

APPENDIX II

The Ground Source Heat Pump Association

CODE OF ETHICAL PRACTICE

May 2008

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1. INTRODUCTION

- 1.1. The Code of Ethical Practice exists to regulate the conduct of all members of the 'Ground Source Heat Pump Association' who market, manufacture, supply, install or service ground source heat pump systems or components for space or domestic hot water heating applications to private individuals and to safeguard the interests of those individuals.
- 1.2. Hereafter, the Code of Ethical Practice is abbreviated to the Code, the 'Ground Source Heat Pump Association' is shortened to 'the Association' and current Association members bound by the terms of the Code are referred to as Members.
- 1.3. The Secretariat is the administrative body of the Association.
- 1.4. The Council is the governing body of the Association and its role is to promote the aims and objectives of the Association (as set out at 2 below and in the Association's Articles of Association) and to make decisions on matters such as policy and membership.
- 1.5. In this Code, a customer is defined as any person or organisation to which a sale is made by a member and a consumer as any purchaser of goods and/or services who is acting for purposes that are outside his or her trade, profession or business.
- 1.6. The principles set out in this Code are not intended to qualify, interpret or supplant the law of the land.
- 1.7. A customer may expect that a supply of goods and services, in connection with ground source heat pump systems supplied by a Member, will in all respects perform as specified. Any customer who feels dissatisfied with the treatment received from a Member will be able to submit his grievance to the conciliation service of the Association and, if necessary, to independent arbitration services operated by the Association. The same services will be available to Members.
- 1.8. Customers should be made aware that they have a responsibility to act in a reasonable manner and cooperate fully with those who market, manufacture, supply, install or service ground source heat pump systems. In order to obtain the maximum benefit from a purchase, the customer should ensure the system or components are maintained according to the supplier's instructions and that they provide as much information as possible to anyone servicing the equipment.
- 1.9. Members are categorised in a number of ways including Supplier, Consultant, Installer and Manufacturer (*but see 1.9.1 below*). The customer should be aware that the installation standards of Installers are checked by the Association and have to be approved in accordance with applicable UK and international standards i.e. BS, EN, BSEN, ISO, MCS before they are allowed to join. Any installations carried out by Members categorised as Suppliers but not Installers are not checked by the Association.
 - 1.9.1 The primary representative for Manufacturers is the Heat Pump Association.

2. AIMS

- 2.1 To encourage the growth and development of the ground source heat pump industry in the United Kingdom by:
 - § promoting the efficient and sustainable use of ground source heat pumps
 - § raising awareness of the benefits of ground source heat pumps
 - § assisting in the development and practice of sound industry-related standards.
- 2.2 To assist, encourage and support the setting up and maintaining of high standard training for the industry.
- 2.3 To provide a forum for information interchange.
- 2.4 To liaise with other related organisations in matters of benefit to the industry.
- 2.5 To represent the industry in matters of local, national and international interest to members.

3. ADVERTISING (INCLUDING SALES PROMOTION)

- 3.1 Members must comply with the British Code of Advertising Sales Promotion and Direct Marketing (CAP)* . The attention of Members is drawn to statutory requirements of the Consumer Credit and Trade Description Acts and regulations made under them in addition to codes and regulations issued by Ofcom*, the Office of Fair Trading* and other recognised authorities. **See Appendix B for addresses.*
- 3.2 Members must not unfairly attack or discredit other products, advertisers or advertisements directly or by implication.
- 3.3 Members must not publish statements without reference to objective test results or internationally accepted calculation models, or the calculation method used is to be provided. Members must not publish statements and/or comparisons that are likely to be significantly misleading. For example, if auxiliary heating is required to enable all the heating requirements to be met, the advertisement should not state otherwise. Furthermore, the advertisement must not imply that ground source heat can be harnessed without cost, and any money saving claims must take into account the variations in system life expectancy, methods of payments, cost of installation depreciation, realistic inflation and interest factors in addition to maintenance and operating costs.
- 3.4 The basis of any claim in an advertisement must be clearly stated or be made available in writing upon request to the Member. When standard test methods have been used such as applicable UK and international standards, eg BS, EN, BSEN, ISO, MCS, these must be used and quoted or otherwise the test method must be made available upon request and detailed in the English language.

4. THE SALE

- 4.1. Members must ensure that their sales personnel undergo adequate training and must insist that misleading titles are not used by representatives who do not have the appropriate qualifications or experience, claimed or implied.
- 4.2. Sales personnel shall produce evidence of identification upon request.
- 4.3. Members shall ensure that their sales personnel treat the customer with courtesy and respect at all times, and conduct themselves in a manner which will reflect the integrity of the Association.
- 4.4. Sales personnel shall not knowingly or recklessly disseminate false or misleading information concerning their company or the product, nor the service or facilities being offered, and shall use all proper care to avoid doing so inadvertently. Sales personnel shall not make any statement which, directly or by implication, omission or ambiguity is likely to mislead the customer
- 4.5. All claims descriptions and comparisons made by sales personnel must be based on information readily available to the customer or substantiated in writing by the Member upon request. The methods used to calculate savings, efficiencies etc. must be clearly stated and where applicable UK and international test standards, eg. BS, EN, BSEN, ISO, MCS are available, these should be used. In particular, the reference to fuel and its costs used in calculating savings must be clearly stated. System sizing must be appropriate to heating requirements as detailed in the above standards.
- 4.6. Prior to the preparation of an estimate, quotation or contract document for the installation, repair or servicing of a ground source heat pump system, an adequate survey must be carried out by a technically competent person. This survey must not be carried out by telephone only.
- 4.7. Wherever possible, a firm written quotation or contract should be made prior to any financial commitment by the customer, but if this is not possible it must be made clear that the figures given are only an estimate.
- 4.8. The written estimate, quotation or contract for the installation, repair or servicing of a ground source heat pump system must refer to the following essential information: -
 - a) The costs to be incurred by the customer, including any building preparatory work.
 - b) The delivery schedule, together with the estimated completion date.
 - c) The terms and conditions of business, including guarantees etc.
 - d) The Member's acceptance of full responsibility for all marketing claims, goods and services, even though all or part of the work may be contracted out.
 - e) A full description of the ground source heat pump system, materials, goods and services to be provided by the Members (which must be supported, where applicable, by technical data sheets).

5. LEGAL OBLIGATIONS

- 5.1. The Law relating to the sale of goods and services is constantly being revised. At the time of writing, the general law allows consumers a cooling off period in which to change their mind about proceeding with an order (contract) only in certain specific circumstances. For example, the Consumer Credit Act 1974 (Sections 64, 67-73) allows a consumer a five day cooling-off period in the case of contracts negotiated away from business premises for sales involving consumer credit. In addition, The Consumer Protection (Cancellation of Contracts Concluded away from Business Premises) Regulations 1987 as amended in 1988 allows a consumer a seven-day cooling off period if the contract is negotiated during an unsolicited visit to the consumer's home or place of work.
- 5.2. This Code requires members to exceed this legislation as follows:
- i. Members will in all cases allow consumers a seven working day (minimum) cooling off period.
 - ii. The contracts used by Members for the purchase and/or installation of ground source heat pump systems or components must therefore contain notice indicating the right of the consumer to cancel in writing within the seven-day cooling off period from the date on which the consumer signed the contract. The contract must indicate how that right is exercisable and the name and address to whom cancellation may be given.
 - iii. The contract must state that there will be no penalty or any similar drawback should the consumer exercise the right to cancel within the cooling-off period.
 - iv. The contract must clearly state the penalties or similar drawbacks should the consumer wish to cancel after the cooling-off period.
 - v. A contract for the on-going service of a ground source heat pump heating system between a Member and a consumer must be in terms that are clear and reasonable (particularly as to cost and to the termination of the service agreement by the consumer).
 - vi. The contract must clearly state that a 12-month (minimum) all-inclusive parts and labour warranty is given for any material defects in the work.
- 5.3. Members must accept cancellation made in accordance with the rights given to consumers in the preceding paragraphs.
- 5.4. Members shall give immediate effect to the foregoing provisions.

6. INSURANCE

Members are required to have the following insurance cover as applicable to their business activity (Note: all figures quoted show the minimum required):

- 6.1 Public Liability of at least £2 million
- 6.2 Product Liability of at least £2 million
- 6.3 Employee Liability of at least £5 million.
- 6.4 Professional Indemnity of at least £500,000 (five hundred thousand pounds)

7. PERMISSIONS AND APPROVALS

- 7.1. Prior to installing any ground source heat pump system, the Member shall advise the customer that any necessary planning permission should be obtained from the local authority. The Member must agree with the customer who is responsible for obtaining this permission.
- 7.2. The member should ensure that the proposal complies with local building regulations.
- 7.3. A Member shall advise the customer that any necessary approval for the ground source heat pump needs to be obtained from the Local Distribution Network operator.
- 7.4. A Member shall advise the customer that any necessary permission should be obtained from the Environment Agency.
- 7.5. For an open loop ground collector system a Member shall advise the customer that approval must be obtained from the local water authority and any charges for water abstraction and discharge should be determined. The Member must agree with the customer who is responsible for obtaining this permission.
- 7.6 A Member shall advise the customer of the desirability of informing any lessors, freeholders, mortgagors, and insurers of the property as applicable, about the proposed work.

8. INSTALLATION

- 8.1. Before any installation work is commenced the Member must have carried out a thorough property survey and obtained customer approval concerning the proposed location of the ground collector, the heat pump and any auxiliary equipment and concerning any alterations to existing services.
- 8.2. As stated in 6.1 above, Members are required to insure against the possibility of injury or damage being caused by their employees, agents or installers (including sub-contract labour) to the property or person of the customer or third party in the course of carrying out installation works, such insurance to be for a minimum amount of £2,000,000 (2 million pounds) in relation to any one incident.
- 8.3. Members must ensure that the installation carried out on their behalf is in accordance with good technical practice, their own specifications and the recommendations of the relevant publications by the Association or applicable UK or international standards, eg. BS, EN, BSEN, ISO, MCS. The sizing of a system must be appropriate to the intended heating requirement i.e. in accordance with applicable UK or international standards i.e. BS, EN, BSEN, ISO, MCS.
- 8.4. Immediately upon completion of the installation, the Member's technical representative should commission it, unless a delay is mutually agreed.
- 8.5. Upon completion of the work, the Member shall hand over to the customer all guarantees and warranties, operating and maintenance instructions and a complete description of the system, including a commissioning certificate.

9. SERVICE AND REPAIR

- 9.1. This section specifically refers to work carried out to an existing ground source heat pump installation, irrespective of guarantee conditions. All charges, where applicable, and terms of payment must be agreed between the customer and Member before work is carried out.
- 9.2. For every service visit the Member shall furnish the technical representative with a checklist. A signed and dated copy of which should be left with the customer.
- 9.3. When major repairs are required, a firm quotation of the costs involved ought to be provided. Where this is not possible, it should be made clear to the customer that an estimate is being made. If, during the progress of any work, it appears that the initial estimate will be exceeded by a significant amount, the customer must be notified and asked for permission to continue with the work.
- 9.4. While a Member's contractual responsibility is limited to the exact terms of the customer's instructions, the Member must advise the customer of any defects which become apparent while the work is being carried out.

10. CUSTOMER COMPLAINTS

- 10.1. The efficient and just handling of a customer's complaint is essential to the well being of the individual Member and the Association as a whole. The implementation of the foregoing Code will ensure that the number of complaints is minimised.
- 10.2. Complaints received from customers must be investigated promptly and in any event within 28 days by the Member to assess their validity and, if substantiated, they must be settled quickly, efficiently and courteously. If it is considered that the customer does not have a justifiable complaint it must be explained politely why this is the case.
- 10.3. If the customer is still not satisfied, he or she should be advised that the Association is always prepared to help settle any dispute by conciliation and that Consumer Direct*, the local Trading Standards Office or other recognised bodies may also be prepared to help. (*See Appendix B for contact details.)
- 10.4. Members are required to offer maximum co-operation with local consumer advisers or any other intermediary consulted by the customer whether or not the customer also refers the dispute to Association conciliation.

11. ASSOCIATION CONCILIATION

- 11.1. The Association offers a conciliation service to resolve disputes between a customer and a Member where the contracted parties are unable to reach agreement. The conciliation service will also be available to Trading Standards Offices, Consumer Advice Centres, Citizens Advice Bureaux and similar bodies to assist in securing speedy and satisfactory resolution of complaints where a Member of the Association is involved.
- 11.2. If a customer so requests, a Member will always agree to use the Association's conciliation service, for which no charge is levied upon either the customer or Member.

- 11.3. In the first place the complainant must indicate the nature of the complaint in writing to the Association's registered office.
- 11.4. The Association will investigate the circumstances of the complaint, and any possible breaches of this Code, with both the customer and Member in order to formulate an acceptable solution to the dispute.

12. INDEPENDENT ARBITRATION *(Note: This is currently being investigated)*

13. ENFORCEMENT OF THE CODE

- 13.1 It is a condition of Association membership that the Code is accepted in its entirety. The Penalties, which may be imposed in the event of a proven infringement of the Code, are a private warning letter, public reprimand, fine or in the worst-case termination of membership. Further, withdrawal of certain additional services such as forwarding of correspondence, use of the Association's logo and promotion of Member's details may be imposed. These are all to be decided by the Association's Council of Management.
- 13.2 The Association may from time to time appoint a Managing Agent or Executive Director (which may be an individual, a company or another organisation) who will be authorised to:
- a. issue a private warning letter to the Member concerned (with a copy to the Council) indicating to that Member that in the opinion of the Managing Agent or Executive Director the Member in question may have breached the terms of this Code, and
 - b. (where the Member in question is already the subject of an investigation or is the subject of pending disciplinary proceedings):-
 - i. suspend that Member's use of any additional services provided by or through the Association including the use of the Association's logo and the promotion of the Member's details to the public, and
 - ii. inform Government, the media or the general public, as appropriate, that the Member's membership is "Under Review" without going into full details of the reasons for this review

14. MONITORING

- 14.1 The Council of the Association may deem it necessary to engage in occasional monitoring activities to observe the compliance by Members with this Code.

IMPORTANT NOTICE

THIS CODE OF PRACTICE IS NOT, AND IS NOT INTENDED TO BE, AN EXHAUSTIVE STATEMENT OF THE LAW AND SHOULD NOT BE RELIED UPON BY MEMBERS AND CUSTOMERS AS SUCH A STATEMENT

IT IS THE ASSOCIATION'S OWN CODE OF ETHICAL PRACTICE AND SUPPLEMENTS THE LEGAL REQUIREMENTS.

**MEMBERS MUST OBTAIN THEIR OWN ADVICE FROM LEGAL ADVISORS OR,
WHERE APPROPRIATE, THE APPLICABLE REGULATORY BODIES**

CODE OF ETHICAL PRACTICE - APPENDIX A

This appendix lists the principal Acts of Parliament and Regulations directly related to Observance of the Code: -

The Sale of Goods Act 1979

The Supply of Goods & Services Act 1982 (as amended by the Sale and Supply of Goods and Services Act 1994).

The Sale & Supply of Goods to Consumers Regulations 2002

Consumer Credit Act 1974

Misrepresentation Act 1967

Trade Descriptions Act 1968

Hire Purchase Act 1964

Unfair Contract Terms Act 1977

Consumer Transaction (Restrictions on Statements) Order 1976

The Consumer Protection (Cancellation of Contracts concluded away from business premises) Regulations 1987

The Consumer Protection (Cancellation of Contracts concluded away from business premises) (Amendment) Regulations 1998

The Consumer Credit (Agreements & Cancellation Notices and Copies of Documents) (Amended) Regulations 1985.

The Consumer Credit (Agreements and Cancellation Notices and Copies of Documents) (Amendment) Regulations 1988

Consumer Protection Act 1987.

See Notice under Section 13

The Unfair Terms in Consumer Contracts Regulations 1999

The Consumer Credit (Advertisements) Regulations 2004

CODE OF ETHICAL PRACTICE - APPENDIX B

You may contact the following organisations at:

British Standards Institution

British Standards House
389 Chiswick High Road
London W4 4AL
Tel: 020 8996 9000
Fax: 020 8996 7400
Email: info@bsi-global.com
Web site: www.bsi-global.com
Customer Services:
Tel: 020 8996 9001
Fax: 020 8996 7001

Chartered Institute of Arbitrators

International Arbitration Centre
12 Bloomsbury Square
London WC1A 2LP
Tel: 020 7421 7444
Fax: 020 7404 4023
Email: info@arbitrators.org
Web site: www.arbitrators.org

The Advertising Standards Authority

Mid City Place
71 High Holborn
London WC1V 6QT
Tel: 020 7492 2222
Fax: 020 7242 3696
Email: enquiries@asa.org.uk
Website: www.asa.org.uk

British Code of Advertising, Sales Promotions & Direct Marketing (CAP)

Address as for the Advertising Standards Authority

Website: www.asa.org.uk/asa/codes/cap_code

Office of Fair Trading

Fleetbank House
2-6 Salisbury Square
London EC4Y 8JX
Tel: 020 7211 8000 (switchboard)
08457 22 44 99 (general enquiries)
0870 60 60 321 (publication orders)
Fax: 020 7211 8800
Email: enquiries@oft.gov.uk
Website: www.oft.gov.uk

Ground Source Heat Pump Association

National Energy Centre
Davy Avenue
Knowlhill
Milton Keynes MK5 8NG
E-mail: enquiries@gshp.org.uk
Tel: 01908 665555
Fax: 01908 665577
Website: www.gshp.org.uk

National Consumer Council

20 Grosvenor Gardens
London SW1W 0DH
Tel: 020 7730 3469
Fax: 020 7730 0191
Email: info@ncc.org.uk
Website: www.ncc.org.uk

Ofcom

Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Tel:

1. For complaints about a Telecommunications, Broadcast or general issue): 020 7981 3040 or 0300 123 3333
 2. For all other matters: 020 7981 3040 or 0300 123 3333
Fax: 020 7981 3333
- Textphone: 020 7981 3043 or 0300 123 2024
– Note: these numbers only work with special equipment used by people who are deaf or hard of hearing.

Fax: 020 7981 3333

Consumer Direct

Tel:

1. For help or advice: 08454 04 05 06
2. Minicom users: 08451 28 13 84

Website: www.consumerdirect.gov.uk

CODE OF ETHICAL PRACTICE - APPENDIX C

Investigation of Complaints

The Ground Source Heat Pump Association will call upon one or more of the following organisations to investigate complaints against any of its Members:

The National Energy Foundation
National Energy Centre
Davy Avenue
Knowlhill
Milton Keynes MK5 8NG
Telephone: 01908 665555
Fax: 01908 665577
Email: enquiries@nef.org.uk

Building Research Establishment
Garston
Watford
WD25 9XX
Telephone: 01923 664000
Email: enquiries@bre.co.uk

Advertising Standards Authority
2 Torrington Place
London WC1E 7HW
Telephone: 020 7580 5555
Fax: 020 7631 3051
Email: enquiries@asa.org.uk

The Chartered Institute of Arbitrators
International Arbitration Centre
12 Bloomsbury Square
London WC1A 2LP
Telephone: 020 7421 7444
Fax: 020 7404 4023
Email: info@arbitrators.org