



# Banishing the eco-bandits

**With the Green Deal gathering momentum, Steve Playle explains why trading standards will be one of the consumer bodies working hard to ensure it is also a fair deal**

**G**reen Deal is the ambitious government plan to establish a framework to enable consumers to install energy efficiency measures in their homes, at no upfront cost, with payments being recouped through a monthly charge on their electricity bill. There are a whole range of measures that qualify, but the most common ones will be cavity wall or solid wall insulation, new boilers, double glazing and loft insulation. Underpinning the whole initiative is the 'golden rule', which states that the expected financial savings achieved by installing

the energy efficiency measures must be equal to or greater than the costs attached to the electricity bill.

After much planning and consultation with a variety of trade and consumer bodies, the Green Deal was finally launched at the end of January with a low-key event at Admiralty House in Whitehall. In my role as TSI lead officer, I have been ploughing through the mountains of paperwork associated with the Green Deal, I have attended meetings with the Department of Energy and Climate Change (DECC), meetings with consumer bodies including Which? and Consumer Focus, and I have attended forums with the building and home improvement industry to try and ensure that consumer protection measures are at the forefront of the new regime. I attended the launch at Admiralty House and was fortunate to spend some time with both Ed Davey, secretary of state for Energy and Climate Change, and Greg Barker, minister of state in the same department. In his launch speech, Davey was very positive and optimistic about Green Deal and was somewhat annoyed with those

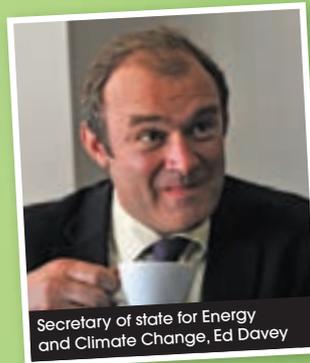


commentators who have, so far, been quick to criticise his plans. It is very easy to identify potential difficulties and snipe at the objectives of Green Deal and I am probably one of those who has been a little outspoken while wearing my consumer protection hat.

### Making a quick buck

The obvious attraction for business is the mouth-watering projection that there will be £7 billion private sector investment in the Green Deal every year. So the heat is on and 26 million UK households will inevitably be targeted by businesses to have measures installed by signing up to a Green Deal plan. But as every TSO knows, some parts of the home improvement sector do not have the best track record and, with the Green Deal, there is every prospect that some will see this as an opportunity to make a quick buck. I believe that there is a valuable role that the trading standards profession can play to help the Green Deal succeed while ensuring that the highest levels of consumer protection are maintained. I am therefore comfortable that my work so far on behalf of TSI doesn't make me feel guilty in the context of Davey's comments. The best result so far is that all Green Deal providers are obliged, via the code of practice, to respect householders' wishes not to be cold called. This means taking notice of door stickers and paying due regard to 'No Cold Calling Zones'.

Quite recently, the government has set up the Strategic Intelligence, Prevention and Enforcement Partnership (SIPEP). Its purpose is to share intelligence and information across the



Secretary of state for Energy and Climate Change, Ed Davey

consumer landscape to highlight emerging risks and potential cases or areas to study. SIPEP members include the new Competition and Markets Authority, Consumer Focus, Citizens Advice and Trading Standards (via the National Trading Standards Board). SIPEP has identified that the Green Deal could

be an area that poses significant risks to consumers and as such they have formed a working group to look at the issue in much more detail.

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The group has identified a number of key issues that are being discussed with DECC and SIPEP so that appropriate systems are designed to deal with them. In particular, the group is concerned about issues around misselling, appropriate redress mechanisms, transfer of debt, early repayment and general misuse of the Green Deal logo. TSI is currently working with the National Trading Standards Board on preparing a briefing for trading standards professionals so preparations for dealing with key risks can be mitigated at local level.



### Regulatory bodies

The main responsibility for monitoring the Green Deal on behalf of DECC falls to the Oversight and Registration Body (ORB), a role which has been awarded to a company called GemServ. All businesses involved in the Green Deal – and which are authorised to use the Green Deal logo – must be under the control of a UKAS accredited certification body. The ORB has a complex monitoring strategy that is taking shape, which will include regular compliance checks. A crucial part of the work that TSI needs to be involved in is trying to identify businesses that are causing problems, through monitoring consumer complaints received by the ORB.

DECC are committed to ensuring that this data is shared and TSI will be able to flag issues with the relevant Home Authority or Primary Authority trading standards services.

DECC has plenty of useful information to help consumers navigate their way through the relatively complicated processes that lead to a Green Deal plan. This includes the establishment of the Energy Saving Advice Service (ESAS) phone line to answer any questions and to signpost to local Green Deal providers. In addition, there are guidance leaflets which can be accessed

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through the Green Deal parts of the DECC website and I would urge you to spend some time familiarising yourselves with some of this material – the basic advice can be found at [www.decc.gov.uk/greendeal/quickguides](http://www.decc.gov.uk/greendeal/quickguides) and more background information can be found by navigating around [www.decc.gov.uk/greendeal](http://www.decc.gov.uk/greendeal). DECC have also produced specific Green Deal guidance for consumer organisations and this can now be accessed on the TSI members area of the TSI website.

One potential stumbling block that may inhibit take up is the interest rate of around seven per cent for any Green Deal finance package taken out through the Green Deal Finance Company. It may, therefore, be worth householders financing energy efficiency



## The whys and wherefores of the Green Deal

The Green Deal is a government scheme that aims to help people improve their homes without paying a lot of money in one go. The sentiment behind the scheme makes sense: millions of our buildings are inefficient, wasting a lot of energy that consumers are paying ever-increasingly high prices for.

According to Ann Robinson, director of consumer policy at [uSwitch.com](http://uSwitch.com), the average household energy bill has jumped from £522 in 2004 to £1,352 now, and she predicts a further 15 per cent increase over the next 18 months.

### How the scheme works

A householder will arrange for a Green Deal assessor to visit their home. He or she will carry out an intensive review and make recommendations for improvements, including whether these improvements will pay for themselves through energy savings.

Among the most common recommendations are boilers, solid wall insulation, double glazing and new storage heaters.

The assessment will typically cost between £75 and £120, although this may be waived if the householder chooses the company carrying out the assessment to do the work. However, a home-owner can choose any of the Green Deal providers to do the work. At the time of press there were 26 registered Green Deal providers and these can be found at [greendealorg.co.uk/](http://greendealorg.co.uk/) providers

The providers will quote for the work, including interest on the loan in the overall price. The government body behind the Green Deal has set the interest rate at 6.9 per cent, but what the consumer pays will depend upon the rate charged by the provider – likely to be in the region of six to nine per cent, so it is worth shopping around for best prices.

Once signed up the repayments are fixed. The money is collected by the utility provider via electricity bills and then passed on to the Green Deal provider. If a consumer moves house, the next bill payer will take on the repayments.

It is also worth reiterating to consumers that anyone operating the scheme has to display the Green Deal Approved quality mark.

### Who is eligible for the scheme?

All householders, owner-occupiers, landlords, private rentals and social housing are eligible for the scheme.

### The cashback initiative

The Department for Energy and Climate Change (DECC) has £125 million to spend on its cashback scheme, rewarding those households that take early action to improve the energy efficiency of their property. It is run on a 'first-come, first-served' basis and can be spent on anything that will lead to home improvements – such as hot tank insulation, solid wall insulation or a new boiler. The cashback scheme is only available to domestic premises, not for businesses.

To qualify for the scheme a customer has to have had a Green Deal Assessment and have accepted a quote from a Green Deal provider. The cashback is paid to whoever pays for the installation work, so it could be paid to the landlord or tenants. Only Green Deal certified providers are able to do work that is eligible for the cashback scheme. This is to ensure that the work carried out is completed to a high standard, as all Green Deal assessors, installers and providers have to follow strict codes of practice.

The cashback will be capped at 50 per cent of the customer's contribution to the installation, so people who have benefited

measures with their own cash after having an initial assessment undertaken at a cost of around £100. The only downside to this is that any future problems wouldn't be within the remit of the ORB protection regime.

### Shopping around

Pleasingly, DECC have listened to consumer bodies and are advising householders to shop around and get several quotes before signing up to a plan. To counter balance this positive, however, a recent concern is the fact that DECC have made £125 million available in the form of cash-back incentives for early takers of a Green Deal plan and this sent a mild shiver down my spine when I heard about it.

The fact remains that we all have an important personal responsibility to control our energy consumption for both economic and environmental reasons. The Green Deal is certainly an innovative project of massive proportions and I think that TSI also has a responsibility to keep a beady eye on how it develops. We can all contribute to making Green Deal work effectively, while making sure that consumer protection remains of paramount importance.

#### ABOUT THE AUTHOR:

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from other schemes, such as the Energy Company Obligation, will receive reduced cashback amounts.

There are some exclusions to the scheme. The full list of these can be viewed at [www.gdcashback.decc.gov.uk](http://www.gdcashback.decc.gov.uk)

### What does the Green Deal cashback mean for installers and assessors?

It is all about networking and contacts. The Green Deal will enable assessors to create leads and to be privy to information and updates issued by the Green Deal cashback scheme. It also means that installers can develop relationships with Green Deal providers, who will have the principal contractual relationship with the customer.

### Potential pitfalls of the Green Deal

**Non-engagement** – customers have been able to have assessments since October 2012 but, to date, only five have been completed so far

**Aesthetics** – many houses most in need of efficiency improvements are Victorian and Edwardian properties, and the owners of these properties are often reluctant to replace original features such as sash windows or fire places with triple glazing or internal wall insulation

**Costs** – while the government says the total cost of the installation should be less than the savings made, this is going to be very hard to achieve, particularly with interest on the loan standing at around seven per cent

For further information: [greendeal.org.co.uk.gov.uk/greendeal](http://greendeal.org.co.uk.gov.uk/greendeal) for approved assessors and providers, [energysavingtrust.org.uk](http://energysavingtrust.org.uk) for free, impartial advice.

# Investigating plug-in energy saving devices



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

'Plug and go' devices, designed to be plugged into a domestic socket-outlet, claim an energy saving or reduction in electricity costs of up to 35 per cent.

However, the Electrical Safety Council (ESC) has received a number of reports that such energy saving devices do not provide any net energy saving and might actually be electrically unsafe.

As part of the ESC's electrical product safety screening programme, an independent laboratory was commissioned to carry out limited safety and performance testing on a selection of commercially available products.

Five energy saving samples were randomly selected. Each sample had a voltage range of 90-250 volts with rated loads ranging from 2500-50,000 watts.

The energy saving devices, as tested, have internal capacitors that are effectively connected directly across the mains terminals. The principle behind connecting capacitors across the mains is often seen in industrial applications; more commonly known as 'power factor correction', to offset high inductive currents caused by, for example, induction motor drives.

Due to the energy losses in the capacitors and other components in the samples, there was an overall, albeit small, increase in energy consumption. Manufacturers' claims for cost savings are therefore not substantiated. Consequently, none of the samples provided an energy saving when

connected in a typical domestic installation.

This is further compounded by the fact that all samples exhibited hazardous safety failures. The testing suggests that these devices are not safe when connected to a domestic socket-outlet.

Problems found included:

- Accessible live parts
- Absence of internal fuse
- Supply of non-standard UK fitted plug
- Exploding fuses and printed circuit board deformation under fault conditions
- Plug pins outside standard tolerances
- Accessible conductive enclosure not earthed
- Insufficient internal creepage distances
- Insufficient resistance to heat and fire
- Absence of information in manufacturers' instructions concerning vulnerable users
- No CE-marking, power input, Class II symbol or crossed out wheeled bin (WEEE symbol)
- Suggestion of fake product approval marking

Given the extent of the poor performance and electrical safety failures identified during this screening programme, the Council have been liaising directly with trading standards on the findings so that appropriate enforcement action can be taken.

You can download the full report at [www.esc.org.uk/product-safety](http://www.esc.org.uk/product-safety)

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