Reforming Consumer Protection for Home Upgrade Schemes Consultation

Department for Energy Security and Net Zero

Contact:
Tunisha Kapoor, Research & Insights Manager, UK100
tunisha.kapoor@uk100.org

Philip Glanville, Director of Advocacy and Engagement, UK100
philip.glanville@uk100.org

This submission is from UK100 which is a network of 120+ strategic and local authorities and the only network of ambitious councils led by all political parties working together to tackle climate change. We help local leaders overcome challenges and turn innovation into solutions that work everywhere. We build the case for the powers needed to make change happen. From cities to villages, we help communities across the UK create thriving places powered by clean energy – with fresh air to breathe, warm homes to live in, and a healthy natural environment.

Please get in touch if you would like to know more or explore our response in more detail. We would be happy to provide a UK100 representative or member for any follow up discussions.

CHAPTER 1: The case for change

Q1. Does the case for change accurately describe the root causes?

No.

- The analysis should distinguish between where existing assurance arrangements have worked and where they have failed, so that reform builds on effective good practice rather than assuming the whole system requires replacement.
- The role of local authority enforcement bodies, including building control, environmental health and trading standards, should be considered more explicitly, particularly given their role in enforcing standards, rebuilding trust and protecting consumers.
- The case for change should recognise the impact of past failures on consumer trust. Repeated poor experiences and difficulties securing remediation or redress have undermined confidence in retrofit, so the reformed system will need to rebuild trust as well as improve the underlying protections.
- The case for change should consider whether creating new central functions risks adding another layer to an already complex system, rather than providing the clear accountability and coordination that consumers,

supply chains and local authorities need. Government should also assess the capacity, expertise and resources required to deliver these reforms effectively at a local level.
- Consumers also need a clearer understanding of the protections they can expect, including who is responsible when work fails and how they can secure remediation or redress.

Q2. To what extent would the proposed reforms improve consumer protection? Please explain your answer.

Strongly improve/ Somewhat improve/ Neither improve nor worsen/ Somewhat worsen/ Significantly worsen/ Not sure

We support the aims of the reforms, particularly getting work right first time, making the system easier for consumers to navigate and improving remediation. However, more detail is needed on how the new system will work in practice and whether there is enough capacity and resource to deliver it effectively.

- Government should provide **clear accountability for the whole system**, while making use of specialist organisations and expertise that already exist rather than creating unnecessary new structures.
- Consumers should have **one clear route for support**, even if different organisations are responsible for different parts of the system behind the scenes. There examples within local authority led delivery where this has worked well.
- **Quality assurance, consumer protection, data, complaints and enforcement should work together**, so that problems are identified early and used to prevent them happening again.
- Government should ensure there is **sufficient capacity, expertise and funding to deliver the reforms**, particularly given the scale of the proposed changes and the 2028 delivery timeframe.
- The new system should also help **rebuild consumer trust**, including by making sure households affected by past failures can access clear routes to remediation and redress.

CHAPTER 2:
Championing retrofit in a reformed building regulation system

Q3. What are the main challenges in aligning the future consumer protection system with the reformed building oversight regime and, if applicable, how would you address them?

- Government should set out a clear roadmap for how the two systems will be brought together. This should include clear responsibilities, data-sharing arrangements and escalation routes between DESNZ, MHCLG, regulators, consumer protection bodies and local authorities.
- The transition needs to be properly resourced and phased. Government should make sure there is sufficient capacity, technical expertise and

funding across the system to implement the changes without disrupting existing retrofit delivery or creating gaps in consumer protection.

- The reforms should reduce, rather than add to, complexity for installers and consumers. A more consistent framework would help lower barriers for good-quality installers (especially SMEs) to enter the market and support the growth of the retrofit workforce needed to deliver the Warm Homes Plan.
- Clear roles and accountability will be essential, particularly where responsibilities sit across national, regional and local bodies. Local authorities have an important role in building control and enforcement, but their capacity and resources are already stretched, so the new system should not create additional unfunded responsibilities.

CHAPTER 3:
A centralised oversight system for government-supported retrofit schemes

4. To what extent do you agree that consumer protection functions for all DESNZ supported home upgrade schemes should be delivered through a single integrated end-to-end service? Please explain your answer.

Strongly agree/ Agree/ Neither agree nor disagree/ Disagree/ Strongly disagree/ Not sure

- A single, integrated service would make the system much easier to navigate. Consumers should have one clear route for advice, complaints and redress, rather than needing to understand which organisation is responsible for different parts of their installation.
- Integration should not mean that all functions need to sit within one organisation. A single consumer journey could bring together specialist organisations and existing expertise while providing clear overall accountability.
- The principle of a single, integrated service is positive, but its success will depend on how it is delivered in practice. Government should set out clearly how quality will be assured, how performance will be monitored, how poor practice will be identified and acted on, and how the different organisations involved will work together.
- The system should work effectively with local authorities and other delivery partners. Councils are increasingly involved in commissioning, developing delivery frameworks and overseeing home upgrade programmes and can provide valuable insight into installer performance and consumer issues on the ground.
- The new service must have sufficient capacity and technical expertise to operate effectively. The scale of the Warm Homes Plan means that a system that is under-resourced or overly complex could create new delays rather than improve outcomes.

Q5. Should DESNZ and the Warm Homes Agency be directly responsible for delivering any specific functions to safeguard consumer protections? If yes, please explain which functions should be delivered by DESNZ/the Warm Homes Agency.

Yes. The WHA, or a body or process closely aligned to it, should have clear responsibility for overseeing consumer protection, including setting expectations for quality, monitoring performance and ensuring there is a clear route to complaints and redress. This should be complemented by a strong role for local government, which provides trusted, on-the-ground relationships with residents and can identify and respond to consumer issues locally. The national and local roles should be clearly defined and joined up, so consumers have both a clear national route to protection and access to trusted support in their communities.

Q6. What would be the main advantages or disadvantages of delivering through a single service provider versus multiple service providers?

Advantages

- A single provider could harmonise processes and minimum standards across all technologies and types of retrofit. This could make the system more consistent for consumers and installers and reduce differences between schemes.
- It could provide clearer accountability and make it easier to integrate quality assurance, complaints, data and remediation. Bringing these functions together could help identify recurring problems and intervene earlier.
- It could give consumers a more consistent experience. This is particularly important where households receive multiple measures or access support through different funding routes.

Risks

- A single provider could risk losing specialist technical expertise. The model should retain access to expertise across different technologies and build on existing capability where it is already effective.
- There could be significant transition risks in moving to a new provider. Government should assess the capacity, expertise, systems and relationships needed to make the transition without creating gaps in consumer protection.
- A single provider does not automatically create an integrated system. Strong governance and clear relationships with Government, regulators and local authorities will still be needed.

Q7. To what extent do you think the proposed service, under DESNZ oversight would reduce fragmentation in the current system?Please explain your answer.

To a large extent/ To some extent/ To a limited extent/ Not at all/ Not sure

- A single service could reduce fragmentation from the consumer's perspective, by providing one clear route for advice, complaints and redress.
- However, there is a risk of adding another layer to an already complex system. The new arrangements should simplify the overall landscape rather than create additional interfaces between DESNZ, WHA, CPS, certification bodies like MCS and other regulators.
- This needs to work across different delivery models, including locally and regionally delivered schemes.
- It could operate with one national, consumer front door, that works with more localised delivery and oversight.
- The reforms should also address fragmentation between existing schemes and the wider market. Consumers should not face significantly different protections depending on which funding route or programme supports their retrofit.

Q9. Do you agree with the proposed scope of schemes which would be covered on a mandatory basis by the consumer protection system? If No, please explain your answer

Yes/ No/ Not sure

- Yes, but with a longer-term ambition to harmonise protections across the wider market.
- A common baseline across Government-supported schemes is important. Consumers should receive consistent protection regardless of which Government programme funds their retrofit.
- The scope should avoid creating gaps where households combine different schemes, measures or funding sources. Consumer protection needs to follow the whole retrofit journey rather than individual funding streams.
- The mandatory framework should build on effective existing arrangements. Where established schemes already provide strong protections or technical assurance, these should be incorporated rather than unnecessarily duplicated.

Q10. Do you agree some elements of the reformed consumer protection system should also be available to the wider market on a voluntary basis? Please explain your answer.

Yes/ No/ Not sure

Yes. Making elements of the reformed consumer protection system available to the wider market could help raise standards and give consumers greater confidence when choosing installers, while creating a pathway towards more consistent protections across publicly and privately funded work. Any voluntary offer should complement the mandatory framework rather than introduce another set of standards or requirements.

CHAPTER 4:
Simplifying and improving the consumer journey for retrofit projects

Q11. To what extent do you agree that the proposed consumer journey would be clear and easy for consumers and installers to navigate?
Strongly agree/ Agree/ Neither agree nor disagree/ Disagree/ Strongly disagree/ Not sure

- **The proposed journey is clearer for government-supported schemes, but risks creating a separate experience for privately funded retrofit.** A single source of impartial advice is welcome, but consumer protection should not become dependent on how an upgrade is funded, particularly where households combine measures or funding routes.
- **Overall consumer trust and confidence in the quality and benefits of low carbon technologies and retrofit are not defined by the financing route and delivery route.** Recent scandals in one part of the system, such as ECO, already impact on consumer perceptions and improving the quality of installations and the industry, must be an outcome across the market.
- Local authorities and housing associations already manage much of the consumer journey on behalf of households, and this appears to work relatively well; the **priority should be to strengthen their capacity and expertise rather than significantly redesign the process.**
- **The proposed approved lists of retrofit professionals and installers may not be enough on their own to improve consumer choice.** Lists need to be useful and locally relevant, while recognising that consumers often rely on trusted recommendations and online reviews, and that many retrofit professionals operate through companies rather than as individuals. Some local authorities are already operating in this space, developing frameworks and consumer assurance schemes.
- **The consultation sets out good principles for how consumers should be supported, but more detail is needed on how these will be delivered and assured.** This is particularly important for privately funded work, where Government will have less ability to guarantee that the proposed standards and good practice are followed.
- **The system should provide one coherent consumer journey without requiring every function to sit within a single organisation.** Government should build on established specialist capability and ensure that the central service, existing assurance bodies and local authorities work together behind a clear front door for consumers.

- **The relationship between the central consumer protection service and local delivery needs particular attention.** Local authorities will be a key, and usually trusted, point of contact for households receiving support through the Warm Homes Plan, so the system should complement rather than duplicate the advice, support and case management they already provide.
- The new system should **build on established approaches such as the redeveloped MCS standard**, using what already works rather than creating new or duplicative quality assurance and consumer protection processes.

Q12. Which aspects of the proposed consumer journey are most likely to improve consumer outcomes? Select all that apply. Please explain your answer.

• Access to impartial advice
• Consumer protection service as the primary point of contact
• Clearer information on installers, retrofit professionals and processes
• Ongoing guidance after installation
• Centralised case management by the consumer protection service
• Other (please specify in your written response)
• None of the above

- **A single point of contact and centralised case management could make the biggest difference to consumers.** Households should not have to work out which organisation is responsible when something goes wrong, with the consumer protection service coordinating across the relevant bodies.
- **Impartial advice and clear information can help consumers make better decisions before work begins.** This should include information on suitable measures, available funding, standards and protections, and trusted installers, while recognising that consumers may also rely on local networks and recommendations when choosing who to use.
- **Local provision should be part of this journey rather than sitting separately from it.** Local authorities, housing associations and community organisations can provide trusted, place-based support, particularly for vulnerable households, and need to be properly connected to the central service.
- **Ongoing support after installation is important because problems may only emerge later.** Consumers should retain access to advice and clear routes to remediation and redress beyond the point at which an installation is signed off. For some consumers, advice on the efficient operation of new low carbon technology can be required, especially if the case for adoption is based on cutting the cost of energy bills.
- **The approach should work across different funding and delivery models.** Improving the journey for government-supported schemes should

not inadvertently create a more fragmented experience for households undertaking privately funded work or combining different funding routes.

- **The proposed improvements will only work if the underlying system has the capacity to deliver them.** Government should be clear about how the central service will work and ensure there is sufficient expertise and resource to provide effective support at scale.

Q13. What, if any, changes would improve how the system works for vulnerable consumers? Please share examples of the type of advice, support, referral mechanism and/or engagement models which are already effective in supporting vulnerable consumers.

- **The system should recognise that general information will not be enough for all vulnerable households.** Some consumers will need proactive, tailored and potentially face-to-face support to understand their options, make decisions and stay engaged if problems arise. There is a vital role for local and place based advice, which local authorities are well placed to provide, but funding and capacity can be challenging.
- **Local authorities and housing associations should have a central role in supporting vulnerable households where they are delivering retrofit.** They can provide trusted, place-based support and connect households to existing advice, community and third-sector services, building on a model that already works relatively well in locally delivered schemes. There should be clear referral routes between the central consumer protection service and local services.
- **Local delivery bodies need to be properly resourced to provide this support.** Government should provide sufficient long-term funding, training and specialist capacity so local authorities are able to support vulnerable households throughout assessment, installation and remediation.
- **Support should be proactive rather than relying on consumers to pursue problems themselves.** This is particularly important where households may lack the confidence, time, digital access or resources to challenge poor work or navigate complex redress processes.
- **Consumer insight should be built into the system on an ongoing basis.** Working with organisations such as Energy Saving Trust, Citizens Advice, community groups and local authorities can help identify where the consumer journey is still creating barriers for vulnerable households and adapt support accordingly.
- **For vulnerable households accessing retrofit independently**, Government should consider requiring all businesses undertaking home improvement work to be licensed and subject to clear minimum requirements, so consumers are better protected.

Q14: What, if any, changes would improve how the system works for installers and grant recipients, including local authorities and social housing organisations?

- **The proposed approach for grant recipients is broadly sensible**, as local delivery through councils and housing associations has generally worked better than national schemes and should not be unnecessarily redesigned.
- **Government should strengthen local authority capacity** through long-term funding, beyond the capital to purely deliver individual schemes or programmes; and offer dedicated support to recruit and upskill staff responsible for home upgrade delivery.
- For installers, consistent standards and processes across schemes would reduce duplication and make it easier for good installers to participate and scale.

CHAPTER 5:
Strengthening technical and professional frameworks

Q16: What changes to standards, frameworks or associated guidance would most improve the clarity, consistency and practical application of competence requirements for retrofit professionals? Please provide examples where possible.

Government should ensure qualifications can be clearly mapped to competence standards and provide clear guidance, including exemplar training pathways, for professionals to achieve the required competence. Requirements should also be applied consistently across retrofit schemes and supported by clear, practical guidance that reflects how competence is assessed in practice. This agenda should be recognised more widely in discussions and policy around green skills and the jobs needed to support transition. It will need targeted support for local authorities and housing associations with their own direct labour organisations (DLOs) to support upskilling and workforce transition, especially if they are to be ready to play a direct role in installing and maintaining low carbon technologies.

Q17: Which approaches would be most effective for strengthening oversight of installers and retrofit professionals? Select all that apply. • Stronger audit requirements

• Clearer competence frameworks
• Public register of professionals
• Stronger role for certification bodies
• Greater government oversight
• Other (please specify in your written response)

Please explain your answer.

We support stronger audit requirements, clearer competence frameworks, a stronger role for certification bodies and greater government oversight. These should work together through risk-based auditing, clear accountability and better use of performance data, while building on existing certification and assurance expertise rather than creating additional layers of oversight.

CHAPTER 6:
Earlier detection and stronger enforcement processes

Q20. To what extent do you agree that an intelligence-led risk-based approach to audit and assurance would improve system performance? Please explain your answer, including which data or risk indicators would be most useful.

Strongly agree/ Agree/ Neither agree nor disagree/ Disagree/ Strongly disagree/ Not sure

Risk-based auditing would allow resources to focus on higher-risk installers, measures and projects, using data such as previous non-compliance, audit findings, complaints, consumer feedback, installer performance and patterns of repeat failures to identify issues early and target intervention. Government should also set a minimum standard for how audits are carried out. At present, certification bodies can take different approaches, which can create pressure to keep audits less rigorous and cheaper; a clear minimum standard would help ensure poor practice is identified and addressed.

Q21. To what extent do you think the proposed graduated compliance model would provide an appropriate level of deterrence? Please explain your answer.

To a large extent/ To some extent/ To a limited extent/ Not at all/ Not sure

A graduated approach could provide a proportionate response to different levels of non-compliance, but it will only deter poor practice if penalties are clear, consistently applied and strong enough to have a real impact. There should also be clear routes to escalate serious or repeated failures, including suspension or removal from schemes where necessary.

Q23. What additional measures (if any) would improve enforcement and compliance?

MCS is re-developing its model to make it more effective, the Government should support and expand the MCS model, including extending its remit to cover fabric upgrades. The Government should prioritise getting these reforms right before introducing additional enforcement measures, as the MCS approach brings together certification, installer monitoring, consumer feedback, complaints and action on poor performance.

Local government also has an important role in enforcement. Trading standards, environmental health and building control have the expertise and legal powers to identify poor practice, but they are not currently resourced or incentivised to take on this work at scale. Government should work with a geographically diverse group of local authorities (stock and non-stock holding) to understand what prevents effective enforcement, including the difficulty of dealing with businesses that repeatedly close and reopen under different names. Local authorities should also be better connected to the wider consumer protection system so they can share information about risks and non-compliance.

Finally, enforcement needs to be properly funded. Fines alone may not provide an effective deterrent, particularly where they are difficult to recover and enforcement action carries significant legal costs.

Q25. What, if any, prevention and enforcement controls should subcontractors be subject to? Please explain your answer and outline whether controls on individuals or companies would be most effective.
Subcontractors should be subject to the same prevention and enforcement controls as all other businesses carrying out government-funded upgrades. Controls should apply at company level and ensure that subcontracting does not allow installers to avoid responsibility for the quality or compliance of the work.

CHAPTER 7: Swift remediation and redress

Q26. To what extent do you agree with the proposal to centralise responsibility for redress under the consumer protection service? Please explain your answer.
Strongly agree/ Agree/ Neither agree nor disagree/ Disagree/ Strongly disagree/ Not sure

A single organisation with clear responsibility for redress would give consumers confidence that poor-quality work will be identified and put right promptly, rather than leaving them to navigate different organisations or being passed between them.

Government should go further by introducing a binding Warm Homes Guarantee, under which the Consumer Protection Scheme would be responsible for ensuring that work is physically put right within a reasonable timeframe, including arranging another installer where necessary and recovering the costs from the original installer or other financial protections. There should also have clear routes for working with local authorities and housing associations, particularly where they have commissioned or supported the work, so responsibilities remain clear for the household.

Q27. Which additional consumer protection issues should fall within the scope of redress system arrangements? Select all that apply. Please explain your answer.
- **Poor practice in sales and marketing**
- **Cancellation and cooling-off rights**
- **Treatment of deposits and advance payments**

• **Financial and contractual arrangements**
• **Installer conduct**
• **Manufacturer and product obligations**
• **Impacts on wider building fabric**
• **Other (please specify in your written response)**

All of the above. The redress system should cover all activities and conduct that fall within the scope of an installer certification scheme or relevant standards, so consumers have protection across the full retrofit journey rather than only for installation quality.

Q28. Which features of the proposed redress system are most important for delivering effective outcomes? Select all that apply. Please explain your answer.
• **Central case management**
• **Use of guarantees and financial protections**
• **Access to independent ombudsman**
• **Defined escalation routes**
• **Other (please specify in your written response)**
The most important feature is a robust and clear guarantee backed by financial protections, giving the CPS the ability to step in and ensure poor-quality work is physically put right within a reasonable timeframe. This should be supported by central case management and clear escalation routes, with costs recovered from the original installer or through the relevant financial protections.

Q29. Do you agree that the government should use the NHIC recommendations and principles as the basis for reforming financial protection arrangements? Please explain your answer.
Yes/ No/ Not sure
Yes. The NHIC recommendations and principles provide a strong basis for reform. However, financial payouts alone are not enough: protections should enable prompt physical redress and ensure work is brought back to the expected standard.

Strong and reliable protections will also be important for rebuilding consumer trust in retrofit, as visible cases where households are left with poor-quality work and no effective route to redress could deter wider take-up. We also support extending these protections in due course to all work, rather than limiting them to publicly funded projects.

Q30. Should government explore the creation of a solidarity fund to support consumers when other remediation routes are exhausted? Please explain your answer.

Yes/ No/ Not sure

Government should first reform Insurance Backed Guarantees (IBGs) so that existing financial protections work effectively, alongside a robust consumer guarantee that ensures poor-quality work is physically put right. A solidarity fund could be considered if these reforms cannot provide sufficient protection, but it should not become a publicly funded bailout for a failing private system and installers should remain responsible for the full cost of remediation wherever possible.

CHAPTER 8: Market impacts

Q31. What are the most significant impacts of the proposed reforms on installers, retrofit professionals and other market participants? Please include any impacts on SMEs, third sector organisations, workforce capacity and market entry where relevant.

The main risks are increased costs and administrative requirements, particularly for SMEs and smaller specialist organisations, and potential loss of installer capacity during transition. Clearer and more consistent requirements could ultimately support the market, but reforms need to be phased carefully and recognise existing expertise and good practice.

Q32. To what extent do you think the proposed reforms would affect installer participation in government-supported schemes? Please explain your answer.

- **Increase participation**
- **No impact**
- **Decrease participation**
- **Not sure**

More consistent standards, clearer requirements and less duplication could make it easier for good installers to participate, but excessive costs or new requirements could have the opposite effect, particularly for SMEs.