

CONSULTATION RESPONSE

Requirements for Appropriate Financial Protection



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1. Introduction

1.1. OVERVIEW

Our four-week consultation, published on 25 April 2025 and closed on 19 May 2025, invited feedback from Financial Protection Product providers, installers, and consumer groups on proposed changes to MCS requirements for consumer financial protection.

We received over 30 detailed responses, including from the Competition and Markets Authority (CMA)¹ and the Department for Energy Security and Net Zero (DESNZ).

The consultation has successfully delivered a range of feedback that will help us set a clear requirement for appropriate financial protection. However, there are a few areas that require further clarification before we can publish the requirements. Those aspects of our requirements that require further development are explained in section 2.3.

1.2. CONTEXT

By setting the requirements for financial protection associated with the installation of small-scale renewable technologies, we wish to ensure that consumers can access them to resolve issues with their installation if their original Installer is no longer trading or refuses to remedy an issue within a reasonable timescale.

MCS research² has established that the presence of effective financial protection is a key driver of consumer confidence, encouraging consumers to invest in small-scale renewable technologies for their homes, and, if structured correctly, as a likely platform for renewable lending at scale.

Our consultation proposed that the structure of the Financial Protection Product may take several forms, including but not limited to, use of protected funds, insurance captives, or backed by an insurer. In all cases, protection products will need to ensure that sufficient funds are secured to address potential claims and allow consumers access to the

¹CMA published response to the consultation - <https://www.gov.uk/government/publications/cma-response-to-the-microgeneration-certification-schemes-consultation-on-proposed-changes-to-its-requirements-for-financial-protection>

²MCS Consumer protection in small-scale renewables: research report and findings - <https://mcscertified.com/consumer-protection/>

Proposed Requirements for Appropriate Financial Protection - response to consultation protection if the provider of the Financial Protection Product is no longer available. This remains under consideration pending expert regulatory and legal advice. Any such approval of a Financial Protection Product should not be confused with Financial Conduct Authority (FCA) regulated financial advice, or as an FCA-authorised financial firm or individual operating within the UK's financial services industry.

In addition to our work to define appropriate financial protection, we are also an active member of the National Home Improvement Council³ (NHIC) Financial Protection Working Group. As far as possible, we have committed to aligning our requirements for financial protection to those of the NHIC, accepting there are differences between individual sectors and the various retrofit measures that can be adopted by consumers for their homes.

The NHIC Working Group has conducted an in-depth review of consumer financial protection mechanisms within the UK home improvement sector and in July 2025 published its "Protect What Matters" report on financial protection in home improvement. This report presents clear evidence that current protections are inconsistent, inadequately enforced, and poorly understood by consumers – placing households at risk, particularly when installers cease trading or work is substandard.

1.3. SCOPE

It is our assertion that the operation of a redeveloped MCS⁴ will deliver a system of effective consumer protection. The provision of an appropriate Financial Protection Product is one important element of effective consumer protection, to be included as part of a suite of pre and post installation protection measures, as offered through the redeveloped MCS.

Financial protection is useful in support of consumers who are unable to secure redress via their original installer. This is only true if the Financial Protection Product is designed to provide the support that consumers can reasonably expect from a guarantee or warranty in support of their purchase.

As part of our redeveloped Scheme, our Installer Operating Requirements state that an Installer must provide an approved MCS Financial Protection Product to their customer. Approved Financial Protection Products will be those in compliance with 'MCS Requirements for Appropriate Financial Protection', being the subject of the consultation, we are responding to here.

These requirements are intended for reference by Financial Protection Product providers who wish to secure MCS approval for their products, and as such, offer financial protection to the UK's small-scale renewable technology sector via MCS certified installers. Once approved, Financial Protection Products are to be listed on the MCS website for selection

³ NHIC "Protect What Matters" report on financial protection in home improvement

⁴ MCS is changing - <https://mcs-certified.com/redeveloped-installer-scheme/>

In summary, the requirements for appropriate financial protection presented for consultation were as follows:

- Extend the definition of “cease to trade” beyond legal insolvency to include bankruptcy, receivership, retirement, striking off, sale of assets, etc. and clear evidence that a business is no longer trading and is therefore unresponsive to its customers.
- Afford protection if an installer refuses or fails to deliver the remediation necessary to resolve an installation issue, including as determined as an outcome of the MCS complaints management process and/or where applicable, Certification Body complaint management or subsequent Alternative Dispute Resolution (ADR).
- Incorporate failures in design.
- Extend the period of cover for an installation to 6 years compared to the current 2 year minimum mandated today under Insurance Backed Guarantees (IBGs).
- Offer protection that a consumer can rely on that is independent of any other financial protections that a consumer may or may not have access to.

2. Summary of responses received

2.1 WHO RESPONDED TO THE CONSULTATION

Our consultation received over 30 completed response forms, with Installers (45%) representing the largest category of respondents, followed by Financial Protection Product providers (23%) and Consumer Protection Organisations (19%), including Chartered Trading Standards Institute (CTSI) approved Consumer Codes. In addition, the consultation attracted correspondence from a range of organisations offering feedback and suggestions in relation to specific aspects of financial protection.

Proposed Requirements for Appropriate Financial Protection - response to consultation

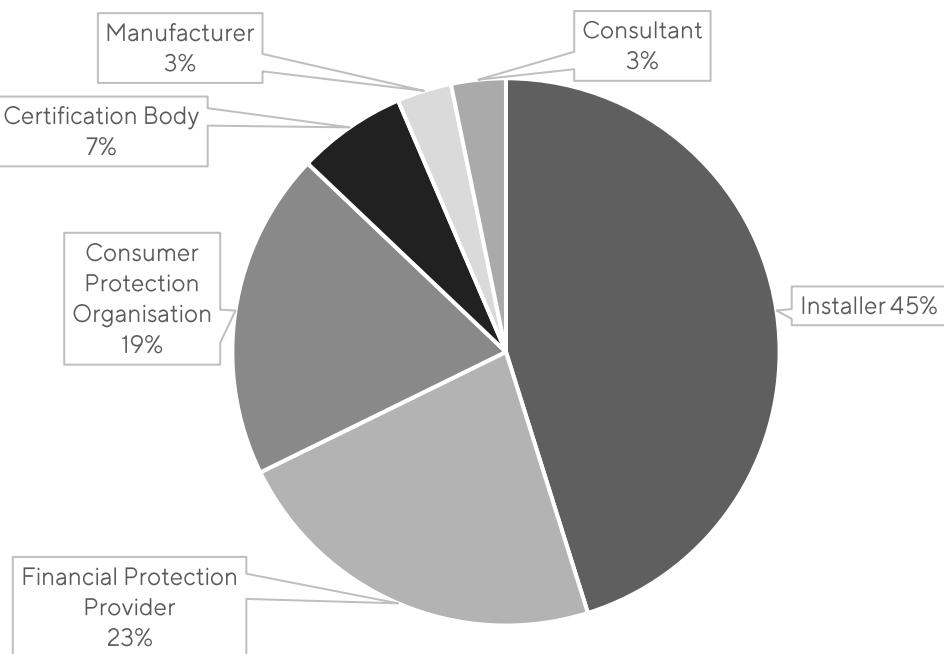


Figure 1 – Consultation respondents by category

2.2 SUMMARY OF FEEDBACK RECEIVED

Respondents welcomed our intention to strengthen financial protection in the sector, as offered to consumers by MCS certified Installers.

The majority of our proposals for “appropriate financial protection” were supported. However, we recognise that some Installers question the need for Financial Protection Products in addition to their standard business insurance policies. In responding to the consultation, we need to balance this feedback with that of consumer protection bodies and government departments, who advocate strongly for mandatory and more effective consumer financial protection, especially as the sector continues to mature, with many new entrants and evolving consumer propositions.

We note that requirements for Professional Indemnity (PI), Public Liability (PL), and Employers’ Liability (EL) insurance are designed primarily to protect the Installer. In most cases, the Installer is the direct beneficiary of any claim or payout under these policies, unless in the case of PI “run-off cover” having been purchased, which is relevant to the planned closure of a business, for example, due to an owner’s imminent retirement, but not in support of consumers for when a business fails.

In summary, the responses received to the consultation questions were as follows:

- Extending the financial protection offered to consumers beyond that afforded by existing IBGs was supported, including offering consumers cover if an installer were to refuse to remedy a consumer's installation issue, as determined at the conclusion of a complaint and dispute management process.
- Extending protection to a new 6 year minimum, aligned with a consumer's legal rights, and to failings of design as well as workmanship, and not to restricting claims based on other forms of financial protection, also received support.
- However, the consultation highlighted that there is a challenge with the definition of what constitutes a failure of design, and so we now plan to hold further discussions with Financial Protection Product providers to determine what can and can't be protected in this regard.
- The proposal to limit cover for remediation in line with the original contract and to not less than £20,000 was not supported. As a result, and in recognition that claims can include directly attributable damage to the building in addition to the remediation of the installed system, rather than a £20,000 minimum we will set a requirement for financial protection to be offered to a maximum of £20,000 being commensurate with the average cost and scale of most MCS installations and the potential for property damage.
- The majority of responders agreed with a proposal to extend the form of financial protection beyond insurance. With expert legal and regulatory advice, we will consider the various forms of financial protection that we may be asked to approve against our requirements for appropriate financial protection to determine their viability and the safeguards necessary to ensure adequate consumer financial protection.
- We received support for plans to implement an application and assessment process for the approval of Financial Protection Products in line with our new requirements. In addition, the majority of responders also supported our plans to assess the delivery of Financial Protection Products once approved in terms of the financial protection that they provide.
- The proposal to implement the new "requirements for appropriate financial protection" ahead of the rollout of our redeveloped Scheme was not supported. As a result of the consultation, we will now align the publication of our new requirements for financial protection to the availability of our redeveloped Scheme to Installers and therefore to consumers.

2.3 AREAS REQUIRING FURTHER CLARITY

In response to the consultation feedback, we intend to publish an updated version of the “Requirements for Appropriate Financial Protection” document.

However, based on the detailed feedback we have received, we still need to clarify some of the proposed requirements before a final version of the document can be published and Financial Protection Product providers can then be invited to present their products for approval against MCS requirements. We will work to ensure that new Financial Protection Products, aligned to our requirements, are available once or soon after Installers are able to join the redeveloped MCS⁵.

The following list of next steps have been taken from our analysis of consultation responses as provided in Section 3 that follows. These steps will help us finalise the requirements and determine how these can be delivered as part of a redeveloped MCS:

- a. *In communicating the benefits to a consumer of choosing an MCS certified installer for their installation, MCS will develop the narrative that Installers can use when sharing with their customers that MCS includes financial protection.*
- b. *MCS will determine what constitutes a reasonable amount of time for an installer to resolve a consumer’s installation issue following the conclusion of their complaint and, if appropriate, ADR ruling.*
- c. *MCS will work with Financial Protection Product providers to determine a definition of what constitutes excessive wear and tear due to poor installation in approved Financial Protection Products.*
- d. *MCS will consider how, together with Financial Protection Product providers and Installers, consumers can be informed of the need to keep up with the prescribed maintenance schedule for their installation, both to maintain the installation’s performance and its associated financial protection.*
- e. *MCS will require Financial Protection Products to provide cover capped at a maximum of £20,000, with cover to be extended to both the remediation of the installed system and any directly attributable damage to a consumer’s property.*
- f. *MCS’s goal is to ensure that Financial Protection Product providers do not reject claims based on how an installation was funded either in part or in total, and so our requirements will specify that a consumer’s claim is handled regardless of how the installation was paid for.*
- g. *MCS will seek the views of Financial Protection Product providers to determine what*

⁵ MCS is changing - <https://mcs-certified.com/redeveloped-installer-scheme/>

failures of design can be covered.

- h. *With expert legal and regulatory advice, we will consider the various forms of financial protection that we may be asked to approve against our requirements for appropriate financial protection, to determine their viability and the safeguards necessary to ensure adequate consumer financial protection.*
- i. *MCS will consider the independence and expert nature of the process for the approval of Financial Protection Products, and the hearing of appeals from providers whose products are rejected.*
- j. *MCS commits to reporting on the success of the entirety of Financial Protection Product provision afforded to consumers via MCS, anonymising individual Installer and Consumer cases, and not highlight publicly the performance of individual Financial Protection Products.*
- k. *MCS will address the request made by Financial Protection Product providers to have access to MCS data to verify the presence of a certified installation.*

3. Analysis of consultation responses

This section looks in detail at the responses received to the consultation and how these have been considered in determining the MCS requirements for appropriate financial protection.

3.1 SCOPE OF FINANCIAL PROTECTION

Q1a. Fund remediation if the original installer has ceased to trade or fails to deliver the remediation prescribed through the MCS complaints process and Alternative Dispute Resolution (ADR)

**SUPPORTED
78%**

Several Installer respondents rejected the need for consumer financial protection, stating that the associated Financial Protection Products represent a cost and an administrative burden placed on the sector that is not required in the fossil fuel sector, and therefore the purchase of a Financial Protection Product should be a matter of consumer choice and not a mandatory scheme requirement.

Various consumer protection bodies, DESNZ and the CMA have encouraged a strengthening of the protection offered by these products. We have also been critical of some current IBG products. These organisations advocate for retaining the provision of financial protection as a mandatory MCS requirement.

Proposed Requirements for Appropriate Financial Protection - response to consultation

We have concluded that the provision of more effective financial protection will support increased consumer confidence in the sector. To achieve this level of protection and at a cost that is not prohibitive, we will work with the Financial Protection Product providers in the sector to better explain the benefits of financial protection as part of an MCS installer's consumer proposition, and ultimately as a protection valued by consumers of small-scale renewable technologies.

Most respondents to the consultation supported the proposed extension to existing IBG cover, beyond the current definition of "cease to trade", to include financial support if an Installer refuses to comply with the remediation determined as necessary through the MCS complaints process and/or ADR, and if appropriate, as prescribed by an Installer's chosen Certification Body's compliance assessment.

Some respondents asked that we explore the difference between an Installer's "inability versus unwillingness" to deliver the remediation necessary to comply with a complaint outcome or ADR ruling, including what would constitute a reasonable amount of time following a ruling for the remedy of a consumer's installation related issue; this also being a consideration when engaging an alternative Installer if the original Installer is no longer trading.

In relation to ADR, we understand that a consumer's dispute may not always be processed through the MCS complaints process, and if necessary, on to dispute resolution via the MCS ADR partner. In operating the new financial protection within the broader MCS consumer protections, the rulings of other relevant approved ADR providers⁶ will be accepted by MCS and will therefore need to be accepted by Financial Protection Product providers in relation to processing consumer claims.

Central to this is the requirement that Installers remain compliant with the MCS Scheme. We will have greater oversight of our redeveloped Scheme, delivering a range of Scheme checks, on site assessments and outreach to determine consumer satisfaction. MCS will be monitoring an Installer's compliance to the Customer Commitment. Financial Protection Product providers have sought reassurance from us that we will act to suspend and/or withdraw an Installer, including if they were to refuse to remedy a consumer's issue following ADR. In this scenario, where there is an open issue with a consumer's installation that needs remediation and depending upon the severity of the issue, we will move to suspend an Installer from the Scheme until the problem is resolved. By acting in this way, we wish to reduce the risk to consumers of an Installer continuing to deliver poor installations which may in turn attract further Financial Protection Product claims.

We will always require an Installer's resolution of a consumer's issue. With respect to the operation of our scheme, we will also consider scenarios in which the withdrawal or suspension of the Installer Agreement is likely to trigger an Installer to cease trading. To date, it has been the practice of Certification Bodies to maintain an Installer's certification but restrict their

⁶ CTSI approved ADR providers: <https://www.tradingstandards.uk/consumer-help/adr-approved-bodies/>

Proposed Requirements for Appropriate Financial Protection - response to consultation certified activities, until a satisfactory resolution of a consumer issue is secured. In this scenario, the immediate removal of certification may lead to an Installer's business collapse, which can then lead to further consumer detriment.

In all cases, the operation of MCS consumer protections, including financial protection, must complement and not contradict or replace the rights afforded to Consumers under the Consumer Rights Act.

- a. In communicating the benefits to a consumer of choosing an MCS certified installer for their installation, MCS will develop the narrative that Installers can use when sharing with their customers that MCS includes financial protection.
- b. MCS will determine what constitutes a reasonable amount of time for an installer to resolve a consumer's installation issue following the conclusion of their complaint and if appropriate, ADR ruling.

Q1b. Fund the remediation of physical faults or defects caused through failings in installation Workmanship and/or Design, excluding wear and tear.

**SUPPORTED
78%**

Most respondents agreed that financial protection for physical faults or defects caused through failings in installation Workmanship should be extended to issues with Design; being an extension to the cover offered by current IBGs, which are typically restricted to issues of "workmanship".

Respondents referred to the challenge of defining failings that are due to issues of Design. This specific topic is addressed later in this analysis, in relation to consultation Question 2.

We were asked to consider whether financial protection should be afforded to replacement products that, due to their poor installation, resulted in excessive wear and tear ahead of the expected lifespan for that product. For example, a heat pump installed off level, may accelerate the wear and tear of the heat pump's components.

- c. MCS will work with Financial Protection Product providers to determine a definition of what constitutes excessive wear and tear due to poor installation in approved Financial Protection Products.

We were also asked to consider the specific scenario in which an MCS certified installer (MIS 3005-I) had outsourced the design for an installation to an MCS certified designer (MIS 3005-D). In this scenario, and reflecting one of the fundamental requirements of MCS, it is the MCS certified entity which holds the contract with the end customer that must take full responsibility for the installation and purchase an approved Financial Protection Product.

Q1c. Provide cover for a minimum of 6 years from completion of the installation	SUPPORTED
	64%

The majority of respondents supported a minimum of 6 years' protection, aligned to the obligations placed on installers under the Consumer Rights Act. However, some Installers raised concern with being held liable for this length of time, although this is the case in so far as the Consumer Rights Act is concerned.

It is our experience that installation issues that need redress typically manifest in the first 12 months or so following completion of an installation. We will therefore work with Financial Protection Product providers to ensure that this is understood, and that the offer of 6-year cover does not necessarily increase the risk and therefore the cost of a Financial Protection Product, but would allow for the remediation of a small number of issues as a percentage of all issues which manifest outside of the first year following installation.

Consultation responses from Financial Protection Product providers raised the issue of providing protection to installed systems that, due to a lack of maintenance, then fail. We believe this is an issue of consumer understanding of their obligations necessary to both maintain the performance of their installed system and to maintain the associated financial protection.

- d. MCS will consider how, together with Financial Protection Product providers and Installers, consumers can be informed of the need to keep up with the prescribed maintenance schedule for their installation, both to maintain the installation's performance and its associated financial protection.

Q1d. Only reasonably limit the cost of remediation in line with the original contract and to not less than £20,000.	NOT SUPPORTED
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The proposal to limit financial protection in line with the original contract value, and to not less than £20,000, was not supported.

Several respondents suggested that limiting cover to the original cost of the installation (contract value) would unfairly restrict claims for directly attributable damage to a consumer's property and does not allow for the effects of inflation during the 6 years minimum cover.

As a result, and in recognition that claims can include directly attributable damage to the building in addition to the remediation of the installed system, we will require financial protection that is not limited to the original contract value but considers the support consumers sometimes need to resolve wider damage that can occur to their property.

However, we also acknowledge that for financial protection to be affordable it can't be open ended and as such, rather than a £20,000 minimum, we will set a requirement for a maximum of £20,000. We will encourage Financial Protection Product providers to set their maximums

Proposed Requirements for Appropriate Financial Protection - response to consultation as high as necessary, commensurate with the average cost of installing each technology, for example installation costs are higher for Ground Source Heat Pump based systems than Air Source Heat Pump based systems.

e. MCS will require Financial Protection Products to provide cover capped at a maximum of £20,000, with cover to be extended to both the remediation of the installed system and any directly attributable damage to a consumer's property.

Q1e. Not restrict claims on the basis of how the installation was financed, including a consumer's ability to claim under the Consumer Credit Act (Sections 56 and 75).	SUPPORTED 80%
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The proposal to remove any restriction on the consumer's ability to claim on their MCS approved Financial Protection Product received strong support from consultation respondents.

However, concerns were raised by Financial Protection Product providers in relation to Section 56 of the Consumer Credit Act, which refers to mis-selling, which could, for example, trigger claims based on a salesperson over-promising the performance of an installation.

f. *MCS's goal is to ensure that Financial Protection Product providers do not reject claims based on how an installation was funded either in part or in total, and so our requirements will specify that a consumer's claim is handled regardless of how the installation was paid for.*

3.2 DEFINITION FOR DESIGN FAILURE

Q2. Definition of Design is the “design performance of an MCS installation, in line with MCS design requirements, as promised to the consumer via the Installer’s contract for the installation”	SUPPORTED 63%
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We understand that current IBG products exclude issues arising from failures in Design, but poor design is a common reason for poor system performance.

Although the majority of respondents were in support of including financial protection for issues arising from “failures in design”, consultation responses did not determine a clear definition of what design failures should be covered by a financial protection.

g. *MCS will seek the views of Financial Protection Product providers to determine what failures of design can be covered.*

In this way we expect to overcome the challenge of arriving at a single definition of what

Proposed Requirements for Appropriate Financial Protection - response to consultation constitutes a failure in design and instead determine an agreed list of design failure-based scenarios that Financial Protection Products are required to cover.

3.3 EXTENDING THE FORM A FINANCIAL PROTECTION CAN TAKE

Q3. MCS intends to extend the definition of what constitutes an appropriate Financial Protection Product, for example, to include appropriately protected captive funds, opening up the market beyond the current requirement for an insurance product.	SUPPORTED 64%
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Financial Protection Product providers advocate strongly for insurance products, which are required to operate in compliance with Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) guidelines.

However, a majority of respondents support an extension to the nature of financial protection, and that approval of non-insurance-based products should only be forthcoming on the basis of robust independent evidence of capital adequacy and its associated protection to ensure cover for potential claims.

We will seek further legal and regulatory advice to better understand if and how alternative financial protection can be approved as “appropriate financial protection”, forming part of the consumer protection to be offered through our redeveloped Scheme.

- h. With expert legal and regulatory advice, we will consider the various forms of financial protection that we may be asked to approve against our requirements for appropriate financial protection, to determine their viability and the safeguards necessary to ensure adequate consumer financial protection.*

3.4 ASSESSMENT OF FINANCIAL PROTECTION PRODUCTS

Q4. MCS is proposing to satisfy itself as to whether the credentials (structure and governance) of a Financial Protection Product meets the new requirements	SUPPORTED
	72%

The proposal that we should satisfy ourselves as to the credentials of a Financial Protection Product, with the support of independent expertise, was strongly supported.

However, concerns were raised as to how a Financial Protection Product provider might appeal a decision to reject their financial product.

We have sought legal advice to help determine a robust and transparent process for the assessment of Financial Protection Products in line with our requirements.

- i. *MCS will consider the independence and expert nature of the process for the approval of Financial Protection Products, and the hearing of appeals from providers whose products are rejected.*

3.5 ASSESSING THE EFFECTIVENESS OF FINANCIAL PROTECTION PRODUCTS

Q5. MCS wishes to gain access to each financial protection provider's sales and related claims data (successful, in progress and rejected) to determine the delivery of the protection to consumers, and that collectively across all providers, this information is to be summarised in an annual report.	SUPPORTED
	80%

We welcome overwhelming support for this proposal, including from a majority of Financial Protection Product providers.

Based on the feedback provided, we note that access to this level of information is commercially sensitive to the Financial Protection Product provider and so we understand that this needs to be managed confidentially.

- j. *MCS commits to reporting on the success of the entirety of Financial Protection Product provision afforded to consumers via MCS, anonymising individual Installer and Consumer cases, and not highlight publicly the performance of individual Financial Protection Products.*

3.6 IMPLEMENTATION TIMESCALE

Q6. MCS intends to implement the new Financial Protection Product requirements as soon as possible, irrespective of the deployment of its redeveloped scheme.	NOT SUPPORTED
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The majority of respondents did not support the proposal for us to proceed with the implementation of new requirements for appropriate financial protection ahead of our wider Scheme redevelopment⁷.

Having reflected on this consultation feedback, we agree that the reform of financial protection should be aligned with the wider redevelopment of MCS. Our redeveloped Scheme targets improvements in the Scheme's quality assurance and consumer protections, which are expected to ensure that poor Installers are sanctioned sooner than is the case today, therefore reducing consumer detriment overall.

As a consequence of consultation feedback, MCS will not proceed with the implementation of our new requirements for appropriate financial protection ahead of our redeveloped Scheme being available to Installers and their customers.

3.7 OTHER CONSIDERATIONS

Q7. What else should MCS consider as it moves to implement new requirements for financial protection.

Respondents asked that we consider the following, represented as a summary of all comments received, when determining how best to implement our new requirements for appropriate financial protection:

Consumer choice – referring to whether the purchase of a Financial Protection Product should be a mandatory requirement for installers or be left up to consumers to choose their level of cover. As referred to previously, mandatory financial protection will remain an MCS requirement in support of a still novel, albeit growing sector.

Cost – is a concern for some Installers and we will be monitoring how Financial Protection Product providers price their products in line with our requirements. We will monitor this closely, in line with a concern raised as to their being a “closed shop” of providers and therefore limited competition. We do not believe that this will be the case and through access we require to claims data to maintain a Financial Protection Product’s approval, we will for the first time have a better sense of Financial Protection Product value for money.

MCS bureaucracy – concerns were raised by some Installers that the requirement to purchase a Financial Protection Product on behalf of their customers further adds to the administrative burden associated with MCS, when one of the stated aims for the redevelopment of MCS is to reduce the current focus on “back office systems and paperwork”. We will ensure that the purchase of approved Financial Protection Products is as straightforward as possible and involves no additional administration than that in other

⁷ MCS is changing - <https://mcscertified.com/redeveloped-installer-scheme/>

Data sharing – Financial Protection Product providers have requested access to MCS data to verify the presence of financial protection product for each certified installation. Depending upon the process for recording the purchase of a Financial Protection Product, and with likely future closer digital integration between MCS and Financial Protection Product providers, we will consider how best to address this request.

- k. *MCS will address the request made by Financial Protection Product providers to have access to MCS data to verify the presence of a financial protection product for each certified installation.*

Extending cover – Respondents asked if the new requirements could extend to providing cover for those consumers, who in choosing an MCS certified installer and therefore having a reasonable expectation that they would receive an MCS certificate and an approved Financial Protection Product for their installation, did not do so for whatever reason. Although rare, we are aware of instances where this has been the case. However, it is hard to see how Financial Protection Product providers can provide cover if their Financial Protection Product wasn't purchased.

Refusal to provide cover - We will ask that Financial Protection Product providers share with us when they refuse to provide cover to an Installer. This information can help us with the management of the Scheme and in ensuring that every customer of an MCS certified installation receives a financial protection product, and that every installer remains compliant with the requirements of the Scheme.

3.8 DEPOSIT PROTECTION

Our consultation did not make specific reference to the protection of deposits paid by consumers as part of a schedule of agreed payments. The primary reason for this omission is that, as a certification scheme, MCS only becomes aware of an installation at its completion, at the point at which the Installer raises an installation certificate.

The redeveloped MCS includes a “Customer Commitment”. This outlines an Installer’s responsibility to protect consumers and adhere to consumer protection law, ensuring consumers are treated fairly. As part of a requirement for installers to “contract with clarity”, the following Customer Commitment based clauses apply:

- **Ensure that if a deposit is taken, it is reasonable, justified and part of an agreed payment schedule.**
- **Tell you how your deposit is protected.**

Based on the consultation we held in 2023 for the redevelopment of our Scheme, we understand that fewer Installers take deposits.

However, each installer’s adherence to the Customer Commitment will be determined through the redeveloped Scheme’s outreach programme, as is currently deployed for all recipients of a Boiler Upgrade Scheme (BUS) grant. MCS outreach will seek to understand how each consumer has paid for their installation, creating for the first time a robust dataset of whether deposits are taken, for what amount, and if so, how they have been protected.

While deposits can be protected by using a credit card, we also acknowledge that there are cases in which a consumer has been asked to pay a deposit and hasn’t done so via a credit card. In this scenario, having a mechanism for the protection of deposits would be beneficial.

MCS will continue to monitor Installer activities in relation to the taking of deposits, as well as monitoring where consumer detriment arises as a result of a deposit having been taken to then be lost when an Installer ceases to trade.

4. Contacting Us

If you wish to comment on our response to the consultation, you may do so via email or by writing to us. Please state whether you are contacting us as an individual or an organisation and if you want any information you provide to be treated as confidential.

Email: mcs@mcs-certified.com

Write to: The MCS Service Company Ltd, Violet 3, First Floor, Sci-Tech Daresbury, Keckwick Lane, Daresbury, Cheshire, WA4 4AB

Proposed Requirements for Appropriate Financial Protection - response to consultation

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