer. The compliance team can write to the member asking for clarification, refer the member to the Membership Review Panel or request an onsite audit to further investigate matters.

# MEMBERSHIP REVIEW PANEL

There were 4 installers referred to the Membership Review Panel (MRP) within the last 12 months. The tables below outline the reasons why installers can be referred to the MRP and the outcome of the MRP.

Reasons why members are referred to the MRP
Appeal against the rejection of HIES membership
Non-registration of domestic installations
Issues regarding complaint handling
Non-compliance with HIES Standard Terms of Membership and Code of Practice
Non-compliance with MCS or Certification Bodies rules

Results of the MRP
Appeal against decision to revoke

There were no members referred to the Non-Compliance Panel or the Appeals Panel in 2022.

# POLICY REVIEW

2022 saw an unprecedented boom in the renewable sector; in particular in solar and battery storage. The main driver behind this is consumers wanting to reduce their energy bills.

The Boiler Upgrade Scheme (BUS) launched in 2022 as well and after a slow start has built momentum. The BUS is aimed at consumers and micro businesses to incentivise them to switch to a low carbon heating system. Consumers who are interested in heat pumps could receive a grant of up to £6,000 to help pay for the product.

With the increase in demand in solar and battery storage, there has been a shortage of stock in batteries mainly because some parts of China were in lockdown due to COVID-19. The demand caught everyone by surprise but the signs are supply is starting to recover towards the end of the year.

We continue to work with key decision makers to ensure that consumers who use our members are able to buy with confidence. This year we have worked with:

- Various government departments
- Ofgem
- The National Home Improvement Council;
- The Chartered Trading Standards Institute to keep in place our schemes approval and provide consumers with advice;
- TrustMark;
- Trading Standards Services to provide technical advice and support with enforcement work.

2023 will be a challenging year because installers who have expanded will need to see the same level of demand as 2022 because of their overheads increasing. What we experience in energy prices in 2023 will be an important factor in changing the demand cycle of solar and battery storage.



[www.hiesscheme.org.uk](http://www.hiesscheme.org.uk)

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