

Comments on draft Green Deal statutory instruments

3526 Draft Green Deal (Disclosure) Regulations

Section of Draft Regulations	Draft Regulation	Consumer Focus comment/ask	Rationale
Point of disclosure	3(a)	This should require disclosure together with marketing materials, whether provided 'instore' by an estate agent or online.	Many consumers make offers on viewing a property, particularly in areas with high demand, and will not have had the opportunity to consider the implications of Green Deal finance.
	3(a)(ii)	This should require disclosure prior to the acceptance of an offer.	Requiring the provision of the EPC 'when that person makes an offer to buy or let the property' gives sellers and landlords the option of providing the information after an offer has been given.

3527 Draft Green Deal (Form of Acknowledgment) Regulations

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	3(2), 4(2)(b), 5(2)(b), 6(2)	In each case, add "(c) have received and read a copy of the Green Deal plan [Green Deal ID]"	

3529 Draft Consumer Credit (Green Deal) Regulations

	Draft Regulation	Consumer Focus comment/ask	Rationale
	4-5	The framework for compensation could be off-putting for consumers. If such a framework is adopted, consideration should be given to how this can be made clear to consumers and the Regulations should address this.	Could be confusing to consumers who are used to repaying other long-term debts early for no fee (eg mortgages once outside an initial tie-in period). It is also unclear how consumers will respond to an unknowable financial penalty given that the early repayment fee will only be calculated at the time of repayment.
	4-5	This framework will need revising if variable interest rates are allowed under the Green Deal	
Schedule	4 (ba)	“Settling your credit agreement early” should indicate that early settlement could be subject to compensation	
		“Paying less than the agreed sum” Should note that an energy supplier has a responsibility to help the consumer with problems paying their bill and to take ability to pay into account in agreeing repayments	Consumers should be made aware of support available, which should be the same as provided in cases of energy supply debt.

3530 Draft Electricity and Gas (Energy Company Obligation) Order

Section of Draft Regulations	Draft Regulation	Consumer Focus comment/ask	Rationale
Part 1	2	This order will apply to those living in domestic premises. Will ECO be able to	Eligible consumers in all types of property and tenure arrangements should be able to benefit from the ECO as

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		<p>used in:</p> <ul style="list-style-type: none"> • mixed mode, solid walled properties, where landlords want to deliver improvements to the whole property? • properties with shared space and tenants in the affordable warmth group? 	<p>they are in need of the assistance, and contribute to it through their energy bills.</p>
Part 3	7	<p>We believe the Energy Company Obligation should be levied on the basis of energy use rather than a per household basis.</p>	<p>Policy should aim to limit the contribution of low income consumers towards the ECO through their energy bills. Consumer Focus has worked closely with other organisations to investigate changing the method by which ECO is recovered from consumers' bills. In summary, the research shows it would be more equitable if costs were recovered according to the amount of energy consumed rather than as a flat rate per household because people on higher incomes tend to use more energy than those on lower incomes. It is also more in line with the 'polluter pays' principle. The progressive impact of such a reform would be further increased if a greater element of the costs were recovered from gas consumers (as compared with electricity consumers) than is currently the case with CERT.</p>
Part 4	9 (4) and (5)	<p>We believe insulation of hard-to-treat cavities should be covered by ECO funding.</p>	<p>Given that in some cases insulation of hard-to-treat cavity walls is expected to deliver a similar payback period to insulation of solid walled homes, we are concerned that the proposed policy framework will leave this category of property outside Green Deal financing and thus uninsulated.</p>

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	9 (4) and (5)	<p>It is unclear under what circumstances a measure recommended by the Green Deal Advice Report that is not solid wall, could be a qualifying measure given that:</p> <ul style="list-style-type: none"> • Measures recommended by the GDAR will be expected meet the Golden Rule • With the exception of SWI, consumers are expected to pay for all measures that fall within the Golden Rule, unless they are in the Affordable Warmth group 	
	10 (1)	A much larger distributional safeguard (90-95%) of the carbon saving obligation should go to low income and social housing households, with provisions to deliver measures to sub-groups within this, for example off-gas, rural and private sector households.	The cost of the ECO is expected to have bigger impact on households on low incomes. Evidence suggests that without a distributional safeguard, high income households will be more likely to access the ECO carbon saving component. We consider there is a strong argument for the whole of ECO to be targeted at lower income consumers, at least in the initial stages. Social housing providers working in partnership with energy companies should aim to bring down the costs of solid wall insulation such that a lower subsidy from ECO is necessary for 'able-to-pay' households at a later date.
		Provision should be made to vary the level commitment over time, in response to the market, or between companies.	The level must be flexible as there is little understanding of how the market will respond to the brokerage model.
	13	After the installation of ECO measures, in either the affordable warmth or carbon saving component, the Energy Performance	We believe that fabric and mechanical improvements can be monitored through updates made to the EPC register in the case of Green Deal and this should extend to ECO.

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		Certificate for the relevant property should be updated (as is provided for in the case of Green Deal installations by the draft framework regulation)	This will provide important data on our housing stock.
	17 (3) (a) (iii)	Measures installed before October 2012 should also be installed by persons of appropriate skill and experience.	
	22 (1)	Add “(h) Achieve target in article 10 (reaching a specified percentage of overall carbon emissions reduction obligation by promoting carbon qualifying actions to domestic customers who are members of the affordable warmth group)”	To prioritise the delivery of measures to those most in need.
Schedule 2	1 (c)	ECO should apply to a broader range of tenancies, including assured and assured short-hold tenancies	This list of householders is not sufficiently broad. Tenants in assured and assured short-hold tenancies in private sector are among the groups likely to suffer from fuel poverty.
	1 (c)	The order should make clear whether the Affordable Warmth and Carbon Saving components of ECO apply respectively to householders in: <ul style="list-style-type: none"> • Private sector accommodation • Social housing 	