
The Home Insulation and Energy Systems (HIES)

Consumer Code of Practice

Desktop Audit

November 2024

Background information

The Home Insulation and Energy Systems Contractors Scheme (HIES) is a consumer protection organisation. Set up in March 2012, it was established to develop an enhanced level of protection for consumers in the field of “renewables” (the installation of renewable energy systems).

Consumers who purchase systems from HIES members receive, free of charge:- Deposit & Stage Payment Protection (up to 25% of the contract value or a maximum of £5,000 which ever is the lesser); an insurance backed guarantee; mediation service where any problems arising with the member company are dealt with; access to industry inspectors and professional mediators. HIES are an approved body for Alternative Dispute Resolution. HIES members are accredited installers.

The annual fee for membership of HIES is £695 (plus VAT). At the date of the audit, HIES has 931 members.

Audit Process

A qualified Trading Standards Practitioner from the Chartered Trading Standards Institute carried out a desk top audit. The audit focused on the following areas:

- Member application process including checks carried out on prospective businesses
- Member auditing - content and process
- Terms and conditions and other pre-contractual Information
- Marketing and advertising by member businesses
- Sanctions for non-complaint member businesses
- Customer service provisions (including support for vulnerable consumers)
- Consumer complaints process (including ADR)
- Customer satisfaction
- Training provided by code members
- Outstanding issues/matters arising from the last audit

Audit Summary

Last year continues to show significant growth for the industry, particularly in the context of the efforts to decarbonise. There was continued expansion in support for the Boiler Upgrade Scheme (BUS), the UK Government initiative launched in 2022, that aims to make low carbon heating technologies more accessible and affordable for consumers.

HIES continues to see an increase in registrations for solar PV, air source heat pumps and battery storage and a decrease in registrations for biomass and boilers.

HIES have a Primary Authority arrangement with Buckinghamshire and Surrey Trading Standards Service.

Member Application Process

In the year 1st October 2023 to 30th September 2024, HIES received 667 membership enquiries. Of the 667 applications 136 were accepted as new members, 146 were disqualified and of the 385 open applications:-

- 298 awaiting further documentation
- 42 documents received and are in process
- 33 approved in principle
- 12 awaiting clarification from the applicant

HIES have a robust, comprehensive and systematic accreditation policy that is followed for all applicants. The policy is summarised in a document that is used internally to advise and inform colleagues of the HIES approach, the requirements of the processes and procedures relating to the accreditation of members. It is also used externally to demonstrate how HIES manage risk effectively and details the processes in place to help achieve that.

The process is as follows:-

1. Application form received
2. Welcome email sent to request all documentation; contract, quotation, workmanship guarantee, complaints policy, insurances (Employers and Public Liability), bank statements, management accounts, subcontractor qualifications, director ID & address.
3. Once all documents received, an internet search and document check is completed. This includes the following:

Creditsafe check - this includes incorporated date, dissolved/associated businesses, credit score, net worth, any CCJs or any other negative information from the past 12 months;

Internet searches for positive/negative comments - i.e., Trustpilot, Google reviews, Facebook, Yell, Checkatrade. Phone number check for any cold-calling;

Memorandum of Understanding¹ check - whether been a previous member of Renewable Energy Consumer Code, and any adverse information which may impact HIES' decision to proceed;

Check on company website to ensure no false advertising of memberships or accreditations;

Checks for certifications for subcontractors (if applicable) and certificates the applicant may have obtained pre- application;

Director checks for any allegations of fraud, convictions, or undesirable trading practices. A review of associated/dissolved companies and what industry they were in, whether they traded, how long for and reason for any dissolutions and determine if there was any consumer detriment.

4. Document review:

Contract/Quotation – Ensure clarity and fairness of terms and transactions of the documents and that they include dispute resolution service details, how data is used, cancellation rights and a breakdown of goods purchased;

Workmanship Guarantee – Ensure the duration, appropriateness and the scope of the document meets the HIES Code of Practice;

Complaints Policy – Ensure clarity and fairness of the document and that it provides details of the HIES dispute resolution service;

Insurance – Ensure adherence to minimum cover requirements as per the HIES Code of Practice;

Bank statement/management accounts – Reviewed to ensure financial stability for consumer protection and fraud prevention.

5. Independent peer review by Quality department to ensure the process has been followed correctly.

6. Prior to onboarding, final checks are made to ensure insurances are in date, there have been no negative changes that have occurred during the process.

If an application is refused, applicants have the option to seek an appeal under the sector's Independent Applications Panel.

¹ The memorandum of understanding between HIES and the Renewable Energy Consumer Code, (the other CTSI code sponsor in the same sector), requires that both organisations share information about applicants to ensure that there is no "code hopping" by businesses where their application to join elsewhere is refused, or members have been expelled from a Code.

Existing Member Inspections/Audit

HIES operate four types of audits, their Annual Health Checks (AHC):-

1. Lite
2. Standard
3. Enhanced
4. Onsite

Responses are reviewed and further checks are completed by the audit team. These responses and further checks are used to calculate a Compliance Rating in relation to the Standard Terms of Membership and HIES Code of Practice. The member will receive an Annual Health Check Report detailing their Compliance Rating as well as any mandatory or advisory actions required. The Compliance Rating is calculated by scoring the questions and desktop analysis. This score is converted into a Compliance Rating Percentage. Both scores are shared with the member within their AHC Report.

Lite - This is completed once per year if the member has not registered any domestic contracts in the last 12 months and has been a member for at least 12 months. This consists of 12 questions as well as a requirement to submit up to date documents.

40 have been issued, 35 responses have been received, all of these have had audits completed and 3 members left HIES during the process.

Compliance Ratings – 25% to 49% - 1 member; 50% to 74% - 13 members; 75% to 100% - 21 members.

Standard - This is completed once per year where the member has registered a contract with HIES, it would be upgraded to an Enhanced if defined risks are identified. This consists of 29 questions and the submission of documents to support their answers.

220 were issued, 130 were received, 72 were audited, 38 were upgraded to an Enhanced, 20 members left during the process.

Compliance Ratings - 25% to 49% - 4 members; 50% to 74% - 37 members; 75% to 100% - 31 members.

Enhanced 1% of members who register contracts are randomly selected. They must have been a member for at least 12 months and not had an Enhanced or Comprehensive in the last 2 years or none of the defined risks for a Standard AHC are identified.

40 have been issued (2 of these constitute the 1% random selection). The rest were upgraded from Standard. 28 have been received, 10 have been audited.

Compliance Ratings - 25% to 49% - 1 member; 50% to 74% - 7 members; 75% to 100% - 2 members.

Onsite Audit – this is used by HIES to get to the heart of issues occurring with a member business. An onsite audit can be arranged at any time and the member is provided with details of the visit in advance. Eight onsite audits have been completed since the last CTSI audit. These are not scored.

Once members have received their AHC they are given 2 weeks to complete any mandatory actions. Any member that fails to complete the Mandatory actions within the deadline is referred to the compliance team for follow-up. The compliance team will support the member to ensure all actions are completed. If the member still fails to complete the actions, the 'Minded to Terminate' process is invoked.

Update:

Due to a continuous increase in numbers of members the current monitoring regime was found to be unsustainable. A new framework was developed and agreed with CTSI. This was implemented from 15th October 2024 and will be covered in the next CTSI Audit in November 2025.

Membership Withdrawal and Sanctions for Non-Compliant Member Businesses

In any event where a member is considered not to be in compliance with the Code Criteria the matters, unless the breaches are severe, are resolved as above, by the Compliance team.

Where the matters are severe or the member still fails to complete the action, the 'Minded to Terminate' process is invoked.

If the member is required to leave HIES, they must cease to use the HIES & CTSI logo within 30 days and HIES will inform various bodies within the renewables sector including MCS².(note comment about MCS withdrawal)

Marketing and Advertising by Member Businesses

HIES members must, within three calendar months of their membership start date, display the HIES Scheme logo on all customer-facing documents, stationery, websites, vehicles and in all radio & TV advertising, on demand, social media or internet commercials.

HIES supply all members with the HIES and CTSI logos. The HIES Installer Digital Marketing Pack is communicated to all members via email and also available on the Installer Hub to download at any time. The members use of this is checked during the

² MCS refers to the Microgeneration Certification Scheme. It is a requirement of the Domestic Renewable Heat Incentive scheme that all heating systems are certified by MCS. MCS certifies both products and installation companies to help ensure that Microgeneration products are installed to a high standard.

audit process to ensure they are using the correct version. This includes website checks and any documents to be shared with consumers. This ensures marketing of HIES is clear, current and accurately displayed.

When members leave the scheme, checks are made to ensure all references to HIES have been removed from their website.

Customer Service Provisions

HIES have an Equality and Safeguarding Policy drafted after consultation with HIES's previous Primary Authority West Yorkshire Trading Standards Service and an HR consultant. This is shared with all members.

Prior to acceptance the applicant's terms and conditions, cancellation rights, customer complaints process, deposit policy, workmanship guarantee document and insurances are all reviewed.

HIES has four sets of model Ts&Cs available for use by members, covering four different contract types

Consumer Complaints Process

HIES provide members with a model complaints policy.

HIES monitors the number of complaints received (by HIES) about each member compared to the number of installations registered with HIES, this then gives a complaint ratio. Members with a complaint ratio of less than 5% are considered within an acceptable tolerance, just over 96% of members have either complaint ratios under 5% or 0 complaints.

HIES aspire to deliver industry leading dispute resolution services for consumers and members of their scheme by providing a single point of contact for consumer complaints.

Professionally trained mediators are employed to help resolve disputes. Mediators can commission independent forensic defect analysis reports at no cost to the consumer or member (in most cases) should they deem it necessary to help resolve the dispute.

If a dispute is not resolved in 1st stage mediation, it can be escalated to 2nd stage mediation where the process becomes more formal. This is the internal Alternative Dispute Resolution service provided by HIES (and approved by CTSI) is used to resolve disputes between consumers and traders, hopefully preventing the need to go to court.

HIES use the Dispute Resolution Ombudsman to investigate and settle any disputes between members and their customers that have not been settled at an earlier stage. Consumers have free access to the Dispute Resolution Ombudsman (HIES covers the fees for this). The Ombudsman's decision is binding on the member.

Customer Satisfaction and Feedback

A total of 4731 customer satisfaction questionnaires were completed and forwarded to HIES between 1st October 2023 and 30th September 2024. This is a significant number of responses, demonstrating that HIES has a meaningful data set to draw from when measuring customer satisfaction and feedback.

A survey for consumers to complete on their experience with the member is sent by email. All surveys are uploaded onto the members accounts and HIES monitor the survey scores. HIES conducts continuous monitoring of the results through ISO 9001 Quality Management Reviews and through their bespoke Reputational Monitoring tool.

Training Provided to Code Members

HIES have developed a comprehensive suite of template documents for member's use. These include model Ts&Cs for different types of installations, an Equality and Safeguarding Policy, a model complaints policy, a Quotation Template etc.

The Membership Team conducts a welcome induction session with new members by 'Teams' or phone. This includes how the registration system works and how to ensure consumers are protected. The importance of the Code of Practice and Standard Terms of Membership are discussed and the links to the Code of Practice and Standard Terms of Membership are shared by email following the session (The installer has also agreed to these during the completion of their online application form)

Members are reminded that they always have access to the HIES Code of Practice via the HIES website. If any updates are made to the HIES Code of Practice, members would be emailed via e-shot and the Quality Department answers any queries should they arise.

Conclusions

The comprehensive checks carried out during the application process help to ensure a high level of compliance. HIES have recently carried out a review of their monitoring activities, the results will be reviewed during the on-site CTSI Audit in 2025.

The HIES Consumer Code continues to comply with the criteria of the CTSI Consumer Code Approval Scheme.