



Business, Energy and Industrial Strategy Committee

House of Commons, London SW1A 0AA

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The Rt Hon Kwasi Kwarteng MP

Minister of State (Minister for Business, Energy and Clean Growth)

The Department for Business, Energy and Industrial Strategy

1 Victoria St, Westminster

SW1H 0ET

21 July 2020

Dear Kwasi,

Energy Efficiency: Consumer Redress and Standards

I welcomed the Chancellor's announcement to fund energy efficiency vouchers, which my Committee recognises as an important net zero transition priority for the country.

We do, however, have some concerns in respect of the delivery of previous energy efficiency programmes which resulted in a number of consumers across the country being left with homes that suffered from inadequate work from suppliers who failed to meet required standards. Many of these consumers are still unable to get the redress they deserve.

Whilst we recognise the importance of starting this programme as quickly as possible, in order to get the most benefit from it as a vital fiscal stimulus, we do expect the Government to ensure that adequate consumer protections are built in from the start.

As you will know, it will take many years to completely retro-fit all of our buildings in the United Kingdom and so this issue has longer term implications.

Please can you therefore answer the following questions:

1. Which regulator will be given the responsibility to ensure that all consumers are protected under the scheme?
 - a) What specific powers will this regulator have?
2. What Alternative Dispute Resolution (ADR) processes, or other processes, will consumers have access to for complaints that cannot be easily resolved?
 - a) Will this be free of charge?
 - b) What powers will be assigned under the ADR scheme to achieve positive outcomes for consumers that have been failed, such as to force compensation or other remedies?
 - c) What will be done to ensure complaints are dealt with and remedies are implemented quickly given the obvious detriment consumers will face if their homes are left in uninhabitable or uncomfortable conditions?
3. If the regulator or dispute mechanism process finds that a consumer has been wronged by a company under the scheme, but the company is no longer solvent or otherwise unable to right this wrong, what solutions will be available to the consumer?
 - a) Will there be compensation mechanisms available either from the Government or a compulsory guarantee agency?

- b) Will any regulators have a role in overseeing the work of guarantee agencies, for example to ensure that compensation offered properly reimburses the detriment caused?
- 4. How will the department enforce its standard mark to ensure that only quality suppliers are able to receive the benefit of these vouchers?
 - a) Are there any plans to monitor any new companies that come into the market for this scheme, in order to avoid the potential for harm caused by mis-selling or rogue traders who may have previously exited the market?
 - b) What monitoring and feedback mechanisms will be put in place to ensure that the Government's standard mark is operating effectively to provide consumers with adequate protection?
 - c) What steps will the department take to ensure people get value for money when participating in the scheme and that traders are not inflating their prices because of it? Will the scheme monitor average prices for types of homes in each region or give any other assurance of approximately how much different energy efficiency measures might cost?
- 5. Will the department build in this key information (i.e. in regard to the standard mark and complaints process) at the point at which consumers apply for their vouchers, when they receive their documentation and at the point of agreeing for services to take place in their homes?
 - a) Will there be a requirement for the scheme to provide or signpost consumers to independent advice? For example, information to support consumers to source reputable companies, find out what products are right for their home, and to seek redress for consumer issues when things go wrong?
 - b) Will consumers be able to access a complaints process using the same online portal they will have already used to claim their voucher?
- 6. How will the department ensure that it is able to spot fraudulent invoicing to ensure effective use of public funds?

It's vital that these consumer redress and standards requirements are built in from the very start of this programme. I understand that your department may wish to give this responsibility to existing institutions on an interim basis, whilst the longer-term funding and mechanisms are considered. However, I'm sure you will agree that it would be entirely unacceptable to start this programme without building in the systems required to give consumers the confidence to take part in this important initiative.

Please can I have a reply to my questions by 1 September.



DARREN JONES MP
CHAIR, BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE