

Converting Scotland's Home Heating

Building consumer confidence in the market for low carbon technologies and energy efficiency measures

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Summary

Consumer Scotland is investigating the consumer protection frameworks in the market for energy efficiency and low carbon heating products. We aim to review whether consumers can access high quality sources of advice and information, fair and affordable incentives, competitive and clear product choices, and strong consumer protections in this vital sector. Where necessary, we will make recommendations to better deliver the protections and confidence needed for consumers in Scotland to decarbonise and improve their home energy efficiency.

The challenge for consumers in Scotland to convert their home heating

In the fight against climate change, removing emissions from home heating is an essential part of the net zero transition. The Scottish Government is proposing new laws that set bold targets for delivery, with at least 1.1 million homes requiring energy efficiency upgrades over the next decade - and around 2.4 million homes having to convert to cleaner heating systems by the end of 2045¹. This will strongly drive demand for green technologies such as heat pumps, solar panels, and insulation, creating an extensive and unprecedented market for these products in Scotland over the next twenty years.

What will we investigate, and why?

Consumer Scotland supports the transition to clean heating as we recognise the major benefits that flow from decarbonised, energy-efficient homes. While many early adopters of low carbon and energy efficiency technology have had positive experiences, there are reports that the sector doesn't always enjoy optimal consumer confidence, with evidence of low consumer awareness, misleading claims, rogue traders, and scams – all set against a backdrop of unfamiliar products and a large number of standards bodies, trade associations, logos, and public support schemes².

To effectively deliver on the scale required, it is vital that consumers are supported at every stage of the process. Strong consumer demand will be key for widespread adoption, and that requires consumer confidence and incentives to participate.

¹ Scottish Government (2023) <u>Heat in Buildings Bill consultation</u>

² See reports from the CMA, CTSI, Audit Scotland, Trading Standards Scotland, and CAS

Our investigation will review the existing and proposed market frameworks and make recommendations that will protect consumer interests in Scotland's journey towards cleaner, more efficient home heating.

Call for information

As part of our review, we are keen to engage with people and organisations with the same functions as, or similar functions to, Consumer Scotland.

We are also keen to hear the views of stakeholders from across the sector and beyond – whether as consumer advice, advocacy, and enforcement bodies; standards bodies; trade associations; renewables industry representatives – or any other person or body that can assist with our evidence and recommendations in this market. In particular, we are keen to hear from those with evidence of –

- the quality of, and access to, suitable incentives and the information, advice, and choices for consumers to engage in this market,
- the levels of protection from unfair trading, misleading claims, and scams and the adequacy of existing standards and quality assurance,
- the routes to, and adequacy of, remedies and redress when things go wrong.

This call for Information will remain open until 30 September 2024.

To hear more, provide your views, or arrange a call, please get in touch with us via email. heatinginvestigation@consumer.scot

Consumer advice/Complaints

Consumer Scotland does not provide individual consumer advice or investigate consumer complaints. For free, independent and impartial advice about the market for low carbon heating or energy efficiency products in Scotland:

- Domestic consumers can contact Home Energy Scotland or call 0808 808 2282.
- Small business consumers can contact <u>Business Energy Scotland</u> or call 0808 808 2268.

To make a complaint about a trader, domestic and small business consumers should contact <u>Advice Direct Scotland</u> or call 0808 164 6000.

Notes:

About Consumer Scotland

- Consumer Scotland is the statutory and independent body for consumers in Scotland.
- We were established by the Scottish Parliament through the Consumer Scotland Act 2020 (the Act) to provide consumer advocacy and advice with a view to –
 - o Reduce harm to consumers in Scotland.
 - Increase confidence among consumers in Scotland in dealing with businesses that supply goods and services to consumers,
 - increase the extent to which consumer matters are considered by public authorities in Scotland,
 - o promote—

- sustainable consumption of natural resources, and
- other environmentally sustainable practices in relation to the acquisition, use and disposal of goods by consumers in Scotland.

About our Investigations

- Under Section 4(2) of the Act, Consumer Scotland can undertake investigations by into sectors or practices which it considers cause, or may cause, harm to consumers, or otherwise for the purpose of fulfilling our general function.
- Under Section 9 of the Act, Consumer Scotland has the power to require persons and certain organisations to provide us with information (by notice) where it is required for the purpose of exercising our functions.
- Under Section 15 of the Act, Consumer Scotland must publish a report on the findings and recommendations of any investigation and send a copy of this report to Scottish Ministers.