

Written evidence submitted by Chartered Trading Standards Institute (CTSI) (RFH0053)

This response is being sent on behalf of The Chartered Trading Standards Institute and has been compiled by the expertise of CTSI members.

ABOUT CTSI

Founded in 1881 (as the 'Incorporated Society of Inspectors of Weights and Measures'), today's Chartered Trading Standards Institute (CTSI) is one of the world's longest-established organisations dedicated to the field of Trading Standards and Consumer Protection.

At CTSI, and through the Trading Standards profession, we aim to promote good trading practices and to protect consumers. We strive to foster a strong vibrant economy by safeguarding the health, safety and wellbeing of citizens through empowering consumers, encouraging honest business, and targeting rogue practices. We provide information, guidance and develop evidence-based policies and campaigns to support local and national stakeholders including central and devolved governments. CTSI also provides the secretariat to the All-Party Parliamentary Group on Consumer Protection and campaigns on range of topics including product safety issues. CTSI is responsible for business advice and education in Trading Standards and consumer protection legislation, including running the Business Companion service to provide clear guidance to businesses on how to meet their legal and regulatory obligations.

CTSI is also contracted to provide administrative support to the Consumer Codes Approval Board which was established after Government (OFT) tasked CTSI to develop a successor to their scheme, as part of the consumer landscape review. This was to give consumers greater confidence when they buy from members of the Approved Code scheme, regarding business behaviour and consumer redress. This also raises the standards of trading for all businesses that operate under the relevant Approved Code for that sector.

CTSI run training and development events for both the Trading Standards profession and a growing number of external organisations and businesses. We also provide accredited courses on regulations and enforcement.

Written submission:

To achieve the UK net zero target by 2050 requires fundamental changes in the way that homeowners and businesses insulate their properties and generate heat and hot water. CTSI are particularly concerned about the impact on homeowners and landlords who will be required to make significant changes in their properties. The technology involved to move away from fossil fuels is complex, requires competent trades people to carry out work and is very expensive. Tradespeople in the green heating sector can see that there is a multi-billion-pound opportunity to make money, but this means that homeowners are extremely vulnerable to being ripped off. Poor quality work carried out on properties will mean that net zero targets cannot be reached, will leave consumers out of pocket and can affect the health and wellbeing of those who are simply trying to do the right thing.

There have been previous Government initiatives to try and move us along the road to net zero, most notably The Green Deal and, more recently, the Green Homes Grant, both of which have spectacularly failed.

In 2024 CTSI conducted some public polling which revealed:

- Just under half (43%) of homeowners are actively considering installing energy-efficiency measures in their homes, for a combination of financial and environmental reasons.
- Well over one third (41%) said they are unaware of funding schemes and incentives and how to apply for them, while around one fifth (18%) are being deterred because they are unfamiliar with the technology involved or don't know where to find a reliable installer.
- Among those who are not considering upgrading their homes, 56% said energy-efficiency technology is currently too expensive.

CTSI notes with concern the recent press notice issued by DESNZ in relation to what appears to be serious issues with potentially 64,000 solid wall insulation installations carried out by 39 TrustMark accredited businesses. <https://www.gov.uk/government/news/action-taken-to-protect-households-with-poor-quality-insulation> It appears that these 39 businesses have now been suspended from the TrustMark scheme and that OFGEM will now be writing 64,000 letters to those house holders who may be affected.

This appears to be very chaotic and potentially stressful for the homeowners concerned but CTSI does not have any detail of the exact circumstances of this situation, or the solutions being proposed. However, it does seem that some of the installations were carried out back in 2022, so CTSI is concerned as to why it has taken so long for these issues to become apparent.

TrustMark is the only Government Endorsed Quality Scheme for work carried out in or around the home and could therefore be perceived as the most reputable scheme in this sector. The fact that something appears to have gone so terribly wrong will simply drain all confidence from consumers who might be thinking of installing measures in their own homes. This will jeopardise any hope of reaching challenging net zero targets. To reach these targets, householders must have complete confidence that any work carried out on their properties will be done to an acceptable standard.

CTSI understands that this issue is not isolated. A recent Parliamentary question points to issues with the product quality and standard of insulation installations in Wales - <https://questions-statements.parliament.uk/written-questions/detail/2025-01-07/22468/>

CTSI is also aware of issues with insulation in the North West of England and a CTSI Lead Officer for Green Energy spoke about this at a Parliamentary meeting last year - <https://www.bbc.co.uk/news/uk-england-lancashire-68446233>

There are other cases around the UK which will no doubt continue to be identified.

To assist the Energy Security and Net Zero Committee, CTSI wishes to make a number of points:

- There is a lack of adequate auditing of work carried out on properties after measures have been installed – this means that consumers cannot be confident that any work will be done to a satisfactory standard. Particularly in the case of grant funded work administered by OFGEM, there is a lack of clarity over what follow up enquiries are made by OFGEM – the focus seems to be more on just spending the grant funding rather than ensuring it is spent well.
- There are far too many approved trader schemes and traders can belong to many of them. Examples have been seen where a trader belongs to a dozen schemes, but it is unclear which one will take responsibility if something goes wrong.

- There are unacceptable time delays in resolving problems – this can sometimes drag on for years and cause absolute misery for householders who live with damp and mould, which as we know can lead to serious health conditions.
- The sheer complexity of products and the associated myriad of misleading energy saving claims, which are impossible to check, makes consumer decision making virtually impossible and means consumers are highly vulnerable.
- Most of the risk of moving to Government net zero targets rest with householders who pay for measures to be installed. There appears to be little support from Government when things go wrong.
- CTSI is not aware of any collaborative work that has been done to analyse all complaints data in this area. There are large intelligence gaps due to the multiple platforms that consumers complain to, i.e. Citizens Advice, Advice Direct Scotland, Consumer Codes such as RECC and HIES, Police, Action Fraud, and other online platforms. There is no one central reporting platform and therefore there is no tying up of intelligence or data, which would be helpful to identify trends and areas that could be prioritised for enforcement action or consumer education.
- There are inadequate steps in place for consumers to check what grant funding is available and little to no support on how to choose the right trader for the job. Some traders are known to have lied to consumers about access to grant funding to reassure them about their credentials.
- Businesses are making nuisance telephone calls to consumers claiming the government had issued a warning about dangerous loft spaces and surveys must be carried out (targeting elderly consumers in particular).
- Sales representatives are known to claim to be surveyors, then use aggressive sales techniques and make false statements as to the conditions of a consumer's loft (claiming mould and dampness) in a bid to sell them insulation.
- We have seen examples of traders acting as credit brokers and applying for loans on behalf of consumers despite not being registered with the Financial Conduct Authority.
- There are well documented problems with the suitability of spray foam, the damage it has caused to consumer's homes, and the effect it has had on mortgage ability and equity release.
- CTSI is aware of cases involving high-pressure sales tactics, misleading price reductions, false claims about non-existent grants, and promises of express fitting for energy-saving measures within 48 hours.
- CTSI is aware of problematic insulation companies that phoenix into insulation removal companies and target the same consumers again.

For the move to net zero to succeed, homeowners need to have confidence that when they have insulation installed, purchase a heat pump or fit solar panels, that the traders carrying out the work must be competent, and any work must be carried out properly.

A solution from CTSI

All previous attempts to persuade homeowners to insulate their properties or install other green heating solutions have failed or, at best, merely scratched the surface. The current 'Warm Homes Plan' appears to be nothing more than a rehash of previous Government initiatives and CTSI believes that it will fail to protect homeowners and will fail to achieve any meaningful outcomes.

CTSI would like to see a **national licensing scheme** with clear minimum criteria for traders engaged in installing insulation and other green heating products such as solar and heat pumps. A simple criminal offence would be committed if a trader carried out an unlicensed activity.

Under this new regime, in the case of grant funded work, OFGEM would have a clear duty to carry out detailed audits on a cross section of installations. They would also have a duty to work with enforcement agencies such as Trading Standards and the Police. For non-grant funded work, the

licenced business would have a duty to carry out audits on a cross section of installations and share these findings with enforcement agencies such as Trading Standards, the Police and OFGEM.

To provide assurance to householders, when a licensed trader has been used, there would need to be a safety net that provides financial protection where things have gone wrong, perhaps along the lines of the Financial Services Compensation Scheme.

CTSI believes that there is still an important role for the most reputable trader schemes and consumer codes to continue to exist and operate under this **licensing regime**.

This is a serious idea that requires adequate resourcing, but the clock is ticking towards 2050, so CTSI say that serious action is needed now.

FOR FURTHER INFORMATION

CTSI is happy to work with DBT and OPSS and contribute to work in this area to protect the interests of Trading Standards, consumers and reputable businesses.

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