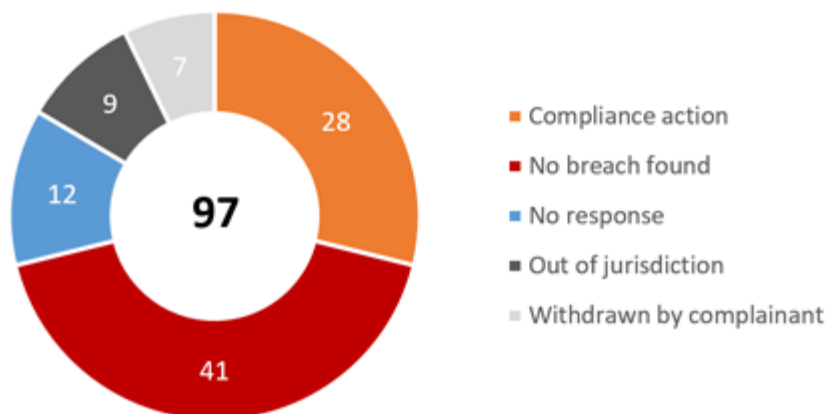


APPROVED SOLAR RETAILER QUARTERLY COMPLIANCE REPORT MAY-JUL 2021

Welcome to the Clean Energy Council's quarterly compliance report, providing information about compliance activities in the Approved Solar Retailer program.

Please refer to the [compliance activity page](#) on our website for the latest information on what compliance activity has taken place in the previous quarter, including information on suspensions and cancellations.

Complaints closed

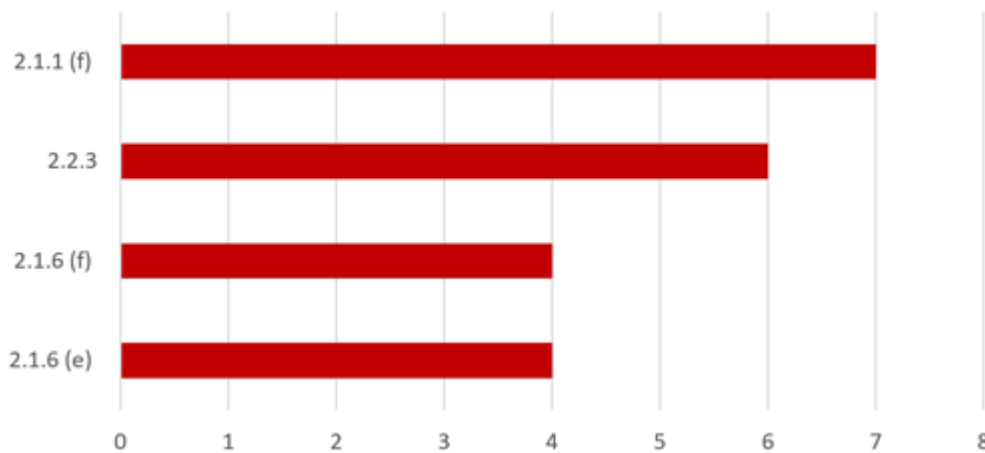


Note:

- No response refers to the complainant not responding to our queries.
- Out of jurisdiction occurs when the incident took place prior to the retailer becoming a Signatory.

The Code Administrator closed 97 complaint cases this quarter. Of these complaints, 28 resulted in compliance action against an Approved Solar Retailer.

Most common breaches



- 2.1.1 (f) – Advertisements and promotions that have been found to be misleading and deceptive in conduct.
- 2.2.3 – Failing to have a variation to the system design documented and signed off prior to installation.
- 2.1.6 (f) – Failing to provide a compliant site-specific system design to the consumer at the point of contract.
- 2.1.6 (e) – Failing to provide the full specifications of a system including the model number, manufacture, quantity and power rating of the solar modules and inverter at the point of contract

Note: The 2020 edition of the Code has been referenced. In some cases, the 2015 edition was applied as the contract took place prior to the 2020 edition being authorised by the ACCC.

Avoiding most common breaches

Misleading and deceptive conduct – Advertisements & Promotions – 2.1.1 (f)

The Compliance action has been taken against multiple retailers this quarter for misleading and deceptive conduct in relation to advertisements and promotions. It is important to note that this clause applies to all advertisements, promotions, quotations and statements. There are multiple ways that retailers have breached this clause:

- misleading content on social media
- misleading content on websites
- statements from sales staff directly to the consumer
- mail outs
- quotations

A consumer considers the information in an advertisement or promotion prior to making a purchase decision. All offers must be clearly explained and given context with relevant disclaimers. The most common offence we find is retailers making statements that are known to be untrue or incorrect, or failing to provide disclaimers relating to a claim/offer.

Please refer to the following examples of real statements made by Approved Solar Retailers to consumers either via advertisements or other correspondence (emails, text messages etc). A description of why the Code Administrator considers the statements non-compliant is also provided.

- **‘Save \$100 every month...Forever!’**
 - A consumer’s estimated savings will vary depending on energy use (time and quantity) and feed-in tariff. A retailer cannot claim that a consumer will save \$100 every month without considering these factors. The timeframe of ‘forever’ is also not accurate because a solar system does not have an infinite lifespan.
- **‘Get a huge 9.9 kW for the price of a coffee!’**
 - A reasonable consumer would infer from this statement that they could receive a system for the price of a coffee. The offer made by the retailer in this instance was for a finance agreement in which a consumer would pay off the system in weekly installments. This was not explained in the advertisement with disclaimers.
- **‘We are one of only 80 Clean Energy Council accredited retailers and installers’**
 - This was a private message sent by a sales agent to a consumer in writing at the point of sale. This statement is false as there were approximately 1000 Approved Solar Retailers when the statement was made.
- **‘Get an interest free loan up to \$15,000. Don’t blink or you’ll miss out’**
 - This advertisement was in relation to a government loan that had not launched. The retailer was also ineligible for this government loan at the time the advertisement was published. The statement ‘don’t blink or you’ll miss out’ indicated to consumers that the loan was currently available should they contact the retailer. Consumers were guided to input their personal details into a website. Due to the retailer not being able to offer the loan, and due to the government loan not yet being available, the statement on the advertisement was found to be untrue. There were no disclaimers stating that the loan was not live or that the retailer was not yet eligible for the loan.

Prior to publishing advertisements or promotions, ask yourself what a reasonable consumer would infer from the statements made. Consumers are not necessarily educated or familiar with the solar industry and they need to be given the context of all items relating to an offer.

The Code Administrator has found multiple Approved Solar Retailers blaming third-party marketing consultants for their non-compliant advertisements. We remind you that signatories will be held responsible for the actions of their employees, contractors, agents and any other individuals or businesses acting on the signatory’s behalf under clause 2.4.25 of the Code. We would expect at a minimum that you would review a draft from a marketing consultant prior to the advertisement being published.

Case study

Clause 2.2.3 – Failure to inform a consumer of a zero-export limit

The Code Administrator received a complaint from a consumer stating that they had only been informed of a zero-export limit after installation. The consumer claimed that the potential savings detailed on the contract were not being realised.

Following receipt of the complaint, the Code Administrator contacted the retailer to get their side of the story. The Code Administrator asked for the following items:

1. copy of the contract and site-specific system design
2. grid connection pre-approval
3. correspondence that showed the zero-export limit was communicated to the consumer.

The Retailer responded with these items as follows.

1. The site-specific system design/contract detailed estimated savings for the consumer, including average bills before and after solar. The design/contract also included a 20-year financial summary that gave return of investment and a payback period. This design was based on no export limit. Section 2.4.11 of the Code, Signatories must undertake to inform the Code Administrator of any breaches to the Code made by other Signatory companies.
- 2.

ASSUMED VALUES

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DC Array Power Tilt Azimuth

4.95kW 23° 97°
 1.65kW 23° 279°

System efficiency³
 87%

AC system size
 5 kW

Export limit
 No export limit

1. The grid connection pre-approval was provided to the retailer in September 2020. Installation took place two months after this in late November 2020. The grid connection pre-approval showed that the system was approved for grid connection at a zero-export limit.
- 2.

New	Capacity (kVA)	Export (kVA)
Phase A	0.00	0.00
Phase B	0.00	0.00
Phase C	5.00	0.00
Existing	0.00	0.00
Total	5.00	0.00

1. The only correspondence the retailer could provide was an email to the consumer from March 2021, four months after installation. This email stated that the retailer needed to install an export device at the property to complete the system. The

retailer claimed the zero-export was discussed prior to installation. The consumer denied this.

Clause 2.2.3 of the Code states that any variation to the system design must be documented and signed off prior to installation. The initial design provided with the contract gave financial forecasts and estimated savings based on no export limit. The Code Administrator found that a significant variation to the system design occurred (no export limit to zero-export limit) but was not documented and signed off prior to installation.

The Code Administrator requested evidence that the variation was documented and signed off prior to installation. The retailer was unable to provide this evidence. As a result, the Code Administrator alleged that the retailer had breached section 2.2.3 of the Code for not having a significant variation to the system design documented and signed off prior to installation.

The retailer was provided 21 days to respond to the alleged breaches. The retailer did not dispute that they had breached section 2.2.3 of the Code by failing to have the zero-export limit documented and signed off prior to installation.

The retailer implemented new business procedures as a result of this case. This included:

- All new proposals assume an export limit of 0 kW. Proposals are updated after the point of contract if grid connection is approved with an export limit higher than 0 kW.
- New training implemented for staff to ensure they send a new proposal after the grid connection approval is received from the electrical distributor.

It is important to note the following learnings from this case:

- A consumer considers all information on a proposal or contract prior to confirming acceptance. If you sell a system based on a zero-export limit, the consumer expects to receive this.
- If your contract with the consumer states that the system will yield savings based on an export amount and the energy supplier will only approve grid connection on a zero-export, then a variation to the system design has occurred.
- It is acceptable to sell a system assuming no export limit, but if you receive confirmation prior to installation that you need to install an export limitation device, this needs to be clearly communicated to the consumer by having the variation documented and signed off.
- Verbal consent is not compliant with clause 2.2.3 of the Code. Any variation to the system design must be documented and signed off by the consumer prior to installation. The Code Administrator cannot verify verbal agreements.
- If the contract does not detail financial savings, you still need to inform the consumer that they may not receive a feed-in tariff. Clause 2.1.8 of the Code states that you must endeavour to draw to the attention of the consumer specific requirements that if not brought to their attention are likely to result in dispute. Most consumers expect their system to export energy and request to be compensated if it does not. Failure to inform the consumer that their system will not export energy is likely to result in a dispute

Cancellations

Signatories that have their status as an Approved Solar Retailer cancelled have displayed serious, wilful, systemic or repetitive non-compliant behaviour which is detrimental to consumers. Any signatory that has their approved status cancelled is unable to re-apply for six months from the date of cancellation.

Signatory name	Cancellation date
iGreen Energy	26/7/2021

Suspensions

Signatories that are suspended are not permitted to promote themselves as Approved Solar Retailers, use the Code brand mark or utilise any of the benefits of being approved until remedial action imposed by the Code Administrator has been satisfactorily completed

Signatory name	Start date	End date
Solarwyse	17/5/2021	17/6/2021

Solarwyse

Solarwyse provided false and misleading information to a consumer at the point of sale in relation to the consumer's energy bills. Additionally, Solarwyse applied pressure to a consumer to agree to make a hasty or uninformed purchase decision. Solarwyse also failed to provide the system specifications, STC value, GST value or performance estimate to the consumer at the point of contract.

The mandatory audit steps required of Solarwyse were completed and the suspension was lifted on 17 June 2021.

Complaints received

The Code Administrator received 87 complaints this quarter (May – July 2021). This is a decrease from 123 total complaints for the February – April quarter.



Appeals

There were no appeals of the Code Administrator's decisions this quarter.

Feedback

We value your input as an Approved Solar Retailer and welcome any suggested topics or issues that you would like to have covered in these reports.

Under Section 2.4.11 of the Code, signatories must undertake to inform the Code Administrator of any breaches to the Code made by other signatory companies.

Please submit any suspected breaches of the Code via our [online complaint form](#).

Please contact compliance@cleanenergycouncil.org.au if you would like further information or wish to discuss this report.

