



Giving you confidence
in home-grown energy

Proposed Changes to MCS

Impact Assessment

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This document should be read in conjunction with the MCS response to the consultation on proposed changes to MCS.

Consultation Proposal 5 (Pending Conditional Certification) was not supported at consultation and will therefore not be implemented as part of the planned changes to MCS.

The impact assessments made in this document between the existing and planned new scheme are based on current understanding and may change as the new scheme is developed ready for launch.

Proposal 1 – New Scheme Structure	Impact Assessment (IA)		
	Date: 5 October 2023		
	Stage: Post consultation implementation planning		
	Area: Certification Scheme		
Enquiries: mcsmeetings@mcscertified.com			
What are the objectives for the changes and intended effects?			
<p>To implement a new scheme structure with associated operating framework. This is designed to improve accessibility offering contractors easily understood quality assurance requirements and as a result raise the standard of consumer interactions and the quality of installations. This will be described in documents whose titles are immediately clear as to their purpose.</p> <ul style="list-style-type: none"> • Revised MCS Installation Standards (MISs) that will only contain technical requirements, removing scheme management and consumer requirements that have been added to the MISs over the years. Scheme and customer management requirements taken out of the MISs will now be described in either the new System Performance Estimate Standards relevant to each technology, Scheme Rules, or a Customer Duty, effectively replacing the current MCS 001-1 – Requirements for MCS Contractors and associated documents. • Introduction of Scheme Rules providing a framework for how contractors will gain and maintain their ability to trade as MCS certified for the installation of small scale, low-carbon technologies. • Introduction of a Customer Duty to set out the rights and responsibilities of any consumer or organisation, receiving advice, quotes, installations, products, services, or other work carried out by a contractor which trades as MCS certified. • A requirement to adhere to the appropriate MCS System Performance Estimate Standard for the technology to be installed. The System Performance Estimate Standards define the methodology for system performance estimates, which are to be provided by the contractor to their customer before entering into a contract for their installation. 			
How will the changes be implemented?			
<p>The new scheme documents will be published at the end of 2023. Following publication, we will determine a transition period of no less than 3 months, necessary to ensure that MCS, Certification Bodies (CBs) and contractors are ready to adopt the new scheme at a future implementation date. Once all the transition tasks and their timescales have been defined, we will publish the implementation date for the new scheme.</p> <p>At the time of writing, we do not believe it will be possible to pilot compliance to the new scheme prior to this implementation date.</p>			

Proposal 1 – New Scheme Structure

GAP ANALYSIS

Reference	Existing Scheme operations	Replaced / Removed / Retained	New Scheme operations
1.0	MCS 001 - The MCS Contractor Standard Part 1: Requirements for MCS Contractors assessed by CBs.	Replaced	<p>MCS 001-1 is to be retired. New Scheme Rules and Customer Duty (final names of these documents to be confirmed) will be deployed:</p> <ul style="list-style-type: none"> • Scheme Rules - provide a framework for how contractors will gain and maintain MCS certification for the installation of small scale, low-carbon technologies. • Customer Duty - sets out the rights and responsibilities of any consumer or organisation, receiving advice, quotes, installations, products, services, or other work carried out by any contractor which carries the MCS certified Mark, and what the contractor responsibilities are in return.
1.1	Operation of a Quality Management System (QMS) proportionate with the needs of the contractor’s MCS business size and activities [MCS 001-1.4.1].	Removed	<p>Evidence of the operation of a QMS is not a requirement.</p> <p>It is a requirement as outlined in the Scheme Rules, to demonstrate compliance to the MCS Installation Standard (MIS) for the technology being installed. This demonstration of compliance is established via an onsite assessment by a contractor’s Certification Body (CB).</p> <p>To satisfy a non-conformity that has been established through assessment, a contractor may be required to evidence their management of quality and associated processes and paperwork. However, the format of contractor’s management quality is not prescribed in the Scheme Rules.</p>
1.2	Contractor shall retain a licence by complying with the terms therein (which include the Mark Regulations and Brand Guidelines) [MCS001-1.4.2]	Replaced	<p>The current sub-licensing arrangements afforded by MCS to a CB to cascade to a contractor will not form part of the new scheme governance structure.</p> <p>Instead, a Contractor Agreement will be established between MCS directly with contractors, incorporating a licence to use the MCS Mark.</p>
1.3	MCS Contractor shall operate from an identifiable physical trading address [MCS 001-1.4.3]	Retained	<p>It is a requirement of Scheme Rules that a contractor must operate from an identifiable physical address that can be checked and verified.</p>
1.4	<p>The MCS Contractor shall be a member of and, when dealing with domestic customers, shall have agreed to comply with a code of practice (Consumer Code) [MCS 001-1.4.4.1].</p> <p>Costs of annual Code membership range from £215 +VAT for RECC membership for a sole trader to</p>	Removed	<p>Removal of the mandatory requirement for a contractor to be a member of a CTSI approved Consumer Code. This will reduce the cost to a contractor of securing and maintaining MCS certification.</p> <p>Deployment of the Customer Duty, with compliance assessed by MCS through Scheme Approval Checks, and ongoing via the MCS proactive outbound contact programme. This</p>

	<p>£2,200 +VAT for an organisation with over 200 employees, and £695 +VAT with HIES.</p> <p>HIES state that they carry out continuous vetting while an installer's membership is active. This includes a review of websites and advertisements, social media, credit references and customer satisfaction survey scores.</p> <p>RECC membership checks incorporate, checks against RECC's CRM records and complaints database, the status of directors, owners, person(s) of significant control using Creditsafe, CCJs, ASA (advertising) rulings, ICO complaints and online reviews.</p>		<p>contact programme will continually monitor consumer experience, not possible through the current reliance on offline checks and in response to individual complaints.</p> <p>Scheme Approval Checks will at launch, include as a minimum, checks on a contractor's business activities, financial probity (via Creditsafe), previous connections to failed MCS certified businesses and consumer complaints (via the scheme's consolidated complaints log), CCJs, Public Liability Insurance provision, checks on marketing materials and website content especially in relation to energy and financial performance claims, social media content (if applicable) and online reviews and articles.</p> <p>Scheme Approval Checks will evolve over time to automated and constant probity checks on a contractor's business that will flag issues with a contractor's business operations far earlier than is currently possible under the existing scheme.</p>
1.5	Any cash or cheque deposits shall be insured (if taken) [MCS 001-1 4.4.2 a]	Removed	Removal of the requirement to insure cash or cheque deposits. However, it is a requirement of the Customer Duty that if a deposit is taken, this will be reasonable and justified based on an installation's upfront costs and as part of a schedule of payments to be agreed and clearly communicated with the contractor's customer in advance.
1.6	Claims of energy benefits used in the sales process shall be calculated in line with the prescribed methodology in the relevant MCS Installation Standard (MIS) and, when converted to financial benefits, should be based on customers' actual energy tariffs. [MCS 001-1 4.4.2 b]	Replaced	<p>It is a requirement of the Customer Duty that a system performance estimate, defined by the relevant MCS System Performance Estimate Standard, be provided to the customer before the contractor enters into a contract with their customer.</p> <p>It is a requirement of the Customer Duty for the contractor to follow fair marketing practices, including using no misleading claims or advertisements.</p>
1.7	Customers shall be treated fairly and with respect. Additional precautions should be taken when dealing with customers who may be considered vulnerable. [MCS 001-1 4.4.2 c]	Retained	<p>It is a requirement of the Customer Duty that a contractor treats their customers fairly and with respect. Additional precautions are to be taken when dealing with customers who may be considered vulnerable that due to their personal circumstances are especially susceptible to harm.</p> <p>MCS will issue guidance and associated materials to support a contractor's compliance with this requirement. Checks on contractor's approach to sales will form part of the MCS proactive outbound contact programme as well as Scheme Approval Checks.</p>
1.8	Sales agents shall not put customers under pressure to sign orders or contracts at any meeting in the customer's home by, for example, overstaying their	Retained	It is a requirement of the Customer Duty that a contractor shall not place their customer under pressure to sign orders or contracts by, for example, overstaying their welcome or offering excessive discounts off inflated prices and shall instruct any third parties that they work with to do the same.

	welcome or offering excessive discounts off inflated prices. [MCS 001-1 4.4.2 d]		Checks on a consumer's experience of contractor's sales practices form part of the MCS proactive outbound contact programme.
1.9	Contracts or order documents should be clear, written in plain English and any exclusions of liability must be highlighted. [MCS 001-1 4.4.2 e]	Retained	Section 4 of the Customer Duty describes how to contract with clarity relating to how a contractor protects their customer with clear documentation and contractual arrangements. MCS will provide contractors with checklists, so they know what is required to produce a legally binding, compliant contract.
1.10	Contracts should clearly and accurately state the make, model number, power rating and storage capacity (where applicable) of the equipment to be supplied along with the estimated delivery/installation dates [MCS 001-1 4.4.2 f]	Retained	It is a requirement of the Customer Duty that a contractor will: <ul style="list-style-type: none"> • Provide customers with a clear and detailed, itemised written quotation and terms and conditions that are understandable. • At quotation stage, provide their customer with additional information relating to supplementary work needed (e.g., insulation or supply upgrades), and potential cost implications. • Provide clear pricing and contracts, ensuring it is clear whether the costs include, for example, VAT or any grants, and that there are no hidden costs or penalties. • Provide contracts that clearly and accurately state, as a minimum, the make, model number, power rating (where applicable) and storage capacity (where applicable) of the equipment to be supplied along with the estimated delivery and installation dates.
1.11	All performance claims made in marketing material (including website and company brochures) shall be based on a reputable source and verifiable. [MCS 001-1 4.4.2 h].	Replaced	It is a requirement of the Customer Duty that a contractor provide each customer with a system performance estimate, defined by the relevant MCS System Performance Estimate Standard . The scheme will not address issues associated with the financial performance of a system directly but will address issues of misalignment between promised system performance and actual delivered installation performance.
1.12	Workmanship shall be guaranteed for at least 2 years following installation. Customers shall also be given an insurance policy which covers workmanship in the event the contractor ceases to trade during the term of their guarantee. [MCS 001-1 4.4.2 h] The average cost of an IBG currently sold through the MID is £34 + VAT per installation.	Removed	The new scheme will not mandate the purchase of Insurance Backed Guarantees (IBGs), leaving contractors to decide whether an IBG might offer reassurance to their customers. The development of the proposed MCS Guarantee is distinct from the development of the rest of the new scheme. However, and subject to legal advice, the MCS Guarantee is likely to be constructed as a discretionary fund of last resort that can support applications from individuals and small businesses who have exhausted all other options for the remediation of their installation issue.

1.13	Where complaints arise, MCS Contractors agree to participate in Alternative Dispute Resolution (ADR) if the customer requests it. [MCS 001-1 4.4.2 i] Access to ADR is offered via the Consumer Codes.	Retained	It is a requirement of the Customer Duty that if neither the contractor nor MCS can resolve a dispute through internal processes, the contractor will commit to participating in Alternative Dispute Resolution (ADR). Prior to launch, MCS will publish details of the new scheme's ADR arrangements.
1.14	The MCS Contractor must comply with all relevant consumer protection legislation currently in force. [MCS 001-1 4.4.3]	Retained	It is a requirement of the Customer Duty that MCS certified contractors comply with all relevant consumer protection legislation currently in force. This includes the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, The Consumer Rights Act 2015 and The Consumer Protection from Unfair Trading Regulations 2008.
1.15	Where the MCS Contractor obtains sales (signed orders) or leads (prospects) from any third party, the MCS Contractor shall ensure the third party complies with MCS requirements including those of their Consumer Code [4.4.4]	Replaced	It is a requirement of the Customer Duty that a contractor shall not place their customer under pressure to sign orders or contracts by, for example, overstaying their welcome or offering excessive discounts off inflated prices and shall instruct any third parties that they work with to do the same. MCS will hold the contractor responsible for the actions of the third parties they engage for sales-related services, including the provision of sales leads.
1.16	MCS Contractor Personnel - Named individual "Nominee" and a named individual "Nominated Technical Person (NTP)". [MCS 001-1 4.5.1] Responsibilities of the NTP are set out in MCS 025 – The Competency Standard.	Replaced	The "People in your Business" section of the Scheme Rules defines the role of Technical Supervisor as the individual who for a specific installation, takes overall technical responsibility for ensuring that it is fully compliant with the appropriate MIS and all other relevant industry standards and manufacturer's instructions pertaining to the installed technology. CBs will need to comply with CB Contractor Conformity Assessment Guidelines . These guidelines describe how a CB will undertake assessments. It will be the responsibility of the CB to establish that the Technical Supervisor for that specific installation being assessed holds the appropriate qualifications. These qualifications must align to the current list of qualifications recognised by MCS and published on the MCS website. If non-conformities are established through assessment, and the root cause is identified as a lack of appropriate technical supervision, then a contractor will need to establish the necessary supervisory arrangements more appropriate to the volume and complexity of their operations as a preventative action. This will be in addition to implementing a corrective action that addresses the non-conformity that led to establishing the root cause of there being a weakness in a contractor's technical supervision of the assessed installation(s).

			Prior to launch, MCS will publish guidelines as to what constitutes adequate supervision, appropriate to the volume and complexity of a contractor's operations.
1.17	The MCS Contractor shall document who is responsible for each role required to comply with MCS 001 and their deputy, where appropriate. [MCS 001-1.4.5.2]	Removed	<p>Evidence of the operation of a QMS is not a requirement, including retaining records of personnel who hold roles within the contractor's business and their deputies.</p> <p>The Scheme Rules "People in your Business" section describes the three core business roles MCS is concerned with under the new scheme. These can all be operated by the same person or by different people:</p> <ul style="list-style-type: none"> • Licencee: The individual who has the authority to sign the Contractor Agreement on behalf of the company and in doing so, accepts ultimate responsibility for adherence to MCS requirements. • Main Contact: The individual that handles queries in relation to a contractor's certification, including being a main point of contact for the chosen CB and for MCS in terms of a contractor's operation of the Scheme. • Technical Supervisor: The individual who for a specific installation, takes overall technical responsibility for ensuring that it is fully compliant with the appropriate MIS and all other relevant industry standards and manufacturer's instructions pertaining to the installed technology.
1.18	The MCS Contractor shall employ sufficient competent resources to satisfy all MCS requirements [MCS 001-1.4.5.3]	Retained	It is a requirement of the Scheme Rules that a contractor has the necessary resources, competency and capability to meet the order/contract requirements
1.19	Continual Improvement: The MCS Contractor shall have procedures in place for continual improvement which ensure non-conformities are corrected and prevented (so not repeated) [MCS 001-1.4.6]	Removed	<p>Evidence of the operation of a QMS is not a requirement, including documented procedures of how the contractor maintains the continual improvement of their operations.</p> <p>However, learning put into action may constitute a response to a non-conformity established through assessment that will need to be addressed by the contractor. The Customer Duty refers to a contractor's use of feedback to improve how they do things in the future. The ethos of the new scheme is to establish the root cause of any issue so that it can be corrected for the installation being assessed, but as importantly, the appropriate preventative action(s) can be implemented to avoid the issue (root cause) occurring again in the future.</p>
1.20	External Documents: The MCS Contractor shall hold or have access to current editions of external documents relevant to the scope of approval [MCS 001-1.4.7]	Removed	<p>Evidence of the operation of a QMS is not a requirement, including a record of the documents that a contractor should have access to.</p> <p>The MISs refer to the external documents (policies and standards) that a contractor is expected to have access to but not necessarily own. Access and adherence to an external</p>

			document may constitute a response to a non-conformity established through assessment.
1.21	Where software is used for calculation or verification, the MCS Contractor shall ensure that the correct version of software is being used for the intended application. [MCS 001-1 4.8]	Removed	Evidence of the operation of a QMS is not a requirement, including a record of the software used and version.
1.22	The MCS Contractor shall review orders, contracts and tenders to ensure that: a) The requirements are adequately defined for each installation. b) The MCS Contractor has the resource and capability to meet the order/contract requirements. Where the timescales cannot be met, the MCS Contractor shall notify the customer when the order/contract can be fulfilled. c) Responsibility for obtaining planning and building control approvals is clearly identified. [MCS 001-1 4.9]	Retained	It is a requirement of Scheme Rules that a contractor adheres to the MCS requirements relevant to the technology being installed, ensuring that the customer requirements are also adequately defined. It is a requirement of the Scheme Rules that a contractor has the resources and capability to meet the order/contract requirements. Where agreed timescales cannot be met, the MCS certified contractor is required to notify the customer when the order/contract can be fulfilled. In the Customer Duty it states that the responsibility for making sure the correct permissions are in place for an installation resides with the customer but can be supported by the contractor. For example, building regulations notification or planning permission.
1.23	Contract arrangements: <ul style="list-style-type: none"> • A contract for the sale and installation of a system shall be entered into only between an MCS Contractor [MCS 001-1 4.10.1] • An MCS Contractor may carry out work under subcontract to another MCS Contractor [MCS 001-1 4.10.2] • Where the installation is carried out on a domestic property but involves Third-Party Funding <ul style="list-style-type: none"> • issue a zero/nominal value contract to the customer setting out the MCS Contractor's responsibilities • ensure that the work is covered by a separate commercial contract between itself and the Third-Party Funder 	Replaced	The Customer Duty section "Contract with clarity" describes a range of requirements associated with contracted with customers. It is a requirement of the Customer Duty that a contractor shares with their customers openly their relationships with subcontractors and other third parties and how they'll be involved in the customer's installation. The new scheme will not require zero value contracts if an installation involves third-party funding. Ultimately, the new scheme will hold the contractor to account for the "delivered quality" of their installations as per the MCS Contractor Agreement and is not concerned with funding models.
1.24	Subcontracting arrangements [MCS 001-1 4.11]: In installations for domestic customers, any work within the scope of the Scheme not undertaken by employees or contract personnel of the MCS	Replaced	It is a requirement of the Customer Duty that a contractor shares with their customers their relationships with subcontractors and other third parties and how they'll be involved in their installation.

	<p>Contractor may be delivered by subcontractors provided that:</p> <p>a) There is a formal written subcontract agreement</p> <p>b) The MCS Contractor ensures the subcontractor has the necessary capacity and competency for their scope of work.</p> <p>c) The subcontractor possesses the appropriate insurances for their scope of work (e.g., Public Liability Insurance, Professional Indemnity Insurance etc.</p>		<p>The new scheme will hold the contractor to account for the delivered quality of their installations, which extends to their adherence to the Customer Duty, irrespective of whether the contractor has utilised the services of a subcontractor(s). It is a requirement of Scheme Rules that a contractor should make sure that they have the necessary contractual arrangements in place to hold any subcontractors to account.</p> <p>Evidence of the operation of a QMS is not a requirement, including the maintenance of employee training records.</p>
1.25	<p>Purchasing [MCS 001-14.12]:</p> <ul style="list-style-type: none"> The MCS Contractor shall exercise care in the selection of products and materials to ensure those supplied to customers are fit for their particular purpose. Products and materials installed shall be new and not previously used. The MCS Contractor shall ensure those appointed to deliver ancillary services at customers' premises (e.g., scaffolding) are competent and carry an appropriate level of Public Liability Insurance. 	Replaced	<p>It is a requirement of Scheme Rules that a contractor shall only install MCS certified products, except for battery storage products which are not yet covered by an MCS Product Standard.</p> <p>It is a requirement of the Customer Duty for a contractor to ensure that those appointed to deliver ancillary services (for example scaffolding) are competent and carry an appropriate level of Public Liability Insurance.</p>
1.25	<p>Test and Measurement Equipment [MCS 001-14.13]:</p> <p>The MCS Contractor shall ensure that test and measurement equipment, whether owned or hired, is:</p> <ul style="list-style-type: none"> Maintained in clean working condition. Used and stored in a workmanlike manner in accordance with the manufacturer's instructions. Consistently accurate and, where appropriate, calibrated 	Removed	<p>Evidence of the operation of a QMS is not a requirement, including records pertaining to the use of Test and Measurement Equipment.</p>
1.26	<p>Product Handling [MCS 001-14.14]:</p> <ul style="list-style-type: none"> All products and materials received shall be checked. 	Removed	<p>Evidence of the operation of a QMS is not a requirement, including records pertaining to Product Handling.</p>

	<ul style="list-style-type: none"> Where products or materials are rejected, the basis for this shall be recorded and steps shall be taken to prevent their unintended use. The MCS Contractor shall ensure that, where storage, handling, packaging, and transportation of products takes place, it is done in a manner that protects the product from potential damage and minimises deterioration. Where products and materials are delivered to, or stored at, the installation site the customer shall not be liable for inspection, storage or handling of those goods. 		
1.27	<p>Records [MCS 001-14.15]:</p> <ul style="list-style-type: none"> Retain all installation records for a minimum of six years. Records for each installation shall include the following, where relevant: Survey documents, Quotations, Orders/Contracts, Risk assessments, Commissioning checks, Relevant certification, Notifications under relevant local Building Regulations, Copies of MCS Certificates generated through the MID, Subcontract arrangements as defined in MCS 025, Records identifying the individuals involved with the installation as defined in MCS 025 	Replaced	<p>It is a requirement of the Customer Duty that a contractor retain all installation records for a minimum of six years.</p> <p>As a minimum, contractors will be required to retain as relevant, survey documents, quotations, orders and contracts, risk assessments, commissioning checks and notifications under relevant Building Regulations</p> <p>Evidence of the operation of a QMS is not a requirement, including retaining records of MCS Certificates (which are available via the MID), subcontracting arrangements or records of individuals involved in an installation, other than the Technical Supervisor for the installation which is to be recorded in the MID (Proposal 4).</p> <p>It is a requirement that a Technical Supervisor for an installation is qualified in line with the current list of qualifications as recognised by MCS and available via the MCS website.</p>
1.28	<p>Complaints [MCS 001-14.16]:</p> <p>The MCS Contractor shall keep a record of all complaints received (justified or otherwise) including the action taken to resolve each complaint and the action taken to prevent future similar complaints from arising. All complaints shall be dealt with in a timely and effective manner.</p>	Replaced	<p>It is a requirement of the Customer Duty that a contractor is able to demonstrate good complaint handling, which means that they will work to review and resolve any concerns or complaints.</p> <p>Under the new scheme, MCS will centralise the scheme's complaints and dispute management. Evidence of poor complaint handling will inform Scheme Approval Checks and a contractor's risk rating (Proposal 3).</p>
1.29	<p>Training [4.17]:</p> <p>All personnel undertaking the design, installation, set to work and/or commissioning activities must have received adequate training, and be able to</p>	Removed	<p>Evidence of the operation of a QMS is not a requirement, including the maintenance of training records.</p>

	demonstrate competence in each of the areas/operations in which they are involved. The MCS Contractor must have a record for each individual detailing their training and competencies for the MCS activities they are undertaking.		
1.30	Health and Safety [4.18]: The MCS contractor shall comply with the requirements of the Health & Safety at Work Act 1974, shall have a written health and safety policy statement where required by law and shall carry out risk assessments where necessary.	Retained	Evidence of the operation of a QMS is not a requirement. The Scheme Rules will require the MCS contractor to comply with the requirements of the Health & Safety at Work Act 1974. The new Customer Duty will require contractors to manage their installations safely and to provide the relevant Health and Safety Guidance to their customers in relation to the operation of their installations.
1.31	MISs – various references to the customer and installation environment not specific to technical requirements of design and installation of a technology.	Replaced	A refined set of MISs will cover for each technology, the technical requirements necessary to perform a quality installation, relocating the customer management and market environment information that has been added to the MISs over the years to either the Scheme Rules or Customer Duty .

Proposal 2 – Certification of replacement systems and the adoption of systems	Impact Assessment (IA)
	Date: 5 October 2023
	Stage: Post consultation implementation planning
	Area: Certification Scheme
Enquiries: mcsmeetings@mcscertified.com	
What are the objectives for the changes and intended effects?	
<p>To allow MCS contractors to certify a broader range of their installation work. This reflects feedback from contractors wishing to present their customer with an MCS certificate as a statement of their quality, not limited to entirely new installations.</p> <ul style="list-style-type: none"> • Certification will be possible for replacement systems. Contractors will need to indicate which installations are replacements on the MID. Contractors will be prompted to register a replacement system where an existing certificate is registered on the MID. Recording that an installation is a replacement will allow for more focused questions to be included in the proposed proactive programme of outbound contact with all customers of MCS installations. Contractors will be expected to advise consumers of any impact to the ongoing payment of a government incentive, if the previous installation that attracted an incentive is to be replaced. • MCS has previously allowed for the adoption of incomplete installations, although today this has been facilitated through an internal MCS policy document and guidance provided to Certification Bodies to accommodate installation “adoption” on a case-by-case basis. The rules for adopting installations by certified contractors will be written into the new Scheme Rules. Through the MCS proactive outbound contact programme it will be possible to check on consumer satisfaction and identify contractors who are tempted to “MCS” another non-certified contractor’s work for a fee (in breach of Standards). 	
How will the changes be implemented?	
<p>Requirements for replacement systems and the adoption of incomplete systems by an MCS contractor will be incorporated into the new Scheme Rules.</p> <p>It has been possible to certify replacement systems and adopt incomplete systems on a case-by-case basis. As such, there is no need to pilot these aspects of the new scheme. In addition to inclusion in the new Scheme Rules, MCS will provide guidance as to the steps a contractor should take when replacing a customer’s existing system and for the adoption of another contractor’s incomplete installation.</p>	

Proposal 2 – Certification of replacement systems and the adoption of systems			GAP ANALYSIS
Reference	Existing Scheme operations	Replaced / Removed / Retained	New Scheme operations
2.0	Replacement systems are not identified as such on the MID and do not attract any specific compliance checks.	Retained	<p>The Scheme Rules allow for the certification of new and replacement (as new) installations.</p> <p>The MID will be adapted to allow for a record of a replacement system as part of a contractor’s certification of their installations. Contractors will be prompted to identify replacement installations, triggered by the presence of an existing MCS certificate at a property for the same technology. This data will be made available to the MCS proactive outbound contact programme.</p> <p>MCS will provide guidance to contractors when replacing a customer’s existing system to ensure that consumers are aware of the potential implications if their existing installation attracts a government incentive.</p>
2.1	Adoption of incomplete installations is subject to MCS guidance provided to Certification Bodies on the 28 October 2021 – “Contractors taking ownership of existing installations”. This communication outlined the process.	Retained	<p>The Scheme Rules allow for the adoption of another contractor’s incomplete installation, provided that the contractor accepts full responsibility for the system’s compliance with MCS.</p> <p>The MCS proactive outbound contact programme will aim to determine who has been involved in the delivery of a customer’s installation, including who the customer has contracted with, compared to the contractor details included on the MCS certificate.</p> <p>MCS will provide guidance to contractors who are considering the adoption of another contractor’s incomplete system. This guidance will underline the restriction that an MCS contractor can’t simply certify another contractor’s work, and if found to be doing so, will be in breach of Scheme Rules, and consequently the MCS Contractor Agreement.</p>

Proposal 3 – Risk-based compliance assessments	Impact Assessment (IA)
	Date: 5 October 2023
	Stage: Post consultation implementation planning
	Area: Certification Scheme
What are the objectives for the changes and intended effects?	
<p>To transition to a risk-based compliance assessment model that is focused on gathering evidence of a contractor’s “delivered quality” on-site. This will enable compliance assessments to be conducted in line with a scheme wide Compliance Risk Model, with a contractor’s risk rating determined as a function of a series of risk indicators applied consistently across the scheme, irrespective of a contractor’s choice of Certification Body (CB).</p> <p>CB assessments are to be conducted “in the field” in line with new CB Contractor Conformity Assessment Guidelines, with the aim of capturing objective evidence of the quality of an installation to a minimum set of quality criteria as determined by MCS in-conjunction with the CBs. The assessment of all but essential paperwork should not be necessary, unless deficient paperwork and/or back-office systems is determined to be the root cause of a non-conformity.</p> <p>For each non-conformity found through a CB assessment (or MCS audit), the contractor will be required to determine the root cause(s), corrective and preventative actions. A plan of action with associated timescales to resolve non-conformities, will need to be agreed between contractor and their CB or MCS as appropriate.</p>	
How will the changes be implemented?	
<p>MCS will work with CBs for the development of the scheme’s Compliance Risk Model to be based on an initial set of “risk factors” that will form the scheme’s risk calculation table, being part of the Compliance Risk Model to be described in the CB Contractor Conformity Assessment Guidelines. Where possible, these guidelines will be aligned to the other risk models already deployed in the sector by schemes such as Electrotechnical Assessment Specification (Appendix 12) and PAS 2031 for the certification of energy efficient measures in existing buildings (Table 1). In the future, MCS will deploy machine-based learning for the determination of risk factors.</p> <p>An increased volume or frequency of assessment for “high risk” contractors, is to be afforded by rewarding “low risk” contractors with fewer on-site assessments.</p>	

Proposal 3 – Risk-based compliance assessments			GAP ANALYSIS
Reference	Existing Scheme operations	Replaced / Removed / Retained	New Scheme operations
3.0	MCS 001 - The MCS Contractor Standard Part 2: The Certification Process	Replaced	<p>MCS 001-2 is to be retired. New Scheme Rules, and for CBs new Contractor Conformity Assessment Guidelines that describe how a CB's assessments are to be conducted, linked to a new CB Agreement, will be deployed to support the new scheme.</p> <p>Scheme Rules - provide a framework for how contractors will gain and maintain certification and a contract to trade as MCS certified for the installation of small scale, low-carbon technologies.</p> <p>Contractor Conformity Assessment Guidelines - will describe the operation of the certification scheme as delivered by United Kingdom Accreditation Service (UKAS) accredited CBs who hold MCS on their schedule of accreditation, operating the Scheme under Agreement with the MCS Service Company Ltd, in compliance with ISO 17065.</p> <p>CB Agreement - The current sub-licence awarded to CBs by MCS will be replaced with a new CB Agreement. This will be held directly between MCS and the CB and will stipulate clear operating requirements and the reporting of scheme delivery performance criteria. This will create greater consistency across CBs, improve scheme delivery and improve the experience of contractors.</p> <p>The CB Agreement will incorporate, but not be limited to:</p> <ul style="list-style-type: none"> • Transparency of published CB fees for initial assessment, reassessment and ongoing compliance assessments. • An obligation to work with MCS to process applications, taking into account outcomes of Scheme Approval Checks. • Work with MCS on complaint management and resolution. • Be responsive to updates relating to findings of Scheme Approval Checks that will fall outside of annual monitoring due to their regular, ongoing, automated nature. • Work collaboratively with MCS on risk-modelling and adapting to changing/evolving trends in risk. • Support greater interrogation of information held in the MID • Share findings of assessments and associated non-conformities with MCS

<p>3.1</p>	<p>CBs are required to offer processes for applications for both initial and extensions to scope of already certified contractors. [MCS 001-2 4.1 & 4.2]</p> <p>Contractors shall arrange access to installations selected by their CB. Assessment for initial certification shall include both office assessment and site assessment covering all technologies applied for.</p> <p>The office records and systems supporting an application for an extension to scope may be assessed either by remote review or a visit to the contractor’s office.</p>	<p>Replaced</p>	<p>The Scheme Rules include a section titled “You and Your Certification Body” making reference to “Applying to a Certification Body” through a CB’s application process.</p> <p>The Contractor Conformity Assessment Guidelines describe the process for ‘initial’ and ‘extension to scope’ assessments. CBs are required to provide an appropriate application process and assess a minimum of one installation.</p> <p>It is likely that each CB’s application processes will need to change to accommodate the operation of the new scheme. A CB’s application processes, leading to an initial assessment, will not need to make reference to a contractor’s Consumer Code, but will need to reference the successful completion of Scheme Approval Checks, which taken together with the achievement of certification through the assessment of an installation, will trigger MCS to issue a Contractor Agreement. Once signed and returned to MCS, the Contractor Agreement allows a contractor to trade as “MCS certified” with access to the MID for the issuing of MCS certificates to their customers.</p>
<p>3.2</p>	<p>Site eligibility for initial certification or extensions to scope requires that for each technology for which certification is being sought, the contractor has been fully responsible for the installation and has commissioned the installation in accordance with the applicable MIS. [MCS 001-2 4.3]</p>	<p>Replaced</p>	<p>The Contractor Conformity Assessment Guidelines state that a minimum of one installation (site-based) assessment is required for each technology the contractor wishes to be certified for. The same site can be used for assessment if more than one technology is installed at that location.</p> <p>CBs can assess the following categories of installation in support of a contractor’s application for either initial certification or as an extension to the scope of their certification:</p> <ul style="list-style-type: none"> • an installation for which the contractor has been fully responsible and has commissioned in accordance with the applicable MIS; • an installation that the contractor can evidence that they delivered as a subcontractor to another certified contractor; • an installation performed by the contractor that is not fully within the scope of MCS, if that installation provides objective evidence of compliance against the requirements of the relevant MIS(s). For example, an installation of a technology in scope for MCS but with a higher capacity than 50kW for electricity generating technologies and 45kW for heat generating technologies. <p>This is likely to represent a change for some CBs that have not allowed for all of the above categories of installation in support of an application for initial certification or extensions to a contractor’s scope of certification.</p> <p>At launch, the new scheme will be restricted to the above categories of installation in support of an application for either initial certification or as an extension to the scope to existing</p>

			certification. During the early part of 2024, and as an alternative to “Pending Certification” (Proposal 5) that did not receive support through the consultation, MCS will explore other solutions to remove challenges around 'first installation' that could support a contractor to gain certification.
3.3	<p>Compliance Assessment – General Requirements:</p> <ul style="list-style-type: none"> • Availability of the contractor’s Nominee and Nominated Technical Person (NTP) throughout the Compliance Assessment process. [MCS 001-2 5.1.1]. • Assessments to be conducted using elements of questioning and observation techniques. Opening and closing meetings. [MCS 001-2 5.1.2] • Closing meeting to discuss any non-conformity or observation reports raised and the Assessor’s recommendation. [MCs 001-2 5.1.3] • Where non-conformity reports are raised, they must be completed and returned to the CB with completed corrective and preventative actions within 4 weeks of a Compliance Assessment or surveillance visit. [MCs 001-2 5.1.5] • CB verifies the adequacy of the actions taken in response to non-conformity reports. [MCS 001-2 5.1.6] • Where non-conformities cannot be resolved within 6 weeks of the original visit date, certification of the Contractor may be suspended or withdrawn. [MCs 001-2 5.1.7] • Where certification cannot be recommended at an initial Compliance Assessment visit, a Compliance Re-assessment will be considered and may be required at additional cost. [MCs 001-2 5.1.8] 	Replaced	<p>The Contractor Conformity Assessment Guidelines defines:</p> <ul style="list-style-type: none"> • For each installation selected for assessment, CBs shall request access to the contractor’s Main Contact and the Technical Supervisor for the selected installation. The role of Main Contact and Technical Supervisor are defined in the Scheme Rules. • Assessments are to be conducted on site in line with the current Assessment Criteria as referenced from the Contractor Conformity Assessment Guidelines, ensuring a consistency of assessment across the scheme. • The Assessment Criteria will change over time, reflecting trends in non-compliance. An initial set of criteria for each technology will be provided at publication of the new scheme documents, with guidance and support for CB Assessors. • For each non-conformity found through assessment, CBs shall allow the contractor up to 4 weeks to respond, following the contractor’s receipt of the CB’s assessment report. The new scheme prescribes what a contractor’s response shall include to be recorded by the CB. This will likely represent a change in CB assessment process, with the following to be recorded against each non-conformity: <ul style="list-style-type: none"> o the outcome of the contractor's own investigation to determine the root cause(s) that led to the non-conformity; o details of the corrective action(s) necessary to remedy the non-conformity; o details of the preventative action(s) necessary to ensure that a non-conformity will not occur again in the future, specifying a timescale for completion of the proposed preventative action. • CBs shall assess the contractor’s response and confirm their satisfaction with the response. • If the contractor fails to meet the timescales for completion of either the response to the CB's assessment report or of the agreed actions, CBs can suspend or terminate a contractor's certification until satisfied with the contractor's response and that all actions have been completed satisfactorily. • CBs may determine the need for further assessments in line with the Compliance Risk Model, until satisfied that the contractor's delivered quality meets the requirements of the relevant MIS.

3.4	Office Compliance Assessment incorporates the assessment of a contractor’s management systems, records of contract review, design (defined as a written plan), installation, set to work, commissioning and handover of the appropriate microgeneration system and technology, records that systems have be designed in accordance with the requirements set out in the appropriate MIS, evidence of competency for design or in the review and verification that a design provided by another contractor would satisfy the design requirements set out in the appropriate MIS. [MCS 001-2 5.2.1]	Removed	The Contractor Conformity Assessment Guidelines do not describe a need for office-based assessments. CB assessments are to be focused on the “delivered quality” of an installation being in compliance with the relevant MIS.
3.5	<p>Onsite Assessment incorporates an assessment of an installation being in compliance with the relevant MIS, allowing for the assessment of installations of a technology that are not fully in scope of the scheme, as long as the CB can determine objective evidence of compliance. [MCs 001-2 5.3]</p> <p>The current scheme determines that the number of installations assessed should not be less than the square root of the total number of installations rounded up to the nearest whole number (e.g., a new build site of 50 installations then a minimum of 8 should be assessed).</p>	Replaced	<p>The Contractor Conformity Assessment Guidelines describes the scheme’s focus on providing evidence of a contractor’s consistent delivery of quality installations for customers (‘delivered quality’) as determined through site-based assessments.</p> <p>CBs shall select installations for each certified technology as candidates for assessment as determined by the Compliance Risk Model and on the basis of a random selection of installations completed and registered on the MID by the contractor since their last assessment. A CB shall select at least three alternative installations to support the assessment of one, therefore allowing for any issues associated with gaining access to an installation.</p> <p>The Scheme Rules in the “You and Your CB” section, define how a contractor will need to maintain certification. CB assessments will likely follow the existing annual cycle, but the volume and frequency of assessments is governed by the scheme wide Compliance Risk Model. A contractor’s risk level may vary per technology:</p> <ul style="list-style-type: none"> • During the first two years of certification, the risk level will default to medium, necessitating a minimum of one site assessment per certified technology per year. • A contractor’s risk rating can increase at any time, triggering a minimum of five site assessments per technology. • Once MCS certification has been held for more than two years, a contractor’s risk level can reduce to “Low Risk”. Contractors with a risk rating of low can expect a minimum of one desk based annual assessment supported by an Annual Return, with the option for an installation (site) assessment required only every three years.

			<p>If a contractor has completed less than three installations in total since their last assessment, then the CB shall choose one at random and ask the contractor to arrange the site visit for that one.</p> <p>This is likely to represent a change to CB's resource and scheduling models, as under the existing scheme CBs have typically scheduled annual assessments that incorporate an office assessment and one site assessment per technology. The new scheme will require assessments to be conducted in line with the Contractor Conformity Assessment Guidelines which incorporate the operation of the Compliance Risk Model.</p>
3.6	<p>Surveillance Assessments requirements are associated with at least one annual compliance assessment that takes place in a time period between 2 months prior to and 4 months beyond the original date of certification. The assessment should include a contractor's verification process if they employ subcontractors and an assessment of a contractor's management systems, which can extend to multiple offices if relevant. Desktop reviews are not permitted for more than one consecutive surveillance. [MCS 001-2 5.4]</p>	Replaced	<p>The Contractor Conformity Assessment Guidelines will describe the scheme's focus on providing evidence of a contractor's consistent delivery of quality installations for customers ('delivered quality') as determined through site-based assessments.</p>
3.7	<p>Remote Surveillance Assessment is permissible for up to 2 out of every 3 years. A contractor's ISO 9001 certification allows for remote surveillance 4 out of every 5 years. Conditions apply to being able to offer a remote assessment. [MCS 001-2 5.5]</p>	Replaced	<p>The Scheme Rules in the "You and Your CB" section, define how a contractor will need to maintain certification. CB assessments will likely follow the existing annual cycle, but the volume and frequency of assessments is governed by the scheme wide Compliance Risk Model. This model allows for contractors with a risk rating of low to receive a desk (remote) based annual assessment supported by an Annual Return, with the option for an installation (site) assessment required only every three years.</p>
3.8	<p>Remote Assessments [MCS 001-2 5.5.4] to attract an Annual Return of minimum information (Table 1) which includes:</p> <ul style="list-style-type: none"> • Format of QMS • Verification of trading address • Status of membership of a Consumer Code • Verify key individuals • Copies of Contractual documents including for site where complaints have been raised • Subcontracting arrangements 	Replaced	<p>The Scheme Rules allow for contractors with a risk rating of low to receive a desk (remote) based annual assessment supported by an Annual Return.</p> <p>An Annual Return should provide the minimum information to allow for a contractor's compliance risk to be determined through the Compliance Risk Model. This information should include the following, explaining any changes since the contractor's last assessment or over the preceding 12 months, whichever is sooner:</p> <ul style="list-style-type: none"> • changes in ownership, control and management structure of a contractor's business; • extent to the use of subcontractors and for what purpose;

	<ul style="list-style-type: none"> Complaints Log Current ISO 9001 certificate (if applicable) 		<ul style="list-style-type: none"> substantiated complaints received, their outcome including corrective and preventative actions taken; evidence of the delivery of preventative actions arising from the contractor's previous assessment(s). <p>This is likely to represent a change to a CB's existing Annual Return processes aligned to the provision of a desk (remote) surveillance audit.</p>
3.9	<p>A CB's response to non-conformities arising outside of surveillance activities will require a contractor to resolve the non-conformity in a timescale not normally more than 6 weeks from the date raised with the Contractor [MCS 001-2 7.2.1].</p> <p>Where such non-conformities cannot be resolved within 6 weeks the contractor shall be subject to additional surveillance activities (remote, office audit or site visit as appropriate), suspension or withdrawal [MCS 001-2 7.2.2].</p> <p>Where a complaint is upheld by virtue of non-conformities being identified, even if resolved, the CB shall conduct additional surveillance activities covering either the QMS, other installation work (i.e., different to that resulting in the complaint), or both depending on the nature of the non-conformities identified.</p>	Replaced	<p>The Contractor Conformity Assessment Guidelines necessitate the deployment of the Compliance Risk Model and determine how non-conformities are to be managed. This includes a contractor's expected response to non-conformities in a specified timescale.</p>
3.10	<p>The MCS Contractor shall use the Certification Mark(s) only in accordance with their Accredited Certification Body's instructions. [MCS 001-2 8]</p>	Replaced	<p>The MCS issued Contractor Agreement will replace a need for CBs to issue sub (sub) licences on behalf of MCS for a contractor's use of the MCS Mark.</p> <p>This does represent a change to CB processes in that MCS will move to having a direct contractual relationship between scheme and contractor, removing the need for CBs to manage the issuing and acceptance of sub-licences on behalf of MCS.</p>
3.11	<p>Complaints and Appeals – CBs are obliged to offer a complaints and appeals processes to contractors in accordance with the requirements of ISO/IEC 17065 [MCS 001-2 9]</p>	Retained	<p>The Contractor Conformity Assessment Guidelines describe the procedures a CB must have in place to deal with appeals, complaints and disputes raised by a contractor in compliance with ISO / IEC 17065.</p> <p>This does not represent a change to a CB's existing Complaints and Appeals processes.</p>

<p>3.12</p>	<p>The MCS Contractor shall give notice in writing to the CB of any change to any significant particulars within 30 days. These include but are not limited to:</p> <ul style="list-style-type: none"> • Legal constitution • Director(s) • Trading status, title or address • Nominee • Nominated Technical Person(s) <p>Where the changes are such that the conditions under which certification was granted are significantly affected, the contractor is to be advised of the actions, and any associated fees, that will be required to be completed to maintain certification. [MCS 001-2.10]</p>	<p>Replaced</p>	<p>The Scheme Rules require a contractor to tell MCS immediately if there are changes to the ownership of their business, its legal structure, registered business address or Main Contact. These are changes that will be shared with the contractor's CB if not done so already.</p> <p>This will likely represent a change in process for the CB in that MCS requires this information for the maintenance of the Contractor Agreement.</p>
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<p>Proposal 3 – Risk-based compliance assessments</p>	<p>Notes for Certification Bodies</p>
<p>Due to the implementation of risk-based compliance assessments of “delivered quality”, CBs will likely need to adapt the following aspects of their operations:</p> <ul style="list-style-type: none"> • Removal of office-based and Quality Management System based assessments, other than, if necessary, in response to a non-conformity recorded from a site-based assessment. For example, to verify the operation of a process intended to manage quality. • Assessment of a range of installation types now permissible for initial or extensions to scope applications • Involvement of a contractor's Main Contact and the Technical Supervisor for the assessment of an installation • Deployment of standard Assessment Criteria as provided by MCS, forming the basis of site-based assessments. • Requirements placed on contractors as to how they need to respond to non-conformities: root cause, corrective and preventative actions with timescales. • Determination of a contractor's risk rating as governed by the Compliance Risk Model and the recording of the rating on the MID • Frequency and volume of assessments as governed by the Compliance Risk Model • Selection of installations (sites) for assessment, that with the absence of a requirement for an office assessment, the choice of installations for assessment will likely not be restricted by the drive time between a contractor's office and the location of an installation(s) for assessment. • Adaption of the Annual Return process, to be requested from “low risk” contractors to support the provision of a desk (remote) assessments. 	



Proposal 4 – Technical responsibility for each installation	Impact Assessment (IA)	
	Date:	5 October 2023
	Stage:	Post consultation implementation planning
	Area:	Certification Scheme
Enquiries:	mcsmeetings@mcs-certified.com	
What are the objectives for the changes and intended effects?		
<p>The new scheme will require a named, appropriately qualified Technical Supervisor to take responsibility for each individual installation. In this way, each installation is essentially to be “signed off” as compliant. The Technical Supervisor’s details are to be recorded in the MID, associated with each installation they have overseen.</p> <p>At the time of registering an installation with MCS, the assigned Technical Supervisor must hold technology appropriate, in date, MCS approved qualification(s) as required to prove their competency. This is intended to strengthen the link between the technical supervision and associated responsibility of each individual installation.</p> <p>This change moves MCS to a model that identifies the technical supervision for each installation, and not as per the current model that requires a contractor to assign at least one Nominated Technical Person (NTP) for their business for each technology installed, with a record of their details made in a quality management system. In a move away from back-office systems and paperwork the new scheme is concerned with the technical oversight and therefore responsibility for each of a contractor’s installations.</p>		
How will the changes be implemented?		
<p>The new Scheme Rules will incorporate the requirement for a Technical Supervisor to be named for each installation performed by a contractor.</p> <p>Associated with this change, we will issue guidance as to what constitutes acceptable supervision to help contractors (and their CBs) establish what is an appropriate level of technical oversight. In doing so, we will consider existing supervisory models as described in other schemes relevant to this sector.</p>		

Proposal 4 – Technical responsibility for each installation

GAP ANALYSIS

Reference	Existing Scheme operations	Replaced / Removed / Retained	New Scheme operations
4.0	<p>MCS 025 – The Competency Standard provides for the requirements of a contractor’s Nominated Technical Person(s), being responsible for ensuring that supply, design, installation, set to work, commissioning and handover of microgeneration systems of a given technology [MCS 025 3.2.1].</p> <p>NTP(s) must be competent in the technical aspects associated with the technology or technologies that they are responsible for NTP(s) must evidence their competency to the contractor’s CB in one of three ways:</p> <ul style="list-style-type: none"> • Provide evidence of in date qualifications or personal certifications (and reassessment if appropriate), secured within the proceeding 5 years against the list of MCS approved training for each technology type. • Provide evidence of completion of non-regulated training approved by MCS. • Completion of an MCS approved independent assessment of competency. [MCS 025 3.2.2] 	Replaced	<p>The Scheme Rules include requirements for a Technical Supervisor, allowing for the retirement of MCS 025 and the further simplification of the scheme.</p> <p>The Technical Supervisor is defined as the individual who for a specific installation, takes overall technical responsibility for ensuring that it is fully compliant with the appropriate MIS and all other relevant standards and manufacturing instructions pertaining to the installed technology.</p> <p>The requirements of technical supervision as defined in the Scheme Rules is as follows:</p> <ul style="list-style-type: none"> • Each installation must be assigned a Technical Supervisor, who as the name suggests, is able to provide technical supervision to the installation. In essence, the Technical Supervisor signs off on the technical compliance of an installation to the relevant MIS. • That the contractor adequately identifies the supervision requirements appropriate to the volume and complexity of their operations. The contractor shall ensure that all employees and subcontractors are adequately supervised and be able to demonstrate how you have determined the ratio of supervision. • Installation work must not be undertaken without an identified Technical Supervisor for the technology being installed. • The Technical Supervisor associated with an installation that is chosen for assessment, must make themselves available if required by either MCS or the contractor’s CB during an onsite installation assessment. <p>This change will require contractors to consider whether their technical supervision of installations is in compliance with the new Scheme Rules. It is anticipated that for smaller contractors who operate in local areas and through employees, their Technical Supervisor will likely equate to their current NTP as identified for the technologies they install.</p>

<p>4.1</p>	<p>MCS 001 Part 1: Requirements for MCS Contractors includes requirements for MCS Contractor Personnel.</p> <p>These requirements include the need for a named individual Nominated Technical Person (NTP) whose responsibilities as set out in MCS 025. [MCS 025 4.5.1]</p>		<p>Evidence of the operation of a QMS is not a requirement, including retaining records of personnel who hold roles within the contractor's business and their deputies.</p> <p>The Scheme Rules and the process for raising installation certificates via the MID require the details of each Technical Supervisor for an installation to be recorded. These details will be made available to the contractor, MCS and the contractor's CB, but will not be published on the MCS certificate and therefore won't be visible to consumers.</p>
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Proposal 6 – MCS Contractor Agreement	Impact Assessment (IA)		
	Date: 5 October 2023		
	Stage: Post consultation implementation planning		
	Area: Certification Scheme		
Enquiries: mcsmeetings@mcscertified.com			
What are the objectives for the changes and intended effects?			
<p>To implement a new Contractor Agreement that offers contractors a direct relationship with MCS in comparison to the current scheme operated via CBs and Consumer Codes.</p> <p>The Contractor Agreement is intended to provide MCS with more powers than the existing sub (sub) licence issued on behalf of MCS by CBs to contractors. The new Contractor Agreement will be developed to be fair, underpinning commitments MCS will make to support contractors and in return, the commitment contractors will be asked to make to adhere to Scheme Rules.</p> <p>This change in scheme operation is intended to foster a direct and supportive relationship between MCS and contractors. This relationship will be based on transparency and will be as much about celebrating quality installations and good customer outcomes, as it is about providing support to both the contractor and their customers, when in a small minority of cases, things have gone wrong.</p>			
How will the changes be implemented?			
<p>We will seek support from our CBs for the termination of all existing sub (sub) licences at the launch of the new scheme.</p> <p>The current sub (sub) licences allow a CB to terminate the licence for a contractor’s use of the MCS Mark. There are two ways that a CB can terminate the licence either, because the CB ceases to have the right to issue a sub (sub) licence or, if they serve the contractor with no less that three month’s written notice.</p> <p>The CB will cease to have the right to issue a sub (sub) licence at the point that the existing scheme is closed, and the new scheme is launched.</p> <p>We'll agree a joint communications strategy with the CBs to terminate sub (sub) licences and to share the new Contractor Agreement with certified contractors.</p>			

Proposal 6 – MCS Contractor Agreement

GAP ANALYSIS

Reference	Existing Scheme operations	Replaced / Removed / Retained	New Scheme operations
6.0	<p>Sub (sub) Licence Agreements are issued on behalf of MCS by a contractor’s CB. The Agreement affords a certified contractor use of the MCS Mark.</p> <p>The MCS Mark is the property of the MCS Service Company Limited (Company No. 7759366).</p> <p>The MCS Service Company Ltd licences use of the MCS Mark to the contractor’s CB, allowing for the further licensing for the use of the MCS Mark to a contractor.</p>	Replaced	<p>A new Contractor Agreement between MCS and certified contractors will replace the existing sub (sub) licence agreements. It contains:</p> <ul style="list-style-type: none"> • A requirement to secure and maintain certification via a CB for the technologies being installed and to have passed the Scheme Approval Checks having given a reassurance that their business will satisfy the approval checks (conducted by MCS). • A right for the contractor to participate in the scheme and operate as “MCS certified” including a licence to use the MCS Mark (attracting conditions). • Agreement to abide by the Scheme Rules which incorporate the Customer Duty and the need for installations to be compliant with the appropriate MIS and System Performance Estimate Standard. • Agreement to raise an MCS certificate for all in scope completed installations within 30 calendar days. • Take sole responsibility for the compliance and safety aspects of an installation in scope for MCS. • Maintain adequate records of the installations performed under MCS in case these are needed to provide a contractor’s effective management of quality. For the avoidance of doubt, this does not constitute a requirement of a contractor to maintain a documented Quality Management System. • Address non-conformities arising from assessment including establishing the associated root cause, corrective and preventative actions. • Agreement to engage with MCS via the MCS Complaints Procedure (Proposal 7), and if necessary, participate in ADR for the resolution of issues established with a customer’s installation.

Proposal 7 – Centralised complaint management	Impact Assessment (IA)
	Date: 5 October 2023
	Stage: Post consultation implementation planning
	Area: Certification Scheme
Enquiries: mcsmeetings@mcs-certified.com	
What are the objectives for the changes and intended effects?	
<p>Our objective is for MCS to take a central role in the management of the sector’s consumer complaints and disputes.</p> <p>We will embed complaint management and dispute resolution at the heart of the new scheme. MCS complaint and dispute management will be complemented by the provision of independent ADR as an option following a failure to provide a resolution through the MCS Complaints Procedure.</p> <p>In addition, we will deploy a proactive programme of outbound contact with all customers in receipt of MCS certified installations. This will give the scheme much greater insight into consumer satisfaction with their installations and their chosen contractor’s work. This will afford the scheme an ability to make an early record of issues, and if necessary, trigger a remediation plan just a few days after the completion of a customer’s installation. These findings will inform ongoing MCS Approval Checks and a contractor’s risk rating as determined by the Compliance Risk Model.</p> <p>The intended effects of centralised complaints management include, but are not limited to:</p> <ul style="list-style-type: none"> • Greater consistency in complaint handling and the outcomes achieved for consumers • An easier route for consumers to navigate • Significant improvement in the speed of response and resolution of complaints • Clearer routes and support for consumers in achieving a resolution to their issue, including the remediation of installation issues • Improved transparency as we report on complaints and their outcomes • Greater oversight of the complaints landscape and trends, helping inform standards and scheme development with the aim of improving quality standards • Connecting complaints with the scheme’s management of a contractor’s risk of non-compliance, reducing the likelihood of further complaints of the same nature in the future 	
How will the changes be implemented?	
<p>At the launch of the new scheme, we will communicate the new MCS centralised complaints management procedure as a replacement for the current fragmented nature of complaint handling. From the launch of the new scheme, it will be clear how complaints can be lodged and how they will be managed by MCS.</p>	

Proposal 7 – Centralised complaint management

GAP ANALYSIS

Reference	Existing Scheme operations	Replaced / Removed / Retained	New Scheme operations
7.0	<p>MCS operates a complaints process that is titled “What to do if things go wrong”. MCS will support complaints if:</p> <ul style="list-style-type: none"> • The contractor is still trading • The contractor is MCS certified • The consumer has submitted a formal letter of complaint to the contractor giving them an opportunity to respond. <p>MCS requires complaints to be submitted via an online “Something’s Gone Wrong” form and aims to establish the issue within 5 working days.</p> <p>Consumers may be required to complete a further complaint form. This will then be referred by MCS to the contractor’s CB and/or Consumer Code to investigate depending on the nature of the complaint. If a customer’s complaint cannot be resolved by either party, the complaint can be escalated to MCS to investigate.</p> <p>Each CB and Consumer Code operates their own complaints management processes, with each interacting differently with MCS.</p>	Replaced	<p>To date, the role of MCS in the management of consumer complaints has been to facilitate the referral of complaints to either the contractor’s CB or Consumer Code, depending upon the nature of the complaint. Under the new scheme, we will centralise complaints management, offering a new MCS Complaints Procedure available at launch. This consider all complaints, from whatever source.</p> <p>We will capture complaints and their progress in a centralised system, acting as a point of contact for the complainant, while engaging with all relevant parties to achieve a resolution, including the original contractor. We will publish the MCS Complaints Procedure in full at new scheme launch to include in overview:</p> <p>1. Acknowledgment of Complaints</p> <ul style="list-style-type: none"> • We will offer multiple channels for consumers to register complaints either by phone, email or via the MCS website. • All complaints will be acknowledged promptly, to assure customers their concerns are being taken seriously. • Provide a unique reference number for each complaint to track its progress. <p>2. Documentation and Investigation</p> <ul style="list-style-type: none"> • We will gather all relevant information about the complaint, including customer details, installation records, and any communications between consumer and contractor. • Assign a dedicated complaints handler to investigate the issue thoroughly. • Communicate with the contractor involved to understand their perspective. • If the source of the complaint cannot be established, MCS will trigger a site-based root cause assessment of the complaint, allowing for an early diagnosis of the issue(s) and move to resolution, setting expectations for both consumer and contractor, notifying the contractor’s CB. <p>3. Resolution and Timelines</p> <ul style="list-style-type: none"> • Set clear timelines for resolution based on the complexity of the complaint and its resolution. • Prioritise complaints and their resolution in situations in which the consumer is at risk of harm.

			<ul style="list-style-type: none"> • Communicate progress to the consumer throughout the process, explaining next steps and the reason for any delays or challenges. <p>4. Escalation Process</p> <ul style="list-style-type: none"> • Establish a tiered escalation process for unresolved complaints. • Clearly define when and how a complaint should be escalated, ensuring consumers and contractors are aware of this process, including facilitating access and support for parties with escalating to ADR. • If established, link to the MCS Guarantee, offering support for consumers whose complaint remains unresolved through the MCS Complaints Procedure. <p>5. Root Cause Analysis</p> <ul style="list-style-type: none"> • Conduct a thorough root cause analysis to prevent similar complaints in the future. • Determine if there are any systemic issues within the contractor's processes and raise non-conformities that require preventative actions to avoid similar issues and complaints in the future. • As necessary, provide input to a contractor's risk rating via the Compliance Risk Model. <p>6. Remediation</p> <ul style="list-style-type: none"> • Oversee the delivery of the remediation plan. • Ensure that consumers are satisfied with the resolution before closing the complaint. • If necessary, trigger a contractor's suspension of their Contractor Agreement if issues remain unresolved. <p>7. Transparency and Communication (general principles)</p> <ul style="list-style-type: none"> • We will maintain open and honest communication with both consumer and contractor throughout the complaint management process. • If there are delays or challenges, inform the consumer and provide regular updates. <p>8. Records and Analysis</p> <ul style="list-style-type: none"> • We will maintain detailed records of all complaints, investigations, resolutions, and feedback, linked to the installation details stored in the MID. • We will use this data for reporting and analysis, providing input to the further development of MCS Standards and Scheme, sector communications on common complaints and how to avoid them, and as case studies to underpin MCS technical briefings / notices.
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Proposal 8 – Implementation of new financial protections	Impact Assessment (IA)
	Date: 5 October 2023
	Stage: Post consultation implementation planning
	Area: Certification Scheme
What are the objectives for the changes and intended effects?	
<p>Our objective is to determine a design for the sector’s “fund of last resort” with the working title of the MCS Guarantee. It is intended that the MCS Guarantee can underpin consumer confidence in their chosen contractor and the certified products that they offer as part of an installation that meets a consumer’s needs.</p> <p>The MCS Guarantee is not intended as a direct replacement for IBGs. Under the new scheme, MCS will no longer mandate the purchase of IBGs.</p> <p>The introduction of a contractual relationship between MCS and contractors as described in Proposal 6, affords MCS greater powers to ensure consumer outcomes. This new contractual relationship between scheme and contractor opens up the possibilities afforded by a new Fund. The Fund will be designed to cover the cost of remediation of a customer’s installation if a contractor is unable or unwilling to complete the remediation work deemed necessary, if all other financial protections have been exhausted.</p>	
How will the changes be implemented?	
<p>With the necessary legal advice, an operating framework for the MCS Guarantee is to be developed.</p> <p>Once we have established a design for the “fund of last resort” we will decide as to whether to launch the MCS Guarantee. Work on the design and development of the MCS Guarantee will sit alongside, but be distinct from, the implementation of all other changes to MCS.</p>	

Proposal 8 – Implementation of new financial protections			GAP ANALYSIS
Reference	Existing Scheme operations	Replaced / Removed / Retained	New Scheme operations
8.0	<p>MCS 001 Part 1: Requirements for MCS Contractors includes the requirement for workmanship to be guaranteed for at least 2 years following installation.</p> <p>Contractors are obliged to provide their customers with an insurance policy which covers workmanship in the event the contractor ceases to trade during the term of their guarantee.</p>	Removed	The purchase of IBGs will not be a requirement of the new scheme.
8.1	<p>Current IBG products offer to cover the cost of remedial work that the contractor can't support having ceased trading. Policies are typically restricted as follows:</p> <ul style="list-style-type: none"> • The original contractor having ceased trading, defined as having permanently stopped carrying on business activity. • Notification of a fault within 30 days of it occurring. • Exclusion of efficiency of performance related issues. • Exclusion of issues of design or installation or compliance with MCS or the relevant Consumer Code, present prior to the insolvency of the contractor. • The contract must have completed in full with no cover for partial installs. • The vast majority of policies sold offer only the minimum 2 years cover. • They can only be transferred to a new owner of a property if a fee is paid and it's done within 30 days of the sale of the property. • Due to policy ownership being with the consumer directly, not the installation or property. • A need for consumers to activate policies. 	Removed	<p>A design for the MCS Guarantee is to be developed as a discretionary “fund of last resort” to support consumers with the remediation of their installation issues if all other options to secure financial support for the rectification of an issue have been exhausted.</p> <p>Once a design for the Fund has been established, a decision will be taken as to whether to launch the MCS Guarantee. At that stage we will publish the full details of the Fund and its governance. This will likely include details as to how the Fund will deliver grants to support remedial works. We'll outline the application process and support available to applicants, including via the MCS helpdesk and MCS website.</p> <p>If progressed to launch, MCS will provide supporting materials to certified contractors as to how to position the Fund as adding value to their ability to trade as MCS certified in front of their customers.</p>
8.2	MCS Service Company Ltd is an Appointed Representative of Independent Warranty Association (IWA) who are authorised and regulated by the Financial Conduct Authority.	Removed	Given that the purchase of IBGs will not be a requirement of the new scheme, MCS won't need to be an FCA Appointed Representative for the IWA.

