



Bad Company

Finding solutions for the people
ripped off by HELMS

December 2018





Bad Company

Finding solutions for the people
ripped off by HELMS

December 2018

Contact: CFUenergy@cas.org.uk

Electronic: ISSN 2398-6220
Hard copy: ISSN 2398-6212
Series- 2018/19-12



Contents

Executive Summary	1
Introduction	3
Recommendations	4
Background	5
Issues facing HELMS Customers	7
Progress to date on HELMS complaints	14
Conclusion	15
Annex 1: Summary of legal opinion	16

Executive Summary

The Green Deal was a UK Government scheme from 2012¹ to 2015², which enabled consumers to borrow money to pay for energy saving home improvements. By signing up to the Green Deal, people entered into a consumer credit agreement with the Green Deal provider, borrowing money on credit arrangements, paid back by instalments through their electricity bill.

Citizens Advice Scotland is raising concerns over the practices of one Green Deal supplier – Home Energy and Lifestyle Management Systems (HELMS). Our Citizens Advice Bureaux have reported a variety of issues relating to HELMS including:

- > pressure selling
- > misleading information
- > unexpected costs
- > the vulnerability of some customers
- > mis-representation
- > installation issues
- > the transfer of the Feed-in Tariff and multiple financial tools
- > failure to get Building Warrants and appropriate permission from homeowners
- > long contracts³
- > issues with redress

72% of HELMS customers were in Scotland (3,054 out of 4,226). Problems with HELMS have been widespread and owing to an unclear redress pathway, a number of different organisations have been involved in the complaints process. We are aware of 1,125 recorded complaints raised to date⁴. 11% of all HELMS customers have now complained to the Green Deal Finance Company.

As multiple financing options were often employed by HELMS and customers were regularly told installations would be free, they were often left unsure of how much they owed. The average HELMS loan size is £4,091. The largest HELMS plan is £11,766 and the average daily charge is 98p which equates to roughly £29 per month⁵. However, these figures are pre-interest and a local impact survey by East Ayrshire Citizens Advice Bureau found that in some instances consumers reported much higher lifetime costs, based not only on the accumulation of interest but on associated expenditure such as additional finance or repairs to poorly installed measures.⁶

HELMS customers commonly state they did not realise they were signing over the right to their Feed-in Tariff – a payment made for the extra energy generated by solar panels that is sold back to the national grid. PV Solar Investments, a company with one director remaining (who was also a director at HELMS), continues to collect these funds. The company had net assets of £713,262 in 2017.⁷ Consumers report that it can cost as much as £4,000 to ‘buy back’ their Feed-in Tariff payments.⁸

The following CAB advisors’ case notes illustrate customers’ experience with HELMS:

“A CAB client reports having been mis-sold solar panels by HELMS. The client was told that the panels would be free and this was a free government scheme. The client has been sold solar panels but does not own her Feed-in Tariff (FiT), she pays about 90p a day in green deal charges. The client has now become aware that she owes £8,000 in Green Deal Payments and would have to pay £4,700 in order to buy her FiT back. The client is unemployed as she cares for her disabled husband and is struggling to pay the green deal charges along with her gas and electricity.”

1 There was a soft launch in 2012, however the scheme fully started in 2013.

2 The Government established a framework for the Green Deal that still exists but ceased funding it in 2015.

3 We recognise that long term contracts may have been attractive to willing participants of the Green Deal, in terms of spreading costs. However for many of those who were mis-sold, the Green Deal loans are therefore a long-term problem.

4 We know that some people have complained to more than one organisation, so the number of household complainants is likely to be lower than the number of complaints. However there may have been additional complaints to other agencies not captured in this total.

5 Green Deal Finance Company

6 Deal or No Deal: Local Impact Report, East Ayrshire Citizens Advice Bureau

7 Companies House, PVS Financial Statements, 2017 [link](#); Companies House PVS Financial Statements 2015, [link](#)

8 Deal or No Deal: Local Impact Report, East Ayrshire Citizens Advice Bureau

“A CAB client reports having been sold solar panels by HELMS in 2014. They had been sold these panels by a ‘cold calling’ salesman. The client was told that the solar panels would not cost her anything and that is why she agreed to have them installed. The client stated specifically on numerous occasions that she could not afford to and did not want to take out a loan for these panels. However, the client is being charged 88p per day in Green Deal charges which she pays through her energy supplier. The client gave the CAB adviser her paperwork who found a credit agreement that the client had signed. The client was not aware that this was a

credit agreement. The total amount stated on the credit agreement for finance was for £3,474.20 and the total amount payable will be £7,378.24 which she will be paying through Green Deal charges for the next 23 years. The client does not own the solar panels yet as she has to pay for them over 23 years and she does not own the FiT, so is seeing no benefit in having solar panels. The client has been told that if she pays PV Solar (a company related to HELMS) £3,500 then she can buy back the FiT. The client reports her monthly energy bills have increased since getting the solar panels installed.”



Introduction

Citizens Advice Scotland (CAS) seeks to improve outcomes for consumers. We use research and other evidence to put consumers at the heart of policy and regulation in the energy, post and water sectors in Scotland. We work with government, regulators and business to put consumers first, designing policy and practice around their needs and aspirations.

The Citizens Advice network forms the largest independent advice network in Scotland. Since 2012 our local bureaux have received a number of cases relating to the government's flagship 'pay-as-you-save' energy efficiency scheme - The Green Deal. These cases largely relate to one particular installer, Home Energy and Lifestyle Management Systems (HELMS), which is reported to have had 4,226⁹ customers, primarily in Scotland.

HELMS customers report having experienced significant detriment at the hands of this company. In some of the most serious cases people report having lost their life savings, others are unable to sell or insure their homes. As highlighted by a recent debate in Parliament¹⁰, HELMS customers continue to suffer significant financial detriment. Colleagues at East Ayrshire Citizens Advice Bureau undertook a local impact assessment with HELMS customers in their area and found that almost half of the clients they spoke to had experienced severe symptoms of anxiety and over half of the respondents had suffered with stress as a result of taking out a Green Deal Plan with HELMS.¹¹

Citizens Advice Bureau (CAB) clients report having complained about the company through multiple channels and facing difficulties securing redress or reaching an effective resolution. CAS sought legal advice to further understand the issues facing these consumers. In the detailed cases presented for legal analysis there was evidence of widespread breaches of the Code of Practice, Green Deal Framework Regulations and existing consumer protection law.

A variety of agencies have worked to support affected consumers and to try to reach a resolution for HELMS customers since issues were raised. However, given the unique circumstances surrounding the scheme, and the complexity of the issue, no clear pathway has been established to resolve the full impact of the problem for affected households¹². There are a number of reasons why this issue has been so difficult to resolve, including the design of the Green Deal scheme. This is why our recommendations are directed toward the UK government, who have ultimate responsibility for implementing sanctions where the Green Deal Framework Regulations and/or code of practice have been breached.

This report presents the evidence we have gathered, which we believe highlights the breadth of mis-selling by the company. The report summarises the background to the issue, outlines the conclusions of our legal work and provides a number of recommendations which we consider essential to work towards fully resolving the issues facing these consumers, with urgency.

9 <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2018-04-18/136578/> <https://hansard.parliament.uk/commons/2018-10-23/debates/b4b408bc-837c-47f9-9b09-5cb3982319a8/WestminsterHall>

10 <https://hansard.parliament.uk/commons/2018-10-23/debates/94480CA1-844C-45B2-BEF6-B6F2725E0A7B/HELMSAndTheGreenDeal>

11 Deal or No Deal: Local Impact Report, East Ayrshire Citizens Advice Bureau

12 Both the GDFC and Secretary of State for BEIS are processing complaints around the Green Deal Loans but many outstanding issues remain, including the return of FiT tariff payments where they were mis-sold, specific issues relating to poor workmanship and building warrants, amongst others.

Recommendations

The evidence available to CAS suggests that the practice of mis-selling by HELMS representatives was widespread. In addition to the high level of detriment reported by consumers which we hold evidence on, we are concerned that the issue may have impacted a larger portion of the HELMS client base than those who have raised complaints. Given the high level of detriment reported, the length of time many people have faced these issues for, the complexity of gaining full resolution for all of the issues associated with these cases and the potential that additional consumers have been affected but not come forward, *prompt action needs to be taken*. We are calling for the UK Government to instruct an independent body to:

1. Contact all HELMS customers to inform them of potential issues and to provide guidance to consumers who feel like they have been affected on how to complain.
2. Independently review all complaints to determine just how widespread the practice of mis-selling was.

and if this review confirms widespread breaches of the rules of the scheme by HELMS, then we call on the UK government to:

3. Set up a dedicated scheme to resolve this issue by fast tracking complaints, providing satisfactory compensation and bespoke solutions for the specific problems facing those affected¹³¹⁴.
4. Ensure any resolution provides holistic solutions, including a return of mis-sold Feed-in Tariffs and their associated payments to the affected household. Alongside this, bespoke solutions will be required for issues such as a lack of building warrants and poor workmanship, amongst various other associated problems.

Delivering holistic solutions for those affected may require partnership working between relevant bodies, including BEIS, Ofgem and the Financial Conduct Authority. It is imperative that action is taken now to assist these customers and avoid tarnishing the re-launched Green Deal financing options and any future government led energy efficiency schemes.

-
- 13 A holistic solution is required for the many issues associated with this mis-selling, on top of the Green deal loans and Feed-in Tariff this includes issues with building warrants, installation problems, insurance, amongst many others.
 - 14 Financial responsibility for such action would need to be agreed between the UK Government and the GDFC.



Background

The Green Deal was a UK Government scheme from 2012¹⁵ to 2015¹⁶, which enabled consumers to borrow money to pay for energy saving home improvements. By signing up to the Green Deal, people entered into a consumer credit agreement with the Green Deal provider, borrowing money on credit arrangements, paid back by instalments through their electricity bill. Home improvements under the scheme included solar panels, new boilers, external wall insulation, cavity wall insulation, double glazing, and under-floor heating.

The Green Deal scheme operated on the basis of ‘the Golden Rule’ under which “the first year instalments must not exceed the estimated first year savings.”¹⁷ Whilst the Government stopped funding the Green Deal in July 2015, for those who participated in the scheme, repayments will continue through a person’s energy supplier. Additionally, since June 2017 Green Deal finance has been offered again through the privately owned Green Deal Finance Company.¹⁸ It is widely accepted that the pay-as-you-save model of the Green Deal has merit and presents an opportunity for many consumers to benefit from home energy efficiency and renewable energy improvements. Given the renewed interest in this model it is essential that any problems associated with the initial scheme design are resolved.

Green Deal Plans Home Energy and Lifestyle Management Ltd. (HELMS)

Since 2012, a number of CAB clients have reported being mis-sold energy efficient products, including solar panels, external wall insulation and cladding, under floor heating, energy efficient light bulbs, and new boilers under the Green Deal by a company called Home Energy and Lifestyle Management Ltd (HELMS). The majority of HELMS measures

were installed in Scotland. The overall number of HELMS plans in Scotland was 3,054 out of 4,226 UK-wide.^{19,20} The majority of HELMS complaints registered by CABs have come from the Hamilton and East Ayrshire areas and the table below shows the ten Scottish constituencies with the largest number of HELMS plans.

HELMS engaged in a number of practices that adversely affected consumers including pressure selling, providing misleading information about repayment, returns on investment, and financing, and selling to people in vulnerable situations (further detail is provided below). HELMS also engaged in cold calling for which the Information Commissioner’s Office (ICO) fined them £200,000 in September 2015 (although just £10,000 of this was paid).²¹ Later that year, they were fined a further £10,500 by the Department for Energy and Climate Change for breaches of the Code of Practice. Following these fines HELMS went into voluntary liquidation in 2016 and in 2018 was formally dissolved.²² PV Solar UK, which shared three directors with HELMS, had their Renewable Energy Consumer Code terminated as their conduct was ‘highly prejudicial to the interests of consumers’ in July 2017 and also went into liquidation.²³

Problems with HELMS have been widespread and a number of different organisations have been involved in the complaints process. We are aware of 1,125 recorded complaints²⁴. Our CABs have reported around 100 cases of clients seeking help with issues relating to HELMS, Home

¹⁵ Although there was a soft launch in 2012 the scheme fully started in 2013.

¹⁶ The Government established a framework for the GD that still exists but ceased funding the GDFC in 2015.

¹⁷ The Green Deal Framework (Disclosure, Acknowledgment, Redress etc.) 2012 <http://www.legislation.gov.uk/ukdsi/2012/9780111525227/part/5/data.xht?view=snippet&wrap=true>

¹⁸ <https://www.moneysavingexpert.com/news/2017/06/green-deal-relaunched-under-private-ownership---how-does-it-stack-up/>

¹⁹ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2018-04-18/136578/>

²⁰ <https://hansard.parliament.uk/commons/2018-10-23/debates/b4b408bc-837c-47f9-9b09-5cb3982319a8/WestminsterHall>

²¹ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2015/09/ico-issues-largest-ever-nuisance-calls-fine/>

²² <https://beta.companieshouse.gov.uk/company/SC408097/filing-history>

²³ https://www.recc.org.uk/images/upload/noncompliancepanel_30.pdf

²⁴ We know that some people have complained to more than one organisation, so the number of household complainants is likely to be lower than the number of complaints. However there may have been additional complaints to other agencies not captured in this total.

	Constituency	Households receiving HELMS plans	of which plans included solar panels ²⁸
1	Paisley and Renfrewshire North	293	272
2	Rutherglen and Hamilton West	252	227
3	Cumbernauld, Kilsyth and Kirkintilloch East	223	214
4	East Kilbride, Strathaven and Lesmahagow	233	207
5	Central Ayrshire	167	149
6	Kilmarnock and Loudoun	162	146
7	West Dunbartonshire	140	131
8	Glasgow North East	124	103
9	Coatbridge, Chryston and Bellshill	111	100
10	Ayr, Carrick and Cumnock	90	81

Energy Scotland²⁵ has received 350 complaints, 170 of which went on to be investigated by Trading Standards Scotland. CABs, Home Energy Scotland and Trading Standards will have directed a large number of these complaints to the Green Deal Finance Company (GDFC) or previously the Financial Ombudsman Service, who GDFC took on complaints from. Overall, 11% of HELMS customers (449) have made a complaint to the Green Deal Finance Company who are currently processing complaints about the company. As of October 2018 the Secretary of State for Business, Energy and Industrial Strategy (BEIS) had received 79 complaints relating to the Green Deal, 56 of which relate to HELMS customers.^{26,27} Finally, a number of MPs and MSPs have sought to get redress for their constituents and raised the issue through parliamentary questions and debates.

Given the scale and complexity of cases relating to HELMS, CAS sought legal advice on the issue. The legal analysis demonstrated breaches of the Code of Practice, Green Deal Framework Regulations and existing consumer protection law, as demonstrated. To complement our case data and to inform the legal opinion, we also conducted a number of interviews with clients affected by

HELMS (testimony in italics below). This section summarises the legal opinion that pertains to a specific section of the Green Deal Code of Practice (a summary table is shown in Annex 1).

The legal opinion referred the following legislation relevant to HELMS clients:

Green Deal framework

- > *Energy Act 2011*
- > *Green Deal Framework Regulations*
- > *Feed-in Tariff: Guidance for Licensed Electricity Suppliers*
- > *Ombudsmen*

General legal framework

- > *Consumer Protection from Unfair Trading Regulations 2008*
- > *Consumer Credit Act 1974*
- > *Law Reform (Miscellaneous Provisions) (Scotland) Act 1985.*

²⁵ Home Energy Scotland is a service funded by the Scottish Government and managed by the Energy Saving Trust to give free advice on energy saving, renewables, loans and support available.

²⁶ <https://qnadailyreport.blob.core.windows.net/qnadailyreportxml/Written-Questions-Answers-Statements-Daily-Report-Commons-2018-10-24.pdf>

²⁷ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2018-04-23/137158/>

²⁸ Where HELMS installed solar panels for customers there was often an issue with ownership of the feed-in tariff. This is discussed in further detail later in the report.

Issues facing HELMS Customers

Customer complaint: Pressure Selling

Many Scottish CAB clients reported being pressurised into making a decision by HELMS salespeople.

Legal opinion on pressure selling

Section 3.10 of the Green Deal Code of Practice places an onus on providers to avoid “high pressure” techniques and our legal opinion indicated that the techniques described below “may certainly constitute “high pressure” techniques”. They also potentially breach the Provider’s duty to give customers an opportunity to ask questions: (listed in Annex B of the Code of Practice at 19d). Finally, they may constitute “aggressive commercial practices” in terms of section 7 of the Consumer Protection from Unfair Trading Regulations 2008.”

Our evidence

Below are some quotes from **CAB advisors**  who provided advice to clients with complaints about HELMS and **HELMS customers**  interviewed by CAS:

 “There were three separate visits from the agents and [the client] felt pressured into taking the deal.”

 “The client was pressured into taking the scheme through multiple home visits and multiple telephone calls.”

 “They were told by HELMS that if their home wasn’t energy efficient then they would have to pay more council tax.”

 “Helms advised they would send someone to his house to assess the boiler. When the representative came, he was there to get client to sign a contract.”

 “[they said]...there’s only so many houses we can do in your area, and if you don’t take it you might miss out...”

 “They raced through it. ‘Oh, you don’t need to read that bit’”

 “We need to sign that deal, you know, before five o’clock kind of thing... The guy was saying, right, we’re only in this scheme until the end of the week or something”

 “You never got a good chance to read through [the paperwork]. It was just, ‘sign here and sign here’, you know, and turning pages and we can start next week”

 “He told me he was going on holiday and he wanted to get it tied up before he went on holiday... It was pretty baffling. He just kept putting it down in front of me, saying, ‘Just sign there, there and there’”

 “I would say can you not just leave [the documentation] and I’ll get my husband to run it down first thing in the morning. But it always had to be submitted by five, they had to take it away... They always said if we don’t get it in before 5 o’clock you’ll lose your funding and you won’t be able to get it done”.



Customer complaint: Misleading information

Amongst CAB clients that were HELMS' customers, it was commonly reported that installations were described as 'free' and that they did not understand they were entering into a credit agreement.

Legal opinion on misleading information

Some of the statements described below are likely to be misleading in terms of section 2.2 of the Code of Practice which states that a Green Deal Participant must act honestly and fairly' and 'ensure they do not mislead customers whether by act or omission.' Section 5 of the *Consumer Protection from Unfair Trading Regulations 2008*, defines unfair commercial practices as including misleading acts or omissions, and this may also have been breached. The lawyers also suggested that some Return On Investment calculations may amount to misrepresentation under the same pieces of legislation.

Our evidence

-  "The client was sold the green deal and the panels despite being on a nil income, including not having any benefits at the time, but the agent said this wouldn't matter since it was all free anyway."
-  "The client was told that these panels would not cost her anything and that is why she agreed to have them installed. The client gave me [the adviser] her paperwork and when I was going through her paperwork I found a credit agreement that the client had signed but was not aware that this was a credit agreement."
-  "This one woman that sat in my kitchen and it was like, you know dangling that carrot that your electricity's going to be free."
-  "...the solar panels were free, but because they were getting paid for through the government scheme at the time."
-  "Basically, it was all, 'Oh, it won't cost you a thing. It'll be free, it won't affect you, it'll save you money in the long term.'"
-  "It was a government scheme, and it was all free"
-  "They didn't explain about the daily charge on your electricity, they never explained anything like that"
-  "[I was told] I qualified for 100% grant"

Customer complaint: Unexpected costs

People reported surprise when their bills increased following Green Deal installations and indeed some only realised what they had signed up to when their energy bills increased significantly.

Legal opinion on unexpected costs

Regulation 28 (2) of the Green Deal Framework (Disclosure, Acknowledgement, Redress etc.) Regulations 2012, places responsibilities on participants, including 'reasonably estimating the savings that will be produced by the improvements.' Our legal opinion states: 'The question is whether the Assessor reasonably estimated the savings that would be produced by the improvements. Even an inaccurate estimate satisfies this test, provided that it is reasonable. A reasonable estimate could be inaccurate if, for example, there were unanticipated changes in usage or rises in energy prices.' However the lawyer was unable to assess whether the estimates were reasonable.

Our evidence

-  "The client only noticed recently that when she was topping up her prepayment meter she was only getting £4 of electricity when she was topping up by £10. The client phoned her energy provider and they told her that she had debt on her meter of £6500, client asked them to investigate this and was told it was solely green deal charges."
-  "The client had been paying £70 p/month by direct debit however has had an increase to £140 approx. since October 2017."
-  'It was about £20 or £30 it went up.'
-  "Well, we used to be between £50 and £70 for the electricity. We're about £140 to £160 a month."
-  "[we used to pay] £40 or £60, and then it went up to £99 and then it's now up to £160."
-  "When we had our meeting locally and there was a young woman sat three or four rows in front of me and you really felt heart-felt sorry for her. She said that meeting had woken her up and made her lift her head out of the sand. She was paying over £200 a month on her electricity and she has, you know, four grandkids."
-  "So, it was £100 and then it went up to £166?"
"Actually, before that, it was even less. No, it was a lot less than that. I can't just remember how much it was, going back. I could possibly be right in saying it was around about £60."
-  "...from about £70 it's gone up to, I think it's £103 we have to pay a month now."

Customer complaint: Vulnerability

Some of HELMS' customers were in vulnerable situations when they were approached by the company, and their methods appear to breach the Code of Practice.

Code of Practice: vulnerability

While vulnerability was not explicitly covered in the legal opinion, section 4.17 of the Green Deal Code of Practice (Version 5) states that 'a Green Deal Provider must take account of the needs of vulnerable consumers, those with additional needs or special access requirements when handling a complaint. A consumer may be defined as 'vulnerable for any reason that makes it more difficult for them to fully understand the information they need in order to make an informed decision about a Green Deal Provider's products and service. Consumers may, for example, be vulnerable as a consequence of mental or physical infirmity, age, learning difficulties, illiteracy or if their first language is not English.'

Our evidence

-  "One CAB client had recently suffered from chronic pain and fatigue, side effects from medication, a burst appendix and subsequent infection, collapsed lungs, and a kidney infection."
-  "The client had post-natal depression and anxiety and feels this made her more vulnerable."
-  "The client's wife has Fibromyalgia and advises that her health can be such that if she is having a bad spell she can be off her work and this can cause a temporary drop in income and due to this if they'd full information about the Green Deal they never would have agreed to the scheme in the first place."
-  "The client's daughter expressed concern regarding HELMS' sales technique in light of her mother's age and I noted that this should be a factor in considering the vulnerability of a potential customer. The client was adamant that the salesperson attended her home without any prior telephone or personal contact, in other words, she didn't instigate the visit."

Customer complaint: Purporting to be from the government

HELMS salespeople seem to have presented themselves as working on behalf of the government.

Legal opinion on mis-representation

The evidence "suggests that Advisors were suggesting or implying that HELMS was working in conjunction or association with the government, breaching section 3.3 of the Code of Practice (avoiding statements suggesting or implying that they are working in conjunction or association with the Government). It may also constitute misrepresentation at common law, and a misleading act in terms of the 2008 regulations (*Consumer Protection from Unfair Trading Regulations 2008*)"

Our evidence

-  "The whole thing was telling you they were the people who did the work, we're the government people"
-  "They just said that they were working for the government under the scheme"

Customer complaint: Installation issues

CAB clients have raised several issues regarding the installation of improvements, which in some cases led to additional costs to remedy.

Legal opinion on installation issues

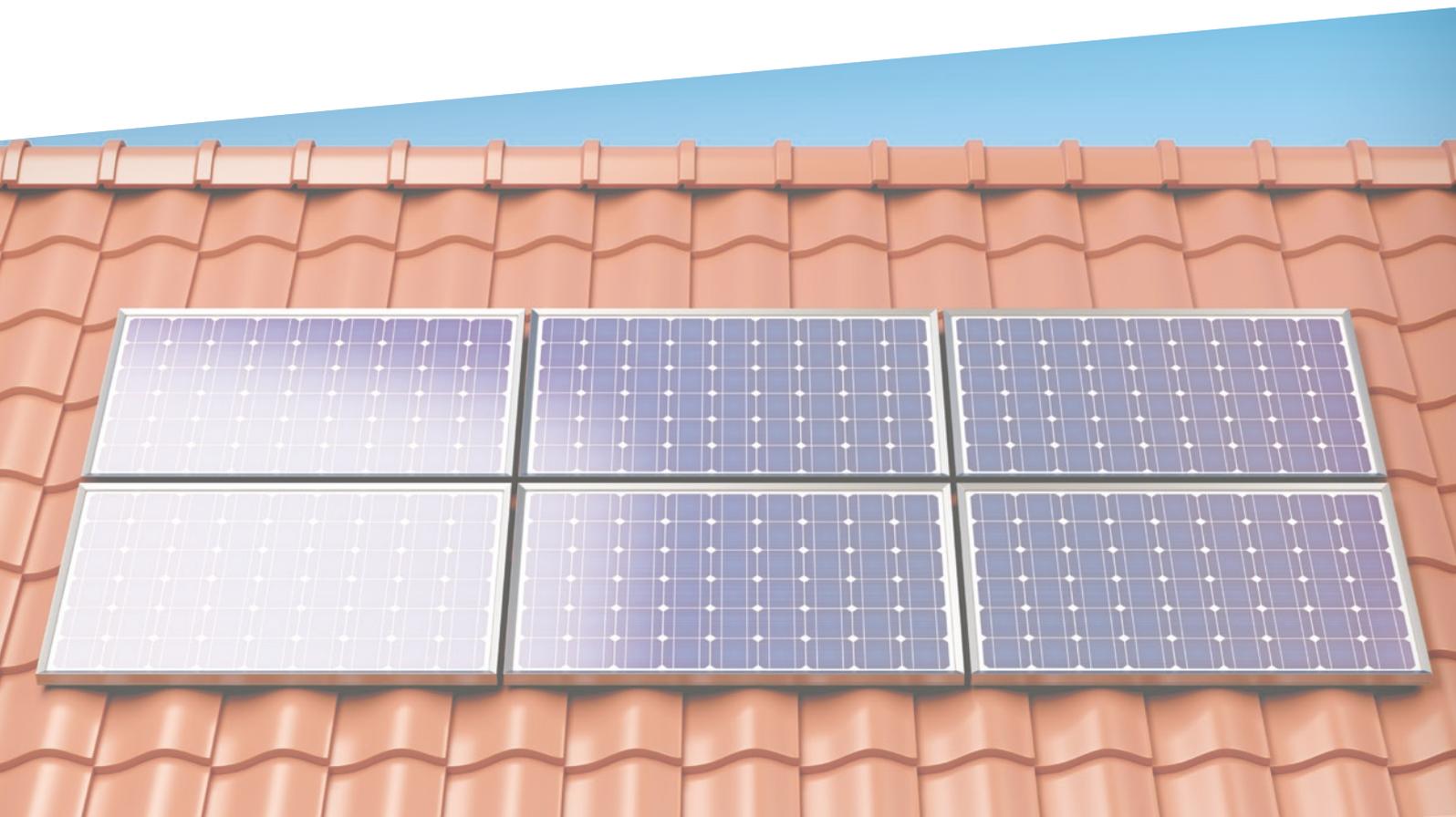
HELMS was obliged to guarantee installation work under section 35 and schedule 3 of the Green Deal Framework. This guarantee should be insured and even though HELMS has been liquidated customers should still be covered through this insurance policy. The legal opinion states “providers are obliged to guarantee the installation work: regulation 35 and schedule 3 of the Framework. The guarantee should be insured for the benefit of the bill payer which operates on the insolvency of the Provider.” However, the case evidence below seems to indicate limits to the efficacy of, or information provided about, the insurance as some customers have had to pay themselves to correct installation issues and in one case the guarantee had expired.

Our evidence

“The company had fitted a home insulation package in 2013/14 but had damaged the client’s lift from his back door into his garden. He

has had a number of visits from HELMS but has not had any satisfaction. The client is paralysed from the chest down and uses an electric wheelchair, so with the lift broken he could not get out of the house in case of an emergency. The client wrote to HELMS but they said they did not get the letter. A suitable second hand lift, which he has the option to purchase from a neighbour, would cost around £2,500.”

- “Some of the client’s solar panels were not connected and she had to pay an engineer £600 privately to have these corrected when she had the extension to the house added.”
- “The client was also charged for under floor heating which wasn’t installed as they couldn’t get under the floor to do it. The client paid £600 for this and only got £300 back.”
- “Advised the client that she has an Independent Warranty Association guarantee in her papers however because it has not been signed and sent away, it has now expired”
- “They ripped all our carpet up by putting the solar panels in. The guy drilled through the floor and ripped a hole in the carpet”
- “...we had to find £600 to fix the setting of the solar panels”.
- “The electricity board wanted to put a smart meter in to my house, which they did do but, when the chap came to put the smart meter in, he couldn’t touch it because he said that the meter that had been set up by HELMS was unsafe. He showed me the bare wires.”



Customer complaint: Mis-selling of the Feed-in Tariff (FiT) and multiple financial tools

At the time HELMS were operating, consumers could access a Feed-in Tariff if they installed solar panels. This is a payment made for the extra energy generated by solar panels that is sold back to the national grid.

In the case of the Green Deal, the Feed-in Tariff (FiT) for those getting solar panels, was not only a positive incentive but often ensured that Green Deal Plans would meet the ‘Golden Rule’. There was the option for consumers to choose to sign over the rights to their Feed-in Tariff to a company to partly fund their Green Deal measures.²⁹ However, when taking out a Green Deal contract, HELMS customers commonly state they did not realise they were signing over the right to the Feed-in Tariff, to a company called PV Solar Investments Ltd (PVSİ). PVSİ are an active company with one director remaining who was also the director at HELMS. The only way for customers to recover the FiT from this company is to pay a buy-out price to PVSİ, through our CAB case evidence it appears that the buy-back fee can be as much as £4,000 in some instances³⁰. PVSİ had net assets of £713,262 in 2017.³¹

By transferring their FiT rights to PVSİ and having a Green Deal agreement, consumers are paying for the energy efficiency products they had installed through two different mechanisms. In some cases consumers were also encouraged to take a third mechanism, a further loan or up-front cash payment. Customers reported these financing options, particularly signing over the rights to their Feed-in Tariff, were not explained clearly to them and they were instead told they were signing up for free solar PV panels.

Legal opinion on the mis-selling of FiTs and financial tools

Ofgem has issued guidance to electricity companies regarding their role administering FiTs and FiT details are recorded in the Central FiT Register (CFR). This states:

“11.6. If a [customer] disputes the information contained on the CFR, it should approach its [energy company]. The [customer] should explain the reasons why they believe the information on the CFR is inaccurate and provide supporting evidence. If the [energy company] decides that the information contained on the CFR is inaccurate, it should, as soon as is reasonably possible, update the CFR.”

The legal opinion states:

- “If they failed to take reasonable steps to ensure the customer understood their obligations, this would breach the Code of Practice at section 40C of Annex B.
- If they actually crossed the line into being misleading, this would breach the Code of Practice at section 2.2.
- It would probably also breach the Consumer Protection from Unfair Trading Regulations 2008 at section 7.
- If it was a negligent misrepresentation that induced the contract, it would be actionable under the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985.
- If PVSİ are on the Central FiT Register as recipients of the FiTs, and if this is inaccurate, the energy companies should correct the CFR in terms of the Feed-in Tariff: Guidance for Licensed Electricity Suppliers.”

Our evidence

 “The sales agent advised that the panels were free, they were not told it was a loan, they were not told it would be for a 23 year period, they were not told they would have to make payments through their electricity account, they were also encouraged to sign over their right to the Feed-in Tariff as the agent said it would just be easier. They were not told what the Feed-in Tariff would mean or what the impact of this would be.”

 “The solar panels were free, but because they were getting paid for through the government scheme at the time”

 “They said the solar panels would be free and then we could actually get a buy-out cost if we wanted to buy them out... Nobody mentioned anything about signing over a feed-in tariff”

²⁹ Deal or No Deal: Local Impact Report, East Ayrshire Citizens Advice Bureau

³⁰ Deal or No Deal: Local Impact Report, East Ayrshire Citizens Advice Bureau

³¹ Companies House, PVSİ Financial Statements, 2017 [link](#); Companies House PVSİ Financial Statements 2015, [link](#)

Customer complaint: Issues selling properties and failure to get requisite permission

CAB clients have reported difficulties or concerns about selling their property as the Green Deal debt belongs to the property and not the individual who had the measures installed. One client was told that the measures installed by HELMS would make it easier to sell their house.

Legal opinion on failure on getting permissions

Failure to get permission from a joint-property owner appears to be a breach of regulation 36 of the Green Deal Framework Regulations, under which confirmation must be obtained from bill-payers and owners. Failing to warn the customer of the need for a Building Warrant is a breach of the Code of Practice: Annex B at 57A.

Our evidence

- “They constantly pushed you all the time and highlighted all the good things very quickly, getting all this done will make it a lot easier to sell your house and things like that.”
- “The client wants to sell his property and is concerned how this will affect it.”
- “[the] client is now financially worse off and cannot sell her house due to the green deal debt belonging to the property and not the person.”

“So, at some point, if we did sell the house, even if we don’t and leave it to the family and they try and sell it...it’s going to create problems.”

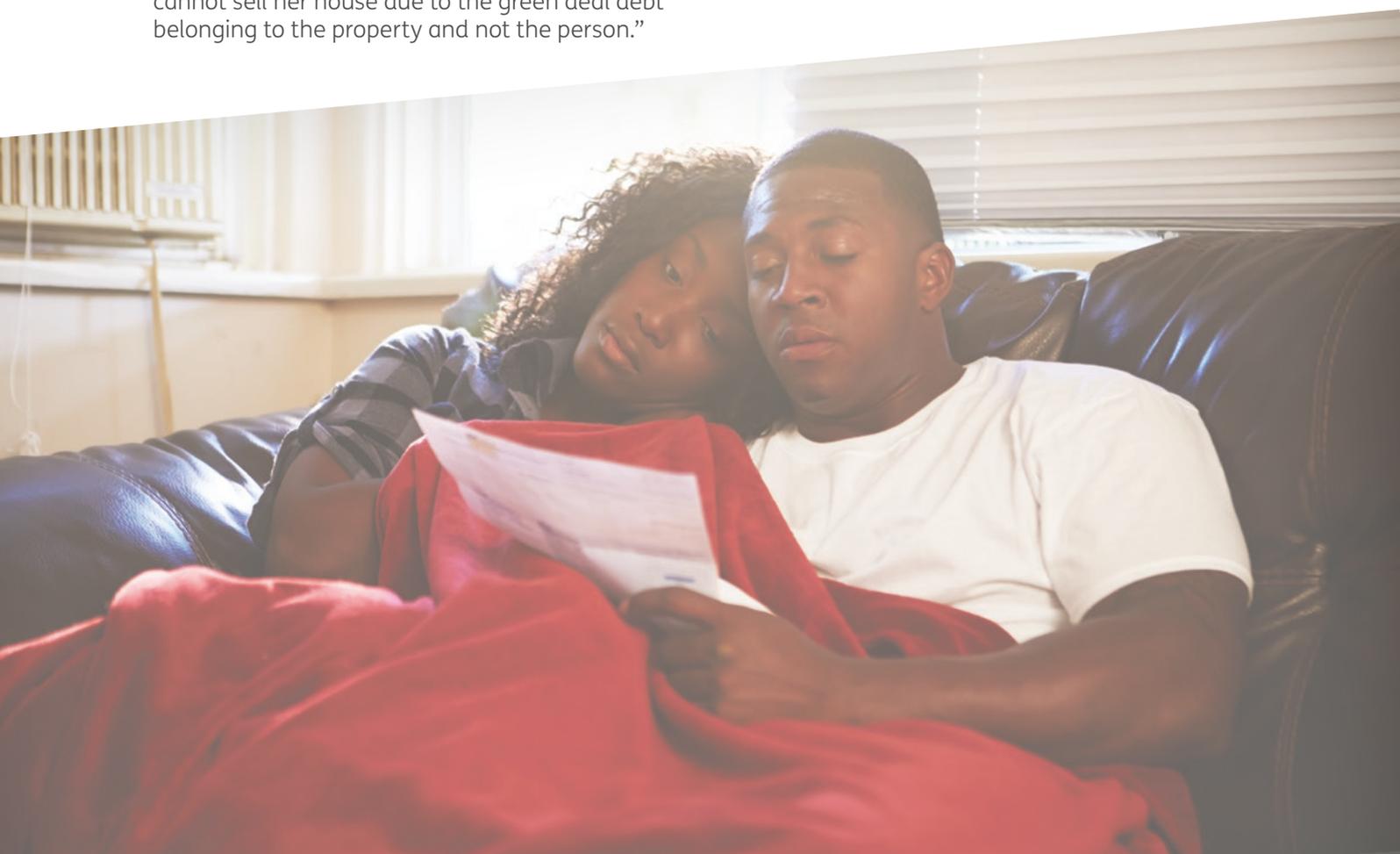
In one case the customer owned her house jointly with her daughter, but her daughter did not consent to the Green Deal Plan.

“So, we’re in joint ownership but she was never asked permission for this... I joint-own it with my daughter. She doesn’t live here.”

Some customers were not advised that they needed a building warrant. This has been a particular issue for Glasgow City Council. Where Building Warrants have not been applied for, no backdating permissions can be granted without costly surveys. In the absence of building warrants houses can be uninsurable or not able to be sold.³²

“...we’ve found out that we needed a building warrant. Again, we were not informed about that, so obviously that, if we were looking to sell the house, we haven’t got a building warrant for the external installation.”

32 <https://hansard.parliament.uk/commons/2018-10-23/debates/b4b408bc-837c-47f9-9b09-5cb3982319a8/WestminsterHall>



Other customer issues of concern

Duration of contracts

HELMS customers are tied in to contracts for a long time, typically over 20 years, and some did not realise the duration of the contract. A parliamentary question showed that 93% (2,842 out of 3,054) of HELMS customers had contracts that were 20 years or more.³³

Our evidence

 “...I was never told that amount, never told this will be a loan, the interest will be this much, you will pay it over 22 years, never told that.”

Redress

The standard Green Deal complaints procedure set out that in the first instance a customer would complain to their Green Deal provider. However in 2016 HELMS went into voluntary liquidation meaning consumers were no longer able to complain directly to the company and the Green Deal or the Financial Ombudsman were unable to look at the complaint.

Many HELMS customers have subsequently found the complaints process to be long and drawn out, with a number still pursuing complaints about measures typically installed four years ago in 2014. CAS provides guidance on how to complain about HELMS online.³⁴ As the Green Deal is a Consumer Credit Agreement, the Financial Ombudsman Service initially dealt with a number of complaints relating to HELMS and in September 2017, due to HELMS' liquidation, the Green Deal Finance Company took on HELMS complaints.³⁵

There are three outcomes possible from the Green Deal Finance Company: cancellation of a Green Deal scheme, reduction of payments, or the rejection of a complaint. CAS now advises HELMS customers

³³ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2018-09-03/169530>

³⁴ <https://www.citizensadvice.org.uk/scotland/consumer/energy/energy-supply/making-energy-efficient-home-improvements/helms-home-energy-lifestyle-management-ltd-and-green-deal-concerns-and-complaints/>

³⁵ The Financial Ombudsman Service's process was made more difficult by the fact that HELMS had ceased trading, so there was no entity to take a complaint to. The Green Deal Finance Company therefore subsequently agreed to review the complaints held by the Financial Ombudsman Service.

to complain directly to the Green Deal Finance Company and, if unsatisfied with the decision, to then complain to the Secretary of State for Business, Energy and Industrial Strategy. If a complaint is referred to the Secretary of State, the possible outcomes are reduction, cancellation or no sanction, depending on the outcome of the investigation. The Green Deal Finance Company inherited a backlog of cases from the Financial Ombudsman. After some initial delays, cases are now being processed within 16 days. However there is no statutory timeframe and no publically available information clarifying decision-making criteria. While 79 Green Deal cases have been referred to the Secretary of State (of which 56 related to HELMS), as of October 2018, only two have had a final decision made. In two further cases 'intention notices' have been issued acknowledging that the Green Deal Framework Regulations had been breached³⁶.

CAS is concerned about the length of time taken in dealing with complaints and the lack of timescales within which complaints must be resolved under the Green Deal Framework and Code of Practice.

We are also concerned that from the start there has not been a clear complaints process or route to redress, with multiple different bodies to complain to. CAS is concerned about the length of time taken in dealing with complaints and the lack of timescales within which complaints must be resolved under the Green Deal Framework and Code of Practice. We are also concerned that from the start there has not been a clear complaints process or route to redress, with multiple different bodies to complain to and a lack of transparency around the decision-making criteria complaints are judged against.

Our evidence

 “Client has already complained to the financial ombudsman in June 2016 but has not had any reply from them” (Recorded by a CAB advisor in February 2017)

 “These complaints were done nearly 2 years ago but the client has still not heard anything back about her complaints” (Recorded by a CAB advisor in March 2017)

³⁶ <https://qnadailyreport.blob.core.windows.net/qnadailyreportxml/Written-Questions-Answers-Statements-Daily-Report-Commons-2018-10-24.pdf>

Progress to date on HELMS complaints

A range of bodies across Scotland have been involved in seeking solutions for HELMS customers including Citizens Advice Scotland, including individual member bureaux, Trading Standards Scotland, Energy Saving Trust, and the Green Deal Finance Company. In July 2018 CAS updated our public advice pages with details on how to make complaints specifically for HELMS customers.³⁷ CAB energy advisers in Hamilton and East Ayrshire have been particularly involved in assisting HELMS customers with the complaints process and raising the profile of the issue, and a number of local action groups exist, such as the Green Deal Action Group Glasgow North East and HELMS Action Group Central Scotland.³⁸ Issues with HELMS have been

-
- ³⁷ <https://www.citizensadvice.org.uk/scotland/consumer/energy-supply/making-energy-efficient-home-improvements/helms-home-energy-lifestyle-management-ltd-and-green-deal-concerns-and-complaints/>
- ³⁸ <https://en-gb.facebook.com/pg/HELMSActionGroupCentralScotland/posts/>
<https://en-gb.facebook.com/pages/category/Community/Green-Deal-Action-Group-Glasgow-North-East-112582159292346/>

debated in both the UK and Scottish Parliaments and a number of parliamentary questions have also been tabled.³⁹ In a response to Patricia Gibson, (MP for North Ayrshire and Arran) Claire Perry (Minister for Business, Energy and Industrial Strategy) recently undertook to review HELMS and write to her with an update.⁴⁰ It is our hope that this report will inform the UK Government's examination of HELMS related issues.

-
- ³⁹ <https://hansard.parliament.uk/commons/2018-10-23/debates/b4b408bc-837c-47f9-9b09-5cb3982319a8/WestminsterHall>
<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2018-04-23/137158/>
<https://qnadailyreport.blob.core.windows.net/qnadailyreportxml/Written-Questions-Answers-Statements-Daily-Report-Commons-2018-10-24.pdf>
- ⁴⁰ <https://hansard.parliament.uk/commons/2018-10-10/debates/3D82882D-1CB3-498E-BFF3-E88EE30C6COB/CentralHeatingInstallationsConsumerProtection>



Conclusion

The Green Deal was a scheme designed and set up by the UK Government and the Secretary of State for Business, Energy and Industrial Strategy is ultimately responsible for the application of sanctions, including the cancellation or reduction of Green Deal loans. Given the Secretary of State's powers, and due to the scale of the problems relating to HELMS, CAS believes collective action is required for those affected.

Furthermore, the evidence available to CAS suggests that the practice of mis-selling by HELMS representatives was widespread. In addition to the high level of detriment reported by consumers which we hold evidence on, we are concerned that the issue may have impacted a larger portion of the HELMS client base than those who have raised complaints. Given the high level of detriment reported, the length of time many people have faced these issues for, the complexity of gaining full resolution for all of the issues associated with these cases and the potential that additional consumers have been affected but not come forward, *prompt action needs to be taken*. We are calling for the UK Government to instruct an independent body to:

1. Contact all HELMS customers to inform them of potential issues and to provide guidance to consumers who feel like they have been affected on how to complain.
2. Independently review all complaints to determine just how widespread the practice of mis-selling was.

and if this review confirms widespread breaches of the rules of the scheme by HELMS, then we call on the UK government to:

3. Set up a dedicated scheme to resolve this issue by fast tracking complaints, providing satisfactory compensation and bespoke solutions for the specific problems facing those affected^{41,42}.

4. Ensure any resolution provides holistic solutions, including a return of mis-sold Feed-in Tariffs and their associated payments to the affected household. Alongside this, bespoke solutions will be required for issues such as a lack of building warrants and poor workmanship, amongst various other associated problems.

Delivering holistic solutions for those affected may require partnership working between relevant bodies, including BEIS, Ofgem and the Financial Conduct Authority. It is imperative that action is taken now to assist these customers and avoid tarnishing the re-launched Green Deal financing options and any future government led energy efficiency schemes.

This report clearly sets out the widespread problems that have been experienced by many of HELMS' customers, stemming from their original mis-selling of Green Deal finance and installations. Our evidence demonstrates a variety of issues relating to pressure selling, misleading information, unexpected costs, the vulnerability of some customers, mis-representation, installation issues, the mis-selling of the Feed-in Tariff and multiple financial tools, failure to get requisite permission, long contracts and issues with redress. Our legal opinion shows significant breaches of the intended consumer protection framework around the Green Deal. For many consumers it has been over five years since they had these measures installed and they still await a full resolution to their problems. CAS therefore believes action is now required to allow all customers affected to get full redress, and ensure that future consumers are protected from similar problems.

⁴¹ A holistic solution is required for the many issues associated with this mis-selling, on top of the Green deal loans and Feed-in Tariff this includes issues with building warrants, installation problems, insurance, amongst many others.

⁴² Financial responsibility for such action would need to be agreed between the UK Government and the GDFC.

Annex 1: Summary of legal opinion

Issue	Potential grounds for challenge	Potential remedy
<p>Pressure-selling</p> <p>For example, Advisors creating a sense of time- pressure or being ‘pushy’</p>	<p>If they used ‘high-pressure’ sales techniques, this would breach the Code of Practice at §3.10</p> <p>If they failed to give the opportunity to ask questions, this would breach the Code of Practice at 19d of Annex B</p> <p>If they used ‘aggressive sales techniques’, this would breach the Consumer Protection from Unfair Trading Regulations 2008 at §7</p>	<p>Application to Secretary of State: cancellation of obligations and repayment of past payments by the energy company</p> <p>Application to Secretary of State: cancellation of obligations and repayment of past payments by the energy company</p> <p>Litigation for reduction / damages / declarator</p> <p>Discretionary “help” from the Green Deal Finance Company – presumably cancelling repayments</p>
<p>Misleading returns on investment</p> <p>For example, where an Advisor’s return on investment calculation was incorrect</p>	<p>If it was misleading, this would breach the Code of Practice at §2.2</p> <p>It would probably also breach the Consumer Protection from Unfair Trading Regulations 2008 at §7</p> <p>If it was a negligent misrepresentation that induced the contract, it would be actionable under the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985</p>	<p>Application to Secretary of State: cancellation of obligations and repayment of past payments by the energy company</p> <p>Litigation for reduction / damages / declarator</p> <p>Litigation for reduction / damages / declarator</p> <p>Discretionary “help” from the Green Deal Finance Company – presumably cancelling repayments</p>
<p>Unexpectedly high energy bills</p> <p>For example, higher after improvements than before</p>	<p>If they failed to reasonably estimate the savings, this would breach the Green Deal Framework (Disclosure, Acknowledgment, Redress etc.) Regulations 2012 at §28(2)</p>	<p>Application to Secretary of State: cancellation of obligations and repayment of past payments by the energy company</p> <p>Discretionary “help” from the Green Deal Finance Company – presumably cancelling repayments</p>

Issue	Potential grounds for challenge	Potential remedy
<p>Not properly explaining the repayments / FITs transfer</p> <p>For example, customers thinking they were receiving a grant rather than a loan</p>	<p>If they failed to take reasonable steps to ensure the customer understood their obligations, this would breach the Code of Practice at §40C of Annex B</p> <p>If they actually crossed the line into being misleading, this would breach the Code of Practice at §2.2</p> <p>It would probably also breach the Consumer Protection from Unfair Trading Regulations 2008 at §7</p> <p>If it was a negligent misrepresentation that induced the contract, it would be actionable under the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985</p> <p>If PVSIs are on the Central FIR Register as recipients of the FITs, and if this is inaccurate, the energy companies should correct the CFR in terms of the Feed-in Tariff: Guidance for Licensed Electricity Suppliers</p>	<p>Application to Secretary of State: cancellation of obligations and repayment of past payments by the energy company</p> <p>Application to Secretary of State: cancellation of obligations and repayment of past payments by the energy company</p> <p>Litigation for reduction / damages / declarator</p> <p>Litigation for reduction / damages / declarator</p> <p>Request to energy companies, failing which litigation for reduction / declarator</p> <p>Discretionary “help” from the Green Deal Finance Company presumably cancelling repayments</p>
<p>Not advising re building warrants</p> <p>For example, where the improvements require a warrant</p>	<p>If there a building warrant was needed and they failed to warn the customer, it would breach the Code of Practice at §57A of Annex B</p>	<p>Application to Secretary of State: cancellation of obligations and repayment of past payments by the energy company</p> <p>Discretionary “help” from the Green Deal Finance Company – presumably cancelling repayments</p>
<p>Failing to get requisite permission</p> <p>For example, where another owner of the property is unaware of the Green Deal Plan</p>	<p>If they failed to get confirmation from all bill payers and owners, it would breach the Green Deal Framework (Disclosure, Acknowledgment, Redress etc.) Regulations 2012 at §36</p>	<p>Application to Secretary of State: cancellation of obligations and repayment of past payments by the energy company</p> <p>Discretionary “help” from the Green Deal Finance Company – presumably cancelling repayments</p>

Issue	Potential grounds for challenge	Potential remedy
<p>Purporting to be from the government</p>	<p>If they suggested that HELMS was working in conjunction or association with the government, it would breach §3.3 of the Code of Practice</p> <p>If they were misleading, it would probably also breach the Consumer Protection from Unfair Trading Regulations 2008 at §7</p> <p>If it was a negligent misrepresentation that induced the contract, it would be actionable under the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985</p>	<p>Application to Secretary of State: cancellation of obligations and repayment of past payments by the energy company</p> <p>Litigation for reduction / damages / declarator</p> <p>Litigation for reduction / damages / declarator</p> <p>Discretionary “help” from the Green Deal Finance Company – presumably cancelling repayments</p>
<p>Installation issues</p> <p>For example, where solar panels were incorrectly installed</p>		<p>Customers should still be covered by the insurance on HELMS’ guarantee</p>



www.cas.org.uk



@CitAdviceScot



CitizensAdviceScotland

The Scottish Association of Citizens Advice Bureaux –
Citizens Advice Scotland. Scottish charity (SC016637) and
company limited by guarantee (89892)

