



**December 2015**

# **Cavity wall insulation complaints – a review of CIGA complaints handling**

## Contents

1. Introduction
2. Background
3. Summary – conclusions and main recommendations

### **Findings, conclusions and recommendations on key questions:**

4. Information about how to complain
5. Methods for making complaints
6. Performance standards and targets
7. Process for resolving disputes
8. Compliance with the Alternative Dispute Resolution (ADR) directive
9. Adequacy of redress
10. Customer journey
11. Advice and support for vulnerable consumers
12. Preventing problems and learning lessons
13. Transparency

### **Annexes**

- A About the Review and how it was conducted
- B List of respondents – other than those who wished their response to remain confidential
- C Results of online survey
- D Text of the CIGA Guarantee

## Introduction

*'What is urgently required by current and future complainants is an objective, fair and speedy enquiry into the nature of the reported problem, followed by quick and effective remediation. A major improvement, and shift in attitude and massive improvement in customer relations, are required in how CIGA has been responding, and is still responding to reported defects in the installation of cavity wall insulation covered by their 25 year guarantee'*

### **Energy supplier respondent to Consumer Champion Review, September 2015**

- 1.1 In May 2015 I took up the role of Consumer Champion for the Cavity Insulation Guarantee Agency (CIGA). My role is to hold CIGA to account to deliver for consumers<sup>1</sup>. In June 2015 I launched a Review of CIGA's complaint handling.<sup>2</sup> This Review builds on improvements that CIGA announced in Spring 2015 which I call in this report CIGA's 'Change programme'. I wanted to find out how well consumer complaints about cavity wall insulation are handled by CIGA and its member installers now; whether the improvements CIGA announced earlier this year are sufficient to address stakeholder concerns; and what more should be done by CIGA and its member installers to ensure that consumer complaints about cavity wall insulation are dealt with effectively and fairly in future.
  
- 1.2 Views and evidence were invited from all stakeholders with an interest in these issues – individual consumers, consumer groups, businesses and industry bodies, including energy suppliers, as well as local government and national government across the United Kingdom. Information about the review was widely circulated, as outlined in Annex A. More than 250 individuals and organisations were sent details about the review and invited to contribute. In addition there was a press release, tweets from the CIGA twitter account, which has more than 700 followers, and circulation of information to members of National Energy Action and the National Insulation Association. Responses were invited by 18 September 2015.

---

<sup>1</sup> I sit on the CIGA Council (governing body) and bring a consumer voice to the Council, recommending improvements in policies and procedures where needed; I keep in touch with consumer groups; I can take up individual complaints with CIGA if they are taking too long to resolve; and can recommend that disciplinary action is taken against installers.

<sup>2</sup> <https://ciga.co.uk/consumer-champion-review/>

- 1.3 By 18 September 46 individuals and organisations had either completed the online response form or written to me about the review. A list of those respondents who did not ask for their response to be confidential can be found at Annex B.
- 1.4 I am extremely grateful to the 46 people and organisations who have written to me with their views and experiences or taken part in an online survey.<sup>3</sup> I have also taken account of evidence from seeing at first hand more than 70 consumer complaints since May 2015 – some of which had been ongoing for a number of years.
- 1.5 If cavity wall insulation is installed correctly and appropriately the insulating effects can make a huge contribution to the health, well-being, and wealth of consumers – helping people to be warmer in the winter and reducing their energy bills.
- 1.6 But if it is not installed properly a number of problems can result. Including problems with damp and mould, damage to property, and the insulation may not be as effective as expected.
- 1.7 The CIGA 25 year guarantee<sup>4</sup> is extremely important for those cases where installations are not carried out correctly or appropriately. It should provide consumers with peace of mind that any problems will be resolved. It is important that when any consumers need to 'activate' their guarantee any problems are dealt with quickly and well, and that CIGA and its member installers fulfill the guarantee. The system should also visibly learn from complaints and prevent similar problems happening in future.
- 1.8 I have, however, found a very customer driven system of complaint handling where too often the consumer seems to have just been forgotten about and overlooked; the customer journey is unduly complex and confusing, particularly where the customer does not know the name of the firm that installed their cavity wall insulation, communication to the consumer is often limited, published timescales for responding to complaints are slow by comparison with the reasonable expectations of stakeholders and established good practice and performance against those standards is weak.
- 1.9 The redress offered by the Guarantee is limited. But it is not sufficiently explained to consumers. The lack of clear explanation – for example whether or not the Guarantee covers the costs of any redecoration works required if the installation is judged to be defective - in my view creates the conditions whereby installers, and potentially CIGA, could 'side step' their obligations.

---

<sup>3</sup> See list of respondents Annex B

<sup>4</sup> See Annex D for the text of the Guarantee

- 1.10 Whilst the Guarantee provides for independent dispute resolution – arbitration - there are no particular arrangements in place for such cases, and consumers who were unhappy about the outcome in their case have told me they were never told about this opportunity. I do not think it is not sufficient for CIGA to consider that consumers were ‘told’ about this because it is a provision in the Guarantee issued to them after the installation. Without a specific scheme for dealing with disputes CIGA is presently unable to answer any questions from consumers about when they can refer their case, what the procedure is, what it will cost etc.
- 1.11 CIGA has issued a range technical bulletins since its establishment in 1985. However, I have not seen evidence of a systematic and continuous approach to learning the lessons from complaints so as to prevent similar problems in future.
- 1.12 Finally, vulnerable consumers are not sufficiently assisted and supported through the complaints process.
- 1.13 Recent CIGA improvements in public information about how to make a complaint, public commitments to service improvements and recently updated Best Practice Guidance for member installers are all very important and welcome initiatives by CIGA. Some of CIGA's announced improvements are 'in progress' and should address some aspects of the features I have noted above.
- 1.14 CIGA must therefore continue to follow through on its Change Programme. There is still some way to go for CIGA to fully deliver on the promises it has already made to improve and secure stakeholder realisation that those improvements have been made.
- 1.15 However, I think CIGA and its member installers should promise and deliver more change and improvement than they have announced so far. I make recommendations for further change and improvement in all areas but the four main aspects are:
- customer service and performance standards
  - support for vulnerable customers
  - independent dispute resolution
  - redress
- 1.16 My main recommendations on these issues can be found in Section 3 of this report. Sections 4 to 13 provide my findings and conclusions on the questions this review looked at and also include further recommendations and advice for CIGA on specific points considered.
- 1.17 Many of the recommendations I have made in this report are for CIGA to do things now which in many other contexts across the private and public sector would be regarded as the basics of

effective and efficient complaint handling. This underlines the need for CIGA to now **make sure it has a fit for purpose vision, values, approach and process for dealing with customer complaints and claims. This should be based on a good understanding of the customer position deliver much better quality and speed of communication with individual customers.**

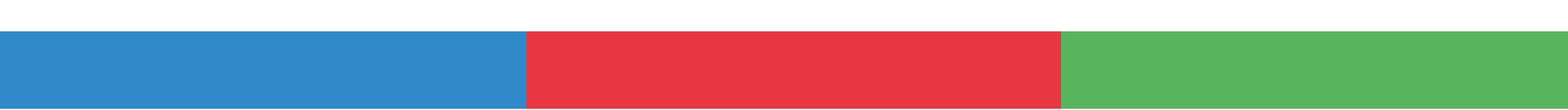
## The Bonfield Review

- 1.18 In September 2015 the government launched an independent review of consumer protection in the energy efficiency market – the Bonfield Review.<sup>5</sup> There are three issues that I am asking the Bonfield Review to address where I think the solution needs industry wide, and government, involvement.
- 1.19 First is the issue of providing consequential redress where the installation of cavity wall insulation in a property has resulted in or contributed substantially to problems such as damp, and the problem has persisted for a period of time before resolution. In these cases the lives of the residents in the property have been affected for the duration of the problem. I think that where installations have been funded by or sought by government as part of statutory programmes,<sup>6</sup> with government and energy suppliers effectively commissioning the work, then the government and the energy suppliers should take some responsibility for any negative impact for individual consumers. The Bonfield Review seems to me to be a timely opportunity to look at that issue.
- 1.20 Second, whilst CIGA should take steps to simplify the customer journey for the complaints it deals with the industry, government and Ofgem need to put in place a much simpler and easy to use system for individual consumers to trace the identity of the company that installed the cavity wall insulation in their property and also the identity of any guarantee provider, of which there are now a number.
- 1.21 Third, I have recommended a significant improvement in the standard for CIGA and its members to respond to consumer complaints, halving the amount of time that it ought to take for a complaint to be resolved whether by an installer or CIGA. I have also suggested a much more demanding Key Performance Indicator for CIGA's Council and others to use to hold the organisation to account to deliver. I invite the Bonfield Review to consider whether the energy efficiency industry as a whole could adopt consistent and higher standards for customer service and responding to complaints.

---

<sup>5</sup> <https://www.gov.uk/government/publications/bonfield-review-terms-of-reference>

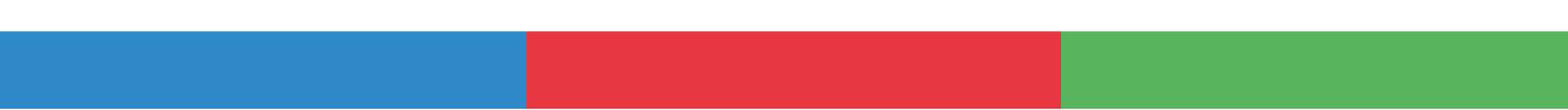
<sup>6</sup> For example in England the Warmfront programme or across GB ECO

- 
- 1.22 It would be helpful if the Bonfield Review would consider finding solutions to the issues in paragraphs 1.19, 1.20 and 1.21 above.
  - 1.23 Finally I very much hope that CIGA will respond positively to this review and that it will soon result in further improvements in service to customers.

**Teresa Perchard**

**CIGA – Consumer Champion**

**November 2015**



## 2. Background to CIGA guarantees

- 2.1 Cavity wall insulation (CWI) is present in 13.9 million homes across the United Kingdom, 72% of all the properties that have cavity walls.<sup>7</sup> Most newly built properties have insulated walls in order to meet Building Regulations, but a significant number of homes that were built before modern standards have empty cavities, and an estimated 8 million have been retrofitted. These Installations have predominantly taken place as part of a range of public policy initiatives over time to reduce energy bills, improve the energy efficiency of UK housing stock, reduce carbon and reduce fuel poverty.
- 2.2 CIGA was established in 1995 to provide a consistent approach to guaranteeing the quality of cavity wall insulation work which is undertaken by many different installers. CIGA provides 25 year guarantees for retrofit cavity wall insulation in the UK, where the installation is carried out by an installer registered with CIGA using a system of insulation that is also registered with CIGA. Today there are more than 200 different installers registered with CIGA who use 17 different systems, or types, of cavity wall insulation.
- 2.3 CIGA is an Ofgem recognised guarantee provider for the purposes of the ECO scheme; is an installer accreditation body registered with UKAS and is authorised to operate the CWISC Competent Persons Scheme by the Department for Communities and Local Government (CLG). These arrangements mean that installers registered with CIGA need to demonstrate that they meet required standards, and CIGA itself needs to meet certain standards in the way it manages its scheme if it is to retain its UKAS accreditation body status. CIGA has a scheme of rules for members and can take disciplinary action, including withdrawing registration, where these rules are not complied with. Although CIGA is no longer the monopoly provider of guarantees in this area being able to issue a guarantee is essential if the installer is to undertake any work for the Green Deal or ECO schemes.
- 2.4 Since 1995 5.8m guarantees have been issued by CIGA across the UK. This means that equivalent to 1 in 5 of all households are protected by a CIGA guarantee, or around 71% of properties in the UK that have had cavity wall insulation retrofitted. Further information about the coverage of guarantees can be found in CIGA's Annual Report<sup>8</sup>

---

<sup>7</sup> Westminster Hall Debate, House of Commons, 3 February 2015.

<http://www.publications.parliament.uk/>

<sup>8</sup> <https://ciga.co.uk/annual-report/>

2.5 The key features of the CIGA guarantee<sup>9</sup> are:

- it lasts for 25 years from the date of the installation of cavity wall insulation by an installer registered with CIGA;
- defects in materials or workmanship in connection with the installation will be rectified without charge to the consumer, up to a limit of £20,000;
- the guarantee applies to the property, not the resident householder, and it is not necessary for any change of householder to be notified.
- any disputes about the Guarantee can be referred to independent arbitration, whose decision is binding.

2.6 Where a consumer has a complaint it is expected that this should first be addressed by the relevant installer, who has a contractual liability to rectify any defects. Under the CIGA membership rules the installer must respond to complaints within 2 months of receiving them from a consumer or CIGA.

2.7 If the consumer is not satisfied with the response from the installer they can ask CIGA to look at the issue. CIGA mediates with the installer to seek a resolution or steps in to put things right. Where the installer who undertook the installation is no longer registered with CIGA, perhaps because they are no longer in business, CIGA is responsible for resolving the complaint.

2.8 CIGA has published statistics that since 1995 only 12,010 complaints have been made by consumers about the CWI installations carried out by installers registered with CIGA<sup>10</sup>. This is equivalent to 0.21% of all the guarantees issued by CIGA in the twenty year period. Of these complaints most were resolved by the relevant installer. Around 26% of all complaints were referred to CIGA (3,123 complaints) either because the original installer had ceased to trade or the installer had failed to rectify a defect within 2 months.

2.9 CIGA's indicates that in 2014 the main reason for the complaints and claims it has handled was water penetration. However, a significant proportion, 23%, of complaints were about issues judged to be outside the terms of the guarantee, for example where damp in a property was judged to relate to building maintenance or defects rather than the cavity wall insulation.

---

<sup>9</sup> Annex D contains the text of the CIGA guarantee

<sup>10</sup> <https://ciga.co.uk/annual-report/>

- 2.10 As noted above the CIGA guarantee provides that defects in workmanship or materials will be put right, at no cost to the consumer. CIGA, and its registered installers, meet the costs of repairs to exterior and interior decoration of a property where they have judged the cause of any deterioration or damage to be directly related to defective installation of cavity wall insulation. In this way the consumer should be put back in the position that they were before the cavity wall insulation was installed. The requirement for and extent of such work is normally judged through an inspection carried out by staff employed by the Installer, System Designer or CIGA, though in situations where the installer is making a claim on its insurance a chartered surveyor and/or a loss adjustor may be involved.
- 2.11 The guarantee does not promise compensation for the impact any problems have had on the consumer, including time, trouble and inconvenience involved in pursuing the complaint or putting up with problems caused by defects. Neither does the guarantee provide any compensation for poor customer service, including delays in responses to complaints compared to the standards required of the CIGA membership scheme or, in the case of CIGA, its own performance standards.
- 2.12 The key published performance standards for complaints handling are:
- registered installers have 2 months to resolve any complaints made to them, or referred to them by CIGA;
  - CIGA's standards are to acknowledge complaints within 7 days, complete an inspection within 2 weeks and make a decision on complaints within 2 months

### ***CIGA's change programme***

- 2.13 In 2015 CIGA announced a number of changes to improve service for consumers and transparency about its work. These include:
- committing to its 'Call Back Pledge'. CIGA now proactively checks on the progress of those consumer complaints it has referred to installers after two months. If the progress has been unsatisfactory, then CIGA will investigate and step in;
  - publishing comprehensive data about guarantees issued, claims received, customer services and the organisation's financial position in its Annual Report, published on its website [www.ciga.co.uk](http://www.ciga.co.uk).
  - publishing the results of a satisfaction survey of consumers who have made a claim to CIGA in 2014, also to be found in the Annual Report on the CIGA website.

- setting targets to improve customer satisfaction including:
  - Improving the percentage of consumers who agree with a set of positive statements on CIGA's performance by 10% across all questions.
  - Ensuring fewer than 15% of all respondents strongly disagree with any of the same statements.
  - Improving the average time for a claim to be resolved to 2 months.
- improving CIGA's website and other digital channels to provide consumers with more information on CIGA, the claims process, and guarantees.
- appointing a Consumer Champion.
- enhancing its capacity to deal with complaints, this has included appointing a new Head of Customer Service in November 2015.

2.14 This review set out to discover if these changes were the right ones for CIGA to make to improve the way that complaints about cavity wall insulation are handled and if not what it should do differently or in addition.

### 3. Conclusions and main recommendations

- 3.1 I would like to thank all those individuals and organisations who contributed their very helpful thoughts and ideas to this review. Many stakeholders either positively welcomed CIGA's change programme or from the comments they made it was clear that those changes were needed. If CIGA and its member registered installers deliver fully and effectively on the changes, this will go a long way in the right direction to address stakeholder concerns about how quickly and how well complaints are handled.
- 3.2 Some of the responses I received were commenting on how CIGA did things in the past. For example many comments were made about the limited information about how to complain; the lack of an online form to complain and that CIGA did not send consumers copies of inspection reports. In Summer 2015 CIGA introduced an online complaint form on its website and the information on how to complain has also been improved. Also CIGA says that it does now send customers copies of its reports when it has inspected the customers property. I find it astonishing that it ever declined to send customers copies of reports on their property but CIGA says it has now put that right.
- 3.3 Very importantly CIGA has also publicly acknowledged the need to improve and has set improvement targets for customer satisfaction and complaint resolution and has taken steps to increase its staff complement dealing with complaints, including appointing a new Head of Customer Service from November 2015.
- 3.4 However, it is clear to me both from the responses to this review and my own experience of dealing with consumer correspondence and speaking with stakeholders since May 2015 that both CIGA and its member installers need to make very significant improvements in their response to individual customers in terms of speed and quality of communication. I have observed at first hand an approach to complaint handling which is very customer driven, and opaque.
- 3.5 It also appears to me to be inconsistent. I have seen some cases where customers get a very prompt response from CIGA including an inspection visit to their property within a few days. But in other cases repeated attempts to get a response appear to be ignored or the customer's case simply appears to have been forgotten about. As noted above I have been told that CIGA now sends consumers copies of inspectors reports – an issue raised by several stakeholders - but even in November 2015 I have seen correspondence from consumers, ongoing for many months, asking for copies of the report on their property.

- 3.6 In some cases the customer journey is quite confusing and far more complex than is described in public information or is reasonable. It is often unclear to the customer who is actually 'in charge' or is the decision maker in resolving their complaint, particularly when all three of the installer, CIGA and a 'system designer' are involved, and may not necessarily be in agreement with each. A further complexity is brought by the role of insurers and underwriters where an installer draws on their insurance to cover the cost of putting right defects, including redecoration works. There is no obvious specific support for vulnerable consumers and the redress provided to consumers is limited in scope. The incentives for CIGA and registered member installers to deal with complaints effectively seem weak.
- 3.7 Addressing these issues is not simply a quick fix to one aspect of a process that is otherwise working well. Vision, values and approach, systems and resources all need to be aligned if CIGA is going to be seen by stakeholders to be delivering on its stated goals to 'always treat customers with the respect and urgency they deserve'<sup>11</sup> and to listen to and care for customers for whom the Guarantee is titled as 'your route to total satisfaction'. Overall **I conclude that CIGA should ensure it delivers on its change programme. But it should also make more changes than they have previously announced, and it should expect its member registered installers to follow suit.**
- 3.8 Throughout this report I make a number of recommendations in light of responses to the consultation and my experience so far as CIGA's Consumer Champion. The five main issues that I think CIGA should address are as follows:

**a) Customer service**

**CIGA must fully deliver the customer service improvements it has already announced as part of its Change Programme, including much better quality of communications with individual customers.** This may require better tools, such as a Customer Relationship Management (CRM) system. But it also requires clear and consistent process as well as the right skills and approach - and for **all** at CIGA to walk the talk of putting the customer first. **CIGA should ensure it has a fit for purpose vision, values, approach and process for dealing with consumer complaints and claims, and a good understanding of the customer position** so that any CRM system it commissions helps it to deliver that. Appointing a new Head of Customer Service from November 2015 should help CIGA by bringing in stronger skills and experience, but effective leadership from the top, adequate capacity, and staff training, is

---

<sup>11</sup> Executive Summary, CIGA Annual Report,

likely to be needed if CIGA is to deliver more effectively for consumers.

**I also recommend that CIGA adopts much more challenging performance standards for dealing with complaints, in line with those it outlines in its own 'Best Practice Guide' for installer members.** That guide should also be published and revised further in light of this report. The CIGA Council should strengthen the assurance and incentives available to it to govern the organization by instigating periodic internal audits of performance in this area and ensuring that remuneration is appropriately aligned to performance targets being achieved. The customer satisfaction surveys first run last Spring should certainly be continued, the results published and used as a key element of measuring CIGA's performance and holding it to account.

#### **b) Independent alternative dispute resolution (ADR)**

The opportunity for independent and binding out of court (alternative) dispute resolution is a positive feature of the Guarantee<sup>12</sup> and should provide all parties to a dispute with the comfort of being able to secure a binding outcome. **CIGA should build on and improve the existing provision in the Guarantee for independent and binding dispute resolution.** Currently this would be provided by an unspecified arbitrator and there is no information about process, timescales or costs. This makes it very difficult for consumers to evaluate whether to use this 'alternative' (to the courts) form of dispute resolution. In addition information about this opportunity is very limited and as CIGA does not have an established set of arrangements for dealing with disputes there are no time limits for bringing cases, which seems to me unreasonable. It feels a very ad-hoc arrangement at the moment and I have quite frequently heard from consumers that they were never told about the possibility of arbitration to resolve their dispute.

**CIGA should make the alternative dispute resolution (arbitration) provision much more prominent to customers in communications, especially correspondence which is in any way CIGA's 'final word' or decision on a complaint so that consumers know what the next step might be if they are not happy.** The first response consumers receive from CIGA should also explain fully what the customer can expect at all stages of their complaint being handled, including details of independent alternative dispute resolution (arbitration) if

---

<sup>12</sup> Condition 8 of the Guarantee states "any dispute arising out of or in connection with the guarantee which cannot be settled by negotiation shall be referred to a single arbitrator.....and the decision of the arbitrator shall be final and binding on the parties'....." CIGA advise me that until [xxxx] the British Board of Agreement (BBA) was named in the Guarantee as the arbitrator in disputes so there are several million Guarantees that state this, though the BBA is no longer prepared to act as the arbitrator.

there is a dispute. Visibility will enhance consumer and stakeholder confidence and reduce confusion. CIGA has made amendments to its standard complaint acknowledgement letter from September 2015 which begin to address these points. It should seek direct customer feedback on whether the information now provided is sufficient and clear.

**CIGA should establish a clear process about the use of independent dispute resolution.** Such a process should establish clear time limits and trigger events (deadlock) before a case can be referred to ADR. To reduce the risk of open-ended cases I think CIGA should adopt time limits for complaints to be referred to dispute resolution. The process should be clearly published and communicated to consumers. **CIGA should identify an ADR directive compliant dispute resolution service which it requires member installers to use and which it uses for cases referred to it.** I am not proposing that it needs to alter the wording of the Guarantee, it simply needs to adopt a policy and practice on the identity of the 'arbitrator' that it would nominate, and such arbitrator should ideally be an appropriate body for the purposes of the ADR directive.

### **c) Vulnerable customers**

As noted above there is no specific support for vulnerable consumers and CIGA has no policy on this. As I discuss in Section 11 I think this is an area CIGA needs to improve. **CIGA should develop and implement a policy and practice for dealing with contacts and complaints from vulnerable customers.** This should be comprehensive and address issues around communication, including from third parties, identity cards for inspectors, referral arrangements to sources of help and training for staff. Implementing the policy includes providing better telephone access to CIGA, which may require more/different staffing OR an arrangement with a third party service to handle calls, provided they could be given appropriate access to CIGA records to be able to provide an effective response.

### **d) Redress**

**Clear unequivocal communication is needed to customers at the first point they contact CIGA telling them what they can expect to be done to put things right if there is a problem with the installation of their cavity wall insulation.** For example information needs to deal upfront with customers' questions about dealing with and meeting the cost of any repairs without the customer needing to first write in to ask. Where a complaint is referred to an installer this information will empower the consumer and help to clarify for installers what they should do in response to problems. This should

also help to eradicate the practice of installers describing rectification work undertaken pursuant to a Guarantee as 'goodwill'.

**CIGA should have a policy that it expects member installers to provide meaningful apologies and make appropriate recognition of poor customer service to respond to complaints** – eg payments, vouchers, bunches of flowers, just as you would expect to find with businesses that care about their customers and their reputation. CIGA should also apply the same approach where it has failed to deal with complaints promptly. The ADR provider should also be empowered to order equivalent redress in line with the approach CIGA agrees to apply where service standards have not been met.

I recognize that the above would not address the issue of the consequential impact of defective or inappropriate installation of cavity wall insulation on the customer and/or their property. Section 9 discusses some of the different factors that might support a consumer having a case for redress due to the consequences of a defective or inappropriate installation.

Providing substantial consequential redress could provide some really strong incentives to installers, but it is not an aspect that the simple CIGA Guarantee to put right any defects can be expected to address for a number of reasons. First the Guarantee is a limited in its scope. Second the variability of situations, and the need to be confident of causality points towards the need for individual cases to be brought to court, at some initial cost outlay and uncertain outcome for the consumer. There is a case for this aspect of redress to be addressed by the energy industry and those governments across the UK that have actively promoted, required (eg through the ECO scheme) or indeed funded cavity wall insulation through a variety of public programmes. By, in effect, commissioning the installations the government ought to have some responsibility for the consequences of those programmes. **I am suggesting that the Bonfield Review, recently launched by the UK government looks at the issue of providing wider consequential redress for consumers.**

#### **e) Customer journey**

I have observed at first hand that the customer journey to resolve a complaint about cavity wall insulation can be extremely complex. Many installations have not taken place under normal market conditions where you might expect to find an active consumer selecting a supplier, paying for and having a contract for the supply of goods and services. Instead many consumers are aware only that the installation took place following an approach from a

major energy retailer (offering free or heavily subsidized insulation) or a charitable or local intermediary organization. Some consumers do not know the identity of the actual installer but when it comes to resolving a problem that is the party they need to approach. And if no guarantee was obtained at the time the process of tracing an installer some years later to find out 'who dunnit' can be extremely complex and time consuming for the consumer who may have to approach multiple energy companies, Ofgem and potentially multiple guarantee providers.

I pay tribute to the voluntary Cavity Insulation Victims Alliance (CIVALLI) for its work helping individuals to track down the relevant installer. However, I think the industry, including the major energy suppliers, Ofgem and the government should be ashamed that they have not put in place a proper and easy to use system for the consumer to be able to find out who installed a publicly funded or government programme required insulation measure. This is not a problem only CIGA can solve - though it should play its part and make its own handling of complaints as simple and straightforward as possible. **I am therefore also asking the Government's Bonfield Review to address this and come up with an appropriate, consumer friendly solution and service to enable individuals to trace the identity of the installer of cavity wall insulation at their property.**

### Other issues

3.9 There are two other issues I would like to address in this section which were not explicitly addressed by the review questions.

3.10 First is the question of whether CIGA's current status and governance model are ones that stakeholders have confidence in. This issue has been raised frequently by stakeholders and the media in the past year and a few responses to my review also mentioned the issue, for example:

*'There is a perception that CIGA is a government backed or funded scheme which is not the case, and this should be highlighted in the review. The independence of CIGA from installers is in question as I believe that many of the directors are also directors of insulation companies or the British Board of Agreement.*

*Government department respondent, Northern Ireland*

3.11 It was not in the scope of my review to look at changes to the governance of CIGA. I can see strong arguments for the CIGA council including Directors with relevant knowledge of cavity wall insulation materials, techniques and standards. Council members are a governance body and the Directors have a primary duty to

ensure the organization is a going concern, and delivers effectively. Industry knowledge is very much needed when it comes to setting technical standards. The Directors are not routinely involved in the executive day to day activities of dealing with complaints and correspondence, rather they set the policy delegating delivery to the executive team and hold them to account to deliver.

- 3.12 However it is clear that stakeholders have the impression that the organization is unduly influenced by supplier interests and the composition of the governance body is cited as a factor. I think that the CIGA council should carry out a governance review and look at best practice in this area and in comparable enterprises. If an outcome of that review was to move to a governance board which had a majority of 'lay' or non-industry members, recruited on the basis of their skills and experience that would be welcomed by stakeholders.
- 3.13 Second is the future scope of the Consumer Champion role. At present this incorporates activity to act as a non-executive Director of CIGA and also to intercede in relation to individual cases – although the Consumer Champion is not an ombudsman scheme. I think this is a confusion of roles. My proposals for much clearer and visible routes to using the alternative dispute resolution provision in the Guarantee should obviate the need for the 'Consumer Champion' role to be held out as a route to resolution of individual cases, or even as a source of information about how to complain, an activity that the CIGA team should be fulfilling. The role has potential benefits to keep CIGA's performance under review from a consumer perspective and to speak up for the consumer at the CIGA board. But holding the CIGA executive to account is a responsibility of all members of the CIGA Council or governing board. I therefore think the Consumer Champion role should be redefined in light, particularly, of a more visible and accessible ADR process so as to avoid confusion for consumers.

## Responses and findings on key questions

### 4 Information about how to complain

4.10 The review discussion paper highlighted that information about how to contact CIGA and make a complaint can be found on the CIGA website and had recently been updated and expanded. Respondents were asked if this was sufficient and if not how it could be improved further.

4.11 Most respondents who expressed a view agreed that the information CIGA provides about how to complain is sufficient and some respondents were positive about this area of CIGA's delivery:

*'Yes, the information provided on the CIGA website on how to complain is easy to access and understand and in terms of what to do to make a complaint is clear and sufficient.'*  
Consumer complaint handling organization respondent

4.12 However this question attracted a number of comments about the fact that this had only been done recently and that there was still a lot of scope to improve and expand the information available to consumers. For example one respondent said:

*'Our experience suggests that despite the CIGA website being updated with additional information on how to make a complaint, customers are still not clear on who to complain to, or on how to contact the relevant organisation if they experience problems with an installation.'* Energy supplier respondent

4.13 A number of suggestions were made for ways that CIGA could improve and promote information about how to complain, and I would encourage CIGA to use that feedback to make further improvements to the information available to consumers. However, the key issue raised by most respondents to this question was that CIGA and the installers should actually respond to complaints, with several respondents saying they had not received any response, not been assisted to progress their complaint or had given up:

*'I found a random email address to complain online and when I submitted my issues I got a generic reply to say someone would be in contact. This reply never came.'*  
Individual respondent, Belfast

*'CIGA should have a helpline supported by staff who can help you through the process. Just to be told you have to wait 8 weeks for the installer to respond to your complaint when you have been struggling to contact them for months. Then I was just advised to write or email my issues. This I have done and am now awaiting a response. I feel that CIGA are not on the side of the consumer, they are just looking for a way to not take responsibility to honour the guarantee.'*  
Individual respondent, Swansea

- 4.14 CIGA has improved the information it provides about how to complain and this is now adequate. It should continue to look for opportunities to improve this area, and to promote the information widely to consumers, updating and distributing its standard consumer literature. If it acts on my recommendations in relation to complaint methods and the development of a policy on customer service for vulnerable consumers those changes will need to be reflected in the information on 'how'.

## **5 Methods for making complaints**

- 5.1 The Review discussion paper highlighted that consumers can complain to CIGA in writing, by email and by using an online form, the online form having been introduced in June 2015. The Review asked if these methods are sufficient and if not what improvements CIGA should make.
- 5.2 However, most respondents thought that the methods for making complaints were not appropriate, or needed to be improved in some way, with 50% of those responding to the online survey unable to agree that the methods for making complaints are appropriate. Apart from experience of lack of responses from CIGA the most often mentioned reason for the negative responses was the absence of, low profile or low effectiveness of a telephone route to lodge a complaint or contact CIGA to follow up on a complaint or enquiries.

*'What if a complainant didn't have access to the internet, is a vulnerable consumer or English is the consumer's second language? If a consumer had literacy issues could a complaint be made via the telephone?'*  
Consumer complaint handling organisation respondent

*‘Customers should be provided with a range of avenues to make a complaint, and should be able to choose the one that suits them most. In addition to being able to make a complaint in writing and by email, customers should also be able to make a complaint over the phone. This route is particularly important to those who do not have access to a computer or who are visually impaired.*

Energy supplier respondent

- 5.3 A number of respondents commented on their personal experience of leaving messages on an answerphone at CIGA and not receiving any response. A range of suggestions were made for CIGA to consider including providing stamped self addressed envelopes to help consumers lodge their complaints through to creating an online complaint tracking system where consumers can view the progress of their complaint – including booking dates for inspections - similar to online systems for tracking parcel deliveries or booking boiler servicing appointments. A representative from local government particularly suggested CIGA provides easier online access to data for local councils so as to enable them to advise consumers more quickly. However, tools such as this will only add value if the operational delivery behind them is in place and working effectively.

## Conclusions

- 5.4 **CIGA should significantly improve the service it provides for consumers, and others, to contact them over the telephone at all stages of complaint handling.** This will speed up communications, enable queries to be resolved quickly, potentially minimize correspondence and will support CIGA providing a better service for vulnerable consumers and their representatives. A telephone number for queries or to lodge complaints should be well publicized and any answerphone messages requiring a response should be returned the next day. Where consumers contact CIGA using a mobile phone CIGA should call the customer back so as to minimize call costs.

## 6 Performance standards and targets

- 6.1 The Review discussion paper asked if the performance standards and targets for dealing with complaints were appropriate. The paper highlighted that:
- CIGA registered installers have 2 months to resolve any complaints made to them, or referred to them by CIGA.<sup>13</sup>

---

<sup>13</sup> Source needed for these standards – is it the CIGA quality manual?

- CIGA then aims to acknowledge any complaints made to it within 7 days, complete an inspection within 2 weeks and make a decision on complaints within 2 months.

This might suggest a current target maximum time to resolve complaints if both the installer and CIGA is involved of 4 months – or 16 weeks.

6.2 I note that CIGA has issued a Guide to Best Practice for Complaint Handling to its members which suggests a number of 'aims' for complaint handling by registered installers and system designers including the following aims to respond much more quickly than published standards. The best practice aims are:

- **24 hours** – to acknowledge the complaint
- **5 days** – to arrange a technical investigation
- **14 days** – for resolution of all simple complaints
- **1 month** – for resolution of complaints requiring technical investigation
- **1 month** – to report to CIGA when a complaint has been referred by them
- **10 days** – for a system designer member to respond

6.3 CIGA has reported that half of all the complaints it received in 2014 were 'closed' within 80 days. It is difficult to know how this relates to the 2 or 4 month target for resolution of complaints above without knowing if 80 days is 80 working or calendar days. However, it seems that CIGA's actual performance is well outside the '2 months' standard it has had for some time for its role in the process. CIGA's Annual report in May 2015 said that CIGA had put in place an internal target to resolve half, 50% of cases within 2 months.

6.4 CIGA's recent customer satisfaction survey found that half, 50%, of complainants were not happy with the time it actually took to resolve their claim and more than half, 55%, did not feel they were kept well informed about the progress with dealing with their complaint.

6.5 In May 2015 CIGA announced it will improve its performance in the coming year by

- Improving the percentage of consumers who agree with a set of positive statements on CIGA's performance by 10% across all questions.
- Ensuring fewer than 15% of all respondents strongly disagree with any of the same statements.
- Improving the average time for a claim to be resolved (presumably at the CIGA stage) to 2 months.

- 6.6 Most respondents to this question who expressed a view – 50% - did not think the **current** performance standards and targets were adequate. Many respondents again commented on their own experience of complaints having taken a lot longer than 2 months to resolve:

*If they were adhered to by CIGA they would be adequate but in my case they certainly have not! What is the point of setting standards if CIGA ignores them!* ' Individual respondent, Swansea

- 6.7 Respondents also made a number of suggestions for improvements in the targets, and delivery by CIGA:

*'From a consumer's perspective, 2 months is a long time, particularly if the complaint is causing distress. CIGA should consider setting targets to reduce this further.'* System designer respondent

*'Improving the 'average time' for a claim to be resolved is not as ambitious as setting a maximum time limit (albeit with some caveats for complicated cases). The latter would potentially drive better performance.'* Energy efficiency charity respondent

*'We suggest that in addition to improving the average time for a claim to be resolved to 2 months, CIGA should set itself a target of ensuring that at least 85-90% of all claims are resolved within 2 months.'* Energy supplier respondent

*'We suggest that CIGA defines some of its performance indicators more clearly: a) With regards to acknowledging complaints within 7 days, we would like CIGA to provide more clarity on where the 7-day period starts from and on how CIGA acknowledges complaints b) With regards to inspecting installations within 2 weeks, we would like CIGA to provide more clarity on where the 2-week period starts from.'* Energy supplier respondent

*'Some of the performance indicators could be improved and made more transparent. For example, the time within which CIGA acknowledges complaints should be shortened from 7 days to 48 hours, as this is now standard practice for most businesses.'* Energy supplier respondent

## Conclusions

- 6.8 **CIGA should deliver on the promises it has already made but it should also now respond to stakeholder concerns about the ambition of the performance standards it has set for itself and registered installers.** If CIGA is setting standards for installers, breach of which is potentially a disciplinary matter, then it must be an exemplar in customer service. It does not seem acceptable for CIGA to have a target to resolve only half, 50%, of cases within two months, its own adopted performance standard.
- 6.9 As noted above a number of stakeholder responses advocated change to CIGA's performance standards for responding to complaints either to define more clearly or reduce the time allowed for both registered installers and CIGA to respond. I agree with these comments. CIGA's currently published targets seem slow for everything from acknowledgement to resolution, and also very 'loose' couched in terms such as '2 months' instead of 'working days' which would be normal business practice.
- 6.10 I have considered whether there are appropriate comparators that CIGA could benchmark and align with. For example the Renewable Energy Consumer Code (RECC), a code of practice body approved by the Chartered Trading Standards Institute (CTSI), has adopted and published more challenging standards for a complaints process which involves primary consideration by the member followed by mediation by RECC if the matter is unresolved.<sup>14</sup> Many CIGA registered installers are also members of RECC.
- 6.11 CIGA's scheme does not appear to compare favourably with the RECC scheme, particularly the stage for member resolution where CIGA presently says it allows registered installers up to 2 months to resolve a complaint before a consumer can approach CIGA. This is 10 working days for RECC members.
- 6.12 I recommend CIGA familiarises itself with a range of good practice guidance on dealing with complaints. For example, Guidance on Running a Complaints System issued by the Local Government Ombudsman in 2009. This guidance sets out some key principles

---

<sup>14</sup> The RECC standards are: **10 working days** for a member to consider a complaint and respond to the customer. If the complaint is not resolved within 10 days the consumer can approach RECC. **7 working days** for a member to conduct any inspections of the property, unless the customer is without heating or hot water in which case an inspection must be carried out within 24 hours. **3 working days** for RECC to acknowledge complaints.

for and features of an effective complaint handling system in local government taking account of situations where there may be multiple parties, including contractors involved and several stages, including internal review. On the issue of 'Timeliness' the guidance advocates an effective process should take no more than 12 weeks from receipt to resolution, through all stages.

6.13 In conclusion CIGA and registered installers should deal with complaints more quickly than they do now. I recommend that:

- a) **CIGA should publish its Guide to Best Practice in Complaint Handling and any amendments to it – some of which will be required following this review - together with all other scheme rules so that all stakeholders are able to see clearly all of the standards.**
- b) **CIGA should adopt the performance 'aims' in its best practice guide as firm standards for registered installers and itself. This would mean adopting a standard for CIGA to resolve customer complaints within 1 month instead of the present 2 months. This standard should apply to both the installer member stage of the process and the CIGA stage – with each stage taking no more than a month, thus halving the overall time that it should take in future for CIGA and its member installers to resolve complaints where the installer is still trading. The same 1 month standard should also apply to cases where the installer is no longer trading.**
- c) **A much more challenging Key Performance Indicator (KPI) should be adopted by CIGA than the present published goals of '50% of cases resolved within 2 months' and, by April 2016 'the average time for claims to be resolved to 2 months'. I recognise that some cases may be more complex than others and involve more investigation and specialist assessment. Nevertheless CIGA has been in business for some years now and should be familiar with the full range of problems, property types and suitable solutions. CIGA should, therefore, be able to achieve its performance standard in most cases. I would like to see CIGA adopt a KPI that from April 2016 onwards 80% of the cases it is responsible for responding to are resolved within 1 month and fewer than 5% of cases take longer than two months to resolve. This KPI should be improved further from April 2017 so that 90% of cases are resolved within 1 month.**
- d) **CIGA should also move away from using 'months' as the denominator for its standards to using working days as the measure.**
- e) **To assure itself that the required performance standard is being achieved the CIGA council should establish a system of**

**independent internal audit. The CIGA Council should also ensure there is appropriate alignment between remuneration and performance.**

**f) To further improve transparency CIGA should publish quarterly statistics on the number and nature of complaints it has received.**

6.14 I am also asking the Bonfield Review to consider whether it would be helpful and feasible for the energy efficiency industry as a whole to adopt common performance standards for responding to complaints and correspondence from customers. I note that some companies are members of more than one scheme with performance standards for complaints and an aligned approach may assist businesses as well as consumers and advice giving organisations.

## **7 Process for resolving disputes**

- 7.1 The Review discussion paper explained the current arrangements for dealing with disputes. Cavity wall insulation installers have the primary responsibility to address and resolve any complaints concerning their installations. CIGA can become involved if the installer has not resolved a complaint within 2 months. In these cases CIGA seeks resolution through its own inspection of a property and other enquiries. A dispute can be referred to 'arbitration' (a form of alternative dispute resolution or ADR), and this is referred to explicitly within the Guarantee. The Guarantee states that the arbitrator would be appointed by agreement between the parties, or by CIGA if agreement as to the identity of the arbitrator cannot be reached within 21 days – which I assume to be within 21 days of it being clear that the matter is in dispute and one or other party having proposed an arbitrator that the other party is not able to agree to.
- 7.2 In cases where the installer has ceased trading CIGA has the primary responsibility to address and resolve any complaints. In these cases if the consumer is not happy they could ask for the matter to be referred to arbitration, or now the Consumer Champion to look into a matter if it has taken too long to resolve.
- 7.3 Access to independent dispute resolution is key to credibility and fairness in any effective complaint handling system. It is good that the CIGA guarantee incorporated this principle from the outset. Stakeholders were asked if this element of the process was appropriate.
- 7.4 Most responses with a view on this matter did not think the process was appropriate. In the main this view was based on personal

experience of making a complaint, being unhappy about the outcome and being unaware that there is a mechanism for independent dispute resolution. :

*'Since my case has been ongoing, with no satisfactory resolution, since January 2014 the process for resolving disputes is obviously not being observed currently by CIGA, who consistently fail to return calls.'* Individual respondent, Bangor

*'I was not aware that arbitration was possible either. It is not acceptable that customers are expected to prove that damp, caused by insulation, is not their fault. If damp ceases when insulation is removed that is proof enough that insulation was wrong.'* Individual respondent, Bristol

7.5 Some stakeholders have suggested ways that CIGA can address this:

*'CIGA should provide more clarity on its role in dealing with disputes. CIGA should be the first port of call for customers who are dissatisfied with how their complaint was handled by an installer, and should determine such disputes. If the customer is not happy with CIGA's determination, they should be given an opportunity to seek resolution through arbitration. As customers are generally unaware of what arbitration is, CIGA should provide customers with information on how to seek resolution through arbitration'* Energy supplier respondent.

7.6 A number of customers have written to me since May 2015 saying they were not advised about the possibility of independent alternative dispute resolution - arbitration - and also asking how to take up that process. It has also seemed to me that in a number of cases CIGA has been dealing with for several years it would have been beneficial for all concerned for CIGA to refer the matter to independent alternative dispute resolution, as envisaged by the terms of the Guarantee. In this way some very long running disputes might have been concluded more quickly.

7.7 In addition to not including information about independent alternative dispute resolution in standard correspondence CIGA does not have an established arrangement or scheme with any particular arbitrator. It is not an embedded business practice. The result is that neither the installers or customers know what to expect in terms of process to instigate alternative dispute resolution, evidence requirements or timescales, powers or cost. There are no published details of how many cases have been referred to independent alternative dispute resolution, what they concerned and what the outcomes were. The approach is therefore ad-hoc and has low visibility.

- 7.8 This issue is going to become more important going forwards as a growing proportion of Guarantees are 'stranded' in the sense that the installer is no longer trading and CIGA is then the first port of call rather than a second opinion in a greater proportion of cases. Currently around 30% of all guarantees issued by CIGA have no installer remaining in business. CIGA should, therefore expect a growing proportion of complaints to be ones where CIGA is the first port of call to respond, and thus a greater number of complainants may wish to seek independent review of their complaint if they are not happy with that response.

## Conclusion

- 7.9 **The ad-hoc approach to the provision of dispute resolution under the Guarantee is not efficient, fair or consistent complaint handling practice** and, as I have suggested above, is not likely to be sustainable. **CIGA should put in place arrangements for the independent alternative dispute resolution (arbitration) feature of the Guarantee to be implemented as a matter of standard practice.** This will involve communication to customers and installers and developing and applying procedures and timescales for concluding complaints, or reaching 'deadlock' with customers, defining time-limits for parties to refer any cases to the ADR process; selecting and making appropriate arrangements with an ADR provider. (See further recommendations on redress in Section 8 below).

## 8. Compliance with the Alternative Dispute Resolution (ADR) directive

- 8.1 As noted above the CIGA Guarantee already provides that '*any dispute arising out of or in connection with the guarantee which cannot be settled by negotiation shall be referred to a single arbitrator.....and the decision of the arbitrator shall be final and binding on the parties*'.<sup>15</sup> The Guarantee provides that the arbitrator would be agreed upon by the parties or if agreement cannot be reached about the identity of the arbitrator then within 21 days CIGA would determine who the arbitrator should be.
- 8.2 This is a very important feature of the Guarantee providing all parties with access to independent determination of complaints. However, as also noted above CIGA does not have any established arrangements or 'scheme' with any dispute resolution services, and there is no information about how or when arbitration can be initiated, or what it might cost.

---

<sup>15</sup> Condition 8 of the CIGA Guarantee

- 8.3 The Alternative Dispute Resolution (ADR) Directive <sup>16</sup> came into force in the UK in 2015. This new law establishes criteria for 'appropriate' ADR. To comply with this legislation from October 2015 businesses, for example CIGA registered installers, have to provide consumers with details of an appropriate ADR provider if they have been unable to resolve a complaint and also tell the consumer whether they intend to refer the dispute to that 'appropriate' ADR provider or not. If a business does not use an approved ADR provider it must explain this to the consumer. To be judged 'appropriate' an ADR scheme must meet a number of criteria primarily relating to timescales and costs. Criteria have been published by the Chartered Trading Standards Institute (CTSI), which is a competent authority in the UK for the purposes of this Directive, which means they can approve ADR schemes <sup>17</sup>.
- 8.4 The review asked whether, in principle stakeholders thought CIGA should take steps to make its complaint handling and dispute resolution process compliant with the ADR directive.
- 8.5 Most – 68% - of respondents agreed that CIGA should make its complaint handling and dispute resolution process compliant with the ADR directive. However, a number of comments were made querying what this would mean in practice and whether it would make the process, overall, more complex and potentially costly.

## Conclusions

- 8.6 As noted above it is my view that CIGA should move away from its present ad-hoc, undefined and largely invisible approach to delivering the independent alternative dispute resolution – arbitration - provision in the Guarantee. That means establishing a clear set of arrangements with a provider of independent dispute resolution, publicizing those arrangements and operationalizing them effectively. **In principle the ADR provider chosen by CIGA to be its 'arbitrator of choice' to fulfill Condition 8 of the Guarantee should be a body considered by the Chartered Trading Standards Institute as 'appropriate' for the purposes of the ADR directive.**

## 9. Adequacy of redress

- 9.1 An effective complaints handling approach will include provision for appropriate redress, proportionate to the degree and nature of the failure, hardship or injustice suffered. Redress is a broad concept and can include providing an apology, taking remedial

---

<sup>16</sup> Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015

<sup>17</sup> <http://www.tradingstandards.uk/advice/AlternativeDisputeResolution.cfm>

action in individual cases and making sure similar problems are prevented in future as well as financial redress. Providing financial redress to consumers, particularly for delays in handling complaints, can provide strong incentives to businesses to actually deal with complaints efficiently.

- 9.2 The review asked if stakeholders thought the redress offered by the CIGA Guarantee in cases where there are defects in the installation of cavity wall insulation is adequate and appropriate.
- 9.3 Stakeholder views were divided on this issue – around 46% of those responding online thought the ‘redress’ offer was appropriate whilst 42% did not. It was also apparent that stakeholders were uncertain what the redress offer actually consists of, which is supported by much of the correspondence I have seen since May 2015 as consumers have often needed to ask CIGA whether it or an installer will or should meet the costs of repairs:

*‘While the total value of redress may be adequate, we believe that CIGA should provide more clarity on what “rectification work up to £20,000” includes and excludes. Customers are often unclear whether redecoration costs are included. We believe that they should be as customers should not be obliged to pay for redecoration caused by issues that were not their fault’.* Energy supplier respondent

- 9.4 I have also seen correspondence from registered installers to consumers refusing to meet the costs of redecoration, and cases where installers have offered only to refund the costs of installation as a ‘goodwill’ gesture rather than fulfill the guarantee. However, there is no data available to me to know if these cases are representative of the approach that installers take to fulfilling the Guarantee.
- 9.5 When cavity wall insulation is installed incorrectly or inappropriately there could be a number of impacts for the consumer which might justify redress, and I have quite often seen these factors in complaints to CIGA. The potential impacts include:
- a) Damage is caused to the fabric of the interior or exterior of the property – particularly from water penetrating from the exterior of the property or excessive condensation on the interior walls of the property both of which the consumer regards as ‘damp’. Internal walls and render may all be affected and need to be repaired;
  - b) Ineffective insulation of the property meaning that expected energy savings and/or greater warmth are not realized in

practice. This should be particularly concerning where insulation has been installed as part of a programme to remedy fuel poverty, possibly funded by the public or with significant consumer subsidies.

- c) As a result of both of the above problems consumers may feel their physical health is directly affected,
- d) Anxiety, stress and distress associated with the impact of the problem and progressing a complaint and seeking a solution to the problem – particularly where the process is protracted and the outcome uncertain. Having cavity wall insulation installed, and dealing with a problem about it is not a frequent purchase/activity for consumers and for this and a variety of other reasons anxiety and stress levels will be higher.
- e) Time and trouble to progress the complaint, including in some cases costs of expert advice and legal advice.

9.6 The CIGA guarantee as it is currently operated is not a comprehensive redress or 'compensation' scheme. It simply provides that any defects in the installation of cavity wall insulation are put right either by the installer or CIGA at no cost to the consumer up to a cost limit of £20,000. The price paid for the guarantee is used to create a fund available to meet obligations in the event that an installer is no longer in business. The action is focused on correcting defects, either to make good a defective installation or remove the insulation.

9.7 Although it is not explicitly stated by CIGA on its website or in standard written communications it does cover the costs of repairs or damage directly caused by the defective installation of the insulation. It does not however provide any compensation, in any quantum for matters such as consequential impacts on health and well being of the customer, or the time and trouble progressing the complaint, even where it has not been handled within the performance standards CIGA has set. This means CIGA, or an installer (or together) could take a year, or more, to deal with a complaint but would not currently consider they should compensate the customer for any delays on their part in progressing matters.

9.8 In any case where the consumer is not happy with what is proposed to resolve their complaint they could ask for their complaint to be referred to arbitration, though this will consider the issue within the terms of the guarantee and it is not clear, therefore, that the outcome of any complaint referred to arbitration could include provision of financial redress unless CIGA establishes arrangements with an ADR scheme that is empowered to do so as

a matter of policy. A consumer might also wish to take a small claim to court, for example in relation to the matters not covered by the Guarantee and particularly for issues that are consequential. This process has costs, and uncertainty of outcome.

## Conclusions

- 9.9 Clear unequivocal communication is needed to customers at the first point they contact CIGA telling them what they can expect to be done to put things right if there is a problem with the installation of their cavity wall insulation. For example information needs to deal with customers' frequent questions about repairs and how these might be arranged without the customer needing to first write in to ask.
- 9.10 CIGA should also have a policy that it expects member installers to apologise and make goodwill payments and gestures for any poor customer service to respond to complaints just as you would expect to find with businesses that care about their customers and their reputation. CIGA should also apply the same approach where it has failed to deal with complaints promptly. It follows that the ADR provider should also be empowered to order appropriate redress, in line with the policy CIGA adopts, where it judges that service standards have not been met.
- 9.11 I recognize that the above would not address the full extent of the consequential impact of defective or inappropriate installation of cavity wall insulation on the customer and/or their property.
- 9.12 Providing substantial consequential redress could provide some really strong incentives to installers, but it is not an aspect that the simple CIGA Guarantee to put right any defects can be expected to address for a number of reasons. First the Guarantee is limited in its scope. Second the variability of situations, and the need to be confident of causality points more towards the need for individual cases to be brought to court, admittedly at some initial cost outlay and uncertain outcome for the consumer. There may therefore be a case for this aspect of redress to be addressed by the industry and those governments across the UK that have actively promoted, required (eg through the ECO scheme) or indeed funded cavity wall insulation through a variety of public programmes. By, in effect, commissioning the installations the government and energy suppliers ought to have some responsibility for the consequences of those programmes. The CIGA guarantee (and other guarantees) were required to be in place by those programmes but it is limited in scope. **I am therefore asking that the Bonfield Review, recently launched by the UK government looks at the issue of providing wider consequential redress for consumers.**

## 10. Customer journey

- 10.1 The review asked stakeholders whether the process for making complaints about cavity wall insulation was as simple and straightforward as it could be for consumers. In theory if consumers have some information about the existence of a guarantee and can establish the name of the firm that installed the cavity wall installation in their property then tracing the installer and therefore their guarantee provider ought to be reasonably straightforward.
- 10.2 However, stakeholders who responded to this review were clear that the journey was not sufficiently simple and straightforward, 69% of those responding to the online survey thought it was not.
- 10.3 Some consumers may have only had contact with an energy supplier, or an intermediary agency, who has arranged the installation of the cavity wall insulation and they may not have received or may have misplaced their guarantee. Or the installation may have been arranged by their landlord, particularly in the social sector. In 2015 there were 452 Green Deal Certified cavity wall insulation installers operating, with over 200 of those in membership of CIGA and 14 Ofgem recognised competing guarantee providers.
- 10.4 In the short time that I have been in the role of Consumer Champion for CIGA I have seen a number of cases where it has taken considerable effort and correspondence to trace the identity of the installer and potentially the provider of the guarantee. I have found individual consumers, or volunteer consumer advocates and myself needing to write to all the major energy suppliers asking if they have any record of 'funding' an installation at a given address and in one case engaging Ofgem to do this circulating a note to a list of 30 stakeholders asking them to assist with tracing the identity of the installer. I have also come across a case where a social enterprise intermediary that was paid a referral fee for arranging 'ECO' installations is aware of a number of properties which have had cavity wall insulation installed by a CIGA registered installer but due to non-payment by the primary energy supplier the installer did not register the installations with CIGA.

## Conclusion

- 10.5 In relation to its own approach to handling complaints CIGA should take steps to make the customer journey simpler than it is today. Clearer and quicker communications with consumers will assist this but there are certainly situations where there appears to the consumer to be lack of clarity about who is 'in charge' of their

case and CIGA should explain roles and responsibilities, and make sure cases are managed properly to resolution. The introduction of the 'Call back pledge' this year should help CIGA to reassure itself that when it refers complaints to installers they are actually dealt with. Consumer confidence will be enhanced if it is clear that CIGA is checking that all complaints it is aware of receive an appropriate response.

- 10.6 Where the consumer does not have any record of a guarantee the process of tracing an installer some years later to find out 'who dunnit' can be extremely complex and time consuming for the consumer who may have to approach multiple energy companies, Ofgem and potentially multiple guarantee providers. I pay tribute to the voluntary Cavity Insulation Victims Alliance (CIVALLI) for its work helping individuals in this situation. However, I think the industry, including the major energy suppliers, Ofgem and the government should be ashamed that they have not put in place a proper and easy to use system for the consumer to be able to find out who installed a publicly funded or government programme required insulation measure. This is not a problem only CIGA can solve. However, **CIGA should play an active role in simplifying the customer journey for resolution of complaints which involve multiple organisations, and tracing the identity of installers where no guarantee has been registered with CIGA.** Making its own handling of complaints and enquiries as efficient, simple and straightforward as possible will also help. **I am asking the Government's Bonfield Review to address this and come up with an appropriate, consumer friendly solution and service to enable individuals to trace the identity of the installer of cavity wall insulation at their property.**

## 11. Advice and support for vulnerable consumers

- 11.1 The review asked stakeholders if they thought the advice and support offered to vulnerable consumers to make a complaint about the installation of cavity wall insulation was adequate and appropriate. This issue is important for three reasons.
- 11.2 First, cavity wall insulation and other energy efficiency measures are often installed in properties because the household is identified as living in fuel poverty. The characteristics of fuel poor households include low income and high need for energy for a variety of reasons – for example 39 per cent of households who are fuel poor in England include people who are older or disabled. Whilst every consumers' needs will be different it is reasonable to assume that fuel poor households when taken as a group may have a higher need for advice and support to pursue complaints than consumers as a whole. If fuel poor householders are over-represented

amongst those households who have had cavity wall insulation installed and guaranteed by CIGA then CIGA's customers, in the event of any problems, could be expected to be more likely to have disabilities and be older than the population as a whole. Based on my experience as the Consumer Champion since May 2015 it has been obvious to me that a high proportion of the consumers contacting me either have long term or life threatening illnesses, such as cancer, are elderly and/or disabled or live on a low income.

11.3 Second significant numbers of consumers in the economy are vulnerable to consumer detriment because of their personal circumstances which can be exacerbated by the failure of businesses to recognize their needs and provide services in an appropriate way. For example the Financial Conduct Authority (FCA) <sup>18</sup>has highlighted that:

- 16% of working age adults have a disability
- Every 2 minutes in the UK someone is diagnosed with cancer
- Every year 1 in 4 adults in the UK experience a mental health problem
- 1.4m people in the UK are aged 85 or over, a figure that is set to double in 20 years time
- 800,000 people live with dementia now, a figure expected to double in 20 years time;
- 6.5m people have significant caring responsibilities
- 7.1m adults have never used the internet, of which around half were people with disabilities and half were aged over 75.

11.4 Third, businesses and service providers in a number of markets are increasingly recognizing the need the design and deliver services in ways that are appropriate to the needs of all consumers including vulnerable consumers. In part this is prompted by initiatives from sector regulators, including Ofgem who published

---

<sup>18</sup> Financial Conduct Authority, Consumer Vulnerability in the UK, February 2015

their Consumer Vulnerability Strategy in July 2013.<sup>19</sup> Ofgem state that their objectives are:

*'for the energy market to understand and identify the causes of vulnerable situations in the energy market and reduce the likelihood and impact of such situations.*

11.5 Ofgem expects supply and distribution companies to:

*'embed consideration of consumer vulnerability when they design and deliver products and services.*

11.6 CIGA currently makes no specific arrangements to assist vulnerable customers, and has no stated expectations for practice by registered installers. Although installers are often delivering installations 'for' energy companies who have obligations, or for public authorities as commissioners it is not obvious that any of these 'commissioners' have required installers to take account of the needs of vulnerable consumers. I note that the National Insulation Association (NIA) incorporates a policy statement on supporting vulnerable customers in its Code of Practice. It is possible that those CIGA members who are also members of the NIA may have policy cover for this issue from the NIA code of practice but it is not clear that this is why CIGA is silent on the issue.

11.7 Unsurprisingly most of the respondents to this question who expressed a view – 48% - did not think CIGA had an adequate or appropriate service offer. Some even queried how the organization could demonstrate compliance with the Disability Discrimination Act – ( now incorporated in the Equality Act 2010 )–

*'Whilst we welcome CIGA's commitment to deal with agencies that support and represent complainants, we are unclear on the type of support CIGA offers to vulnerable customers and how CIGA ensures compliance with the DDA 2006. We suggest that CIGA takes steps to better understand the type of support vulnerable customers generally need and how CIGA can provide it.'* Energy supplier respondent

---

<sup>19</sup> Ofgem defines vulnerability as when a consumer's personal circumstances and characteristics combine with aspects of the market to create situations where he or she is: Significantly less able than a typical consumer to protect or represent his or her interests in the energy market; and/or Significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial.

- 11.8 A number of comments and suggestions were made for improvement in the arrangements for advising and supporting vulnerable consumers :

*'Provide a telephone line for customers to make initial queries about how to make a complaint and ensure that the service is more accessible and better publicised.'* Local government respondent, Bradford

*'CIGA needs to work with local authorities and other bodies, such as Foundations who co-ordinate the home improvement agencies to encourage vulnerable people to get advice and support from trusted organisations.'* Housing organization respondent, Stoke on Trent

*'instead of relying on generic consumer bodies like Citizens Advice the provision of an Extra Help resource within CIGA could be made available to support the complaint process.'* Energy efficiency charity

*'CIGA need a dedicated team to deal with customers who have health conditions or are disabled or elderly'.* Individual respondent, Swansea

- 11.9 Comments made on other questions in this review are very relevant to the question of CIGA serving and supporting vulnerable consumers better in future – most particularly simplifying the customer journey, providing better access to CIGA by telephone, providing better and fuller information at the outset of a complaint, keeping customers informed and responding promptly.

## Conclusion

- 11.10 CIGA should develop a clear policy setting out how it will ensure that it supports vulnerable consumers, backed up by good operational practice** . It should also set expectations for registered installers in this area. If CIGA can 'get it right' for vulnerable consumers it will have addressed many of the issues highlighted elsewhere in this review. To take this forward CIGA should:

- a) develop its insight and understanding of the guarantee holding customer base in terms of vulnerability. The address and postcode data it holds for nearly 6 million guarantees enables it to do some analytics already and it has the capability to undertake surveys across the guarantee holders as a whole to get a picture of the profile of its potential customers.
- b) draw on the insight and expertise in Ofgem and also the

Financial Conduct Authority in order to frame its definition of vulnerability and to learn from any published best practice practitioner materials and toolkits.

- c) consult closely with consumer organisations on its policy in this area, and gather and promote examples of good practice on the part of registered installers.
- d) ensure that future surveys of customer satisfaction with CIGA performance captures details of and is analysed according to the profile of respondents.

## 12 Preventing problems and learning lessons

- 12.1 The review asked stakeholders if they thought CIGA adequately ensures that installers fulfil their responsibilities to resolve issues with cavity wall insulation, learn lessons from complaints to prevent further problems arising and achieve good practice.
- 12.2 When consumers make complaints about goods and services they are often motivated by a desire to make sure that the problem does not happen to anyone else. It is important therefore that lessons are learnt from complaints to improve practices and procedures. Guidance on effective complaint handling from a variety of sources emphasizes the importance of investing the learning from individual complaints into action to prevent similar problems happening again. For example the Local government ombudsman's guide for local councils states:

*'The purpose of a complaints system is to put right what has gone wrong and learn from it'*

- 12.3 The British and Irish Ombudsman's Association (BIOA) advocates that ombudsman and redress schemes 'should be considered as a welcome extension to an organisation's own quality assurance process' and that 'schemes should seek to learn lessons from the complaints they handle with a view to improving outcomes for future complainants and other stakeholders;
- 12.4 Primary liability for problems with cavity insulation lies with installers. Only where they do not resolve a problem does CIGA step in. As a result, the majority of reported problems with cavity wall insulation are handled by installers. CIGA has insight into the complaints it has dealt with and it can assess and audit its members, take disciplinary action and publish Best Practice Guidance and Technical Notes which members should adhere to. It also requires that member installers are subject to assessment and surveillance by the BBA against PAS 2030.

12.5 Nevertheless, the majority of stakeholders, 58% of those who responded to the online survey, did not think CIGA's approach to preventing problems and learning lessons from complaints was sufficient. A range of issues were raised in the responses I received as follows:

- Consumers who had not had either a satisfactory or indeed any response to their complaint could not agree this area was being handled satisfactorily. And neither could consumers who had experienced disagreements between variously the installer, CIGA and a system designer about the problem and the solution. The confusion in handling cases and making decisions resulted in lower confidence;
- Although CIGA does provide a lot of specific technical guidance, and undertakes audits, deregistration of an installer does not prevent them from continuing in business;
- Stakeholders reported guarantees being issued for installations at properties in locations which are susceptible to wind driven rain signalling no lessons were being learnt and problems were not being prevented;
- Some stakeholders said they were very unclear about the actual requirements and standards CIGA requires, and the results and findings of Audits;
- One stakeholder, an installer, reported they had not received a visit from CIGA in 15 years.

## Conclusion

12.6 CIGA needs to rise to the challenge of stakeholders and provide a clear demonstration and communication of how it is ensuring the quality and technical standards it has set for installations are being met, and what corrective, or disciplinary action, has been taken if not. Publishing its standards and the results of audits and disciplinary decisions will be very important elements of this and assist the public to hold installers, and CIGA, to account. CIGA proposes to publish in 2016 a league table of members according to the rate of consumer complaints and the speed of response. This is welcome – **CIGA should outline alongside the league table what steps it has taken and is taking to improve practice on the part of installers who have a very high rate of complaints and slow rate of response.**

12.7 **CIGA should include in reports to its governing body, and its Annual Report a summary of the lessons that have been learnt from complaints.** The scheme that CIGA creates with an appropriate

ADR body (section 8 above) should include asking that body to provide decisions on individual complaints which draw out any lessons for wider application that would prevent similar problems arising. Those findings should be included in the Annual Report.

## 13 Transparency

13.1 The review outlined the improvements in transparency that CIGA has recently made and plans for the future. In May 2015 CIGA published an annual report which includes data on a comprehensive range of issues including:

- the number of guarantees it has issued since 1995, together with a geographical distribution of those guarantees;
- the number of complaints and claims received in the past 19 years and the number of those CIGA handled which were justified and defects needed to be put right;
- results of a customer satisfaction survey;
- targets for improving customer satisfaction with complaint handling;
- the financial resources CIGA holds;
- governance information

As noted above CIGA also announced that it intends to publish a league table of member installers and the number of complaints made about specific installers in next year's annual report

13.2 Stakeholders were asked if they thought CIGA now publishes sufficient information about its work and if not to outline what other information they thought CIGA should publish to improve transparency and why.

13.3 Whilst around a third of those responding to the online survey responded positively to this question, with one respondent describing the recent annual report as a 'fantastic development' the majority of views, 52%, were negative, with comments mainly concerning low visibility of this information. Suggestions were however made for proactive promotion:

*'CIGA's annual report published earlier this year is very informative, however we believe CIGA should do more to publicise it throughout the supply chain and thereby to consumers, who are the ultimate beneficiaries of CIGA guarantees.'* Energy supplier respondent

*'In principle, we believe that publishing CIGA member ranking in the next annual report would be valuable, however we strongly recommend that CIGA should consult with its members on the criteria used to rank the members and how members' performance will be measured in advance of any such publication.'* Energy supplier respondent

## **Conclusion**

13.4 CIGA should definitely continue, and continue to improve, its presentation and promotion of an annual report, and the data contained within it. The 2014 report is a good start to addressing what was a transparency and accountability deficit. In terms of improvement to accessibility of the data the statistical tables included in the Annual Report could also be presented as look up tables on the website or key facts without the need for readers to trawl through a long document. A number of aspects of complaint handling performance reporting within the present Annual Report will need to be revised to reflect what I hope will be clearer and more demanding performance targets.

13.5 Within other sections of this report I have asked that CIGA should publish other material including its 'Guide to Best Practice in Complaint Handling' and any other documents which set standards for its member installers or outline policy on responding to complaints. I would also like to see quarterly reporting of complaints statistics within each year, perhaps after reports have been scrutinized by the CIGA Council.

# Annex A

## About the Review and how it was conducted

The review was launched on 22 June with a closing date of 18 September.

There was widespread distribution of the invitation to contribute to the review during Summer 2015. This included:

- Information about the review appeared on a page on the CIGA website containing links to a discussion paper with the review questions and an online survey for completion.
- A press release was issued and an interview placed with Roofing Cladding and Insulation journal.
- More than 250 stakeholders were sent an email by the Consumer Champion between June and August 2015.
- The Consumer Champion secured distribution of information in the National Energy Action members newsletter and wrote directly to a number of key stakeholders before launch – Citizens Advice, NEA and Ombudsman Services
- An energy efficiency network in Wales advised they were circulating details to 3500 stakeholders on their distribution list.
- In August the NIA circulated details to their members.
- Towards the end of August the Consumer Champion undertook a further email distribution to xxx stakeholders, predominantly Chief Executives of councils in the North and South West of England and Wales. She also wrote to relevant Ministers in the Scottish, Welsh and Northern Irish Governments.
- During August CIGA regularly tweeted about the review encouraging responses by the deadline – CIGA currently has over 700 followers on twitter.
- On 15 September the Consumer Champion appeared on You and Yours.

By 18 September. 34 people had completed the online survey and 12 other organisations and individuals had written to the Consumer Champion with comments, case studies or a hard copy of the review questionnaire.

Most – 55% - of the 34 online surveys were completed by individual householders but a significant proportion – 25% - were also from cavity wall insulation installers or system designers. There were some responses from a few local government and housing organisations and National Energy Action, ombudsman services, and one energy supplier.

The written submissions received from 12 others – included two energy companies, the Scottish, Northern Irish and Welsh Governments and Ombudsman Services as well as two individual customers and two surveyors.

## **Annex B**

### **List of respondents**

A number of respondents asked for their response to remain confidential. The names and organisations of those that did not are below.

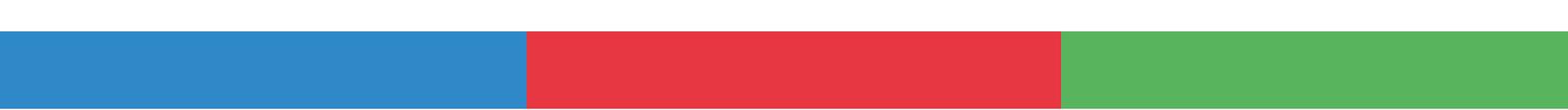
#### **Online survey respondents**

##### **Individuals**

Karolina Ashton, Swansea  
Patricia Blake, Swansea  
Frank Brook, Wilmslow  
D R Buckland-Evers, Lytham St Annes  
Julie Carney, Warrington  
Helen Elliot, South Wales  
Mrs Maureen Frampton, West Swansea  
Aidan Hart, Bangor  
Juliet Harvey, Bristol  
C S Humphreys, Swansea  
Michael Perkins, Aylesbury  
Anne Price, Bridgend  
Mr Ritter, Plymouth  
Kristen Scott, Belfast  
Helen Stowell, Wolverhampton  
Carolyn Smethurst, Carmarthen  
Dave and Cathy Thompson, Plymouth  
Hilary Wilkinson, Exeter

##### **Organisations**

Aran Services  
British Gas  
Durham County Council  
Extract Insulation  
Isothane Ltd  
Knauf Insulation  
Revival Home Improvement Agency



Rockwool Ltd

Titan Insulation.

**Written submissions**

***Individuals***

Claire Eades

Gary Moran

John Sharples

Chris Shaw

Richard Williams, Heritage consulting

Peter Ward, Heritage House

***Organisations***

Ombudsman Services

Welsh Government

Northern Ireland Executive, Department for Social Development

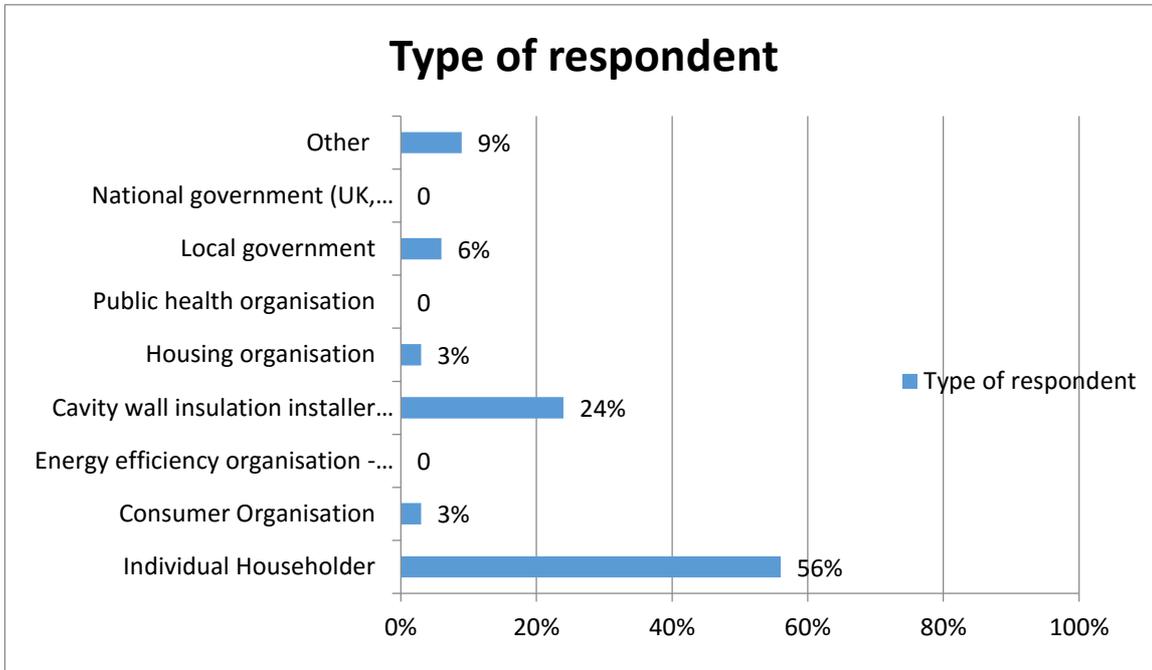
Scottish Government

In addition to the above two energy retailers responded in writing who wished their responses to remain confidential.

# Annex C

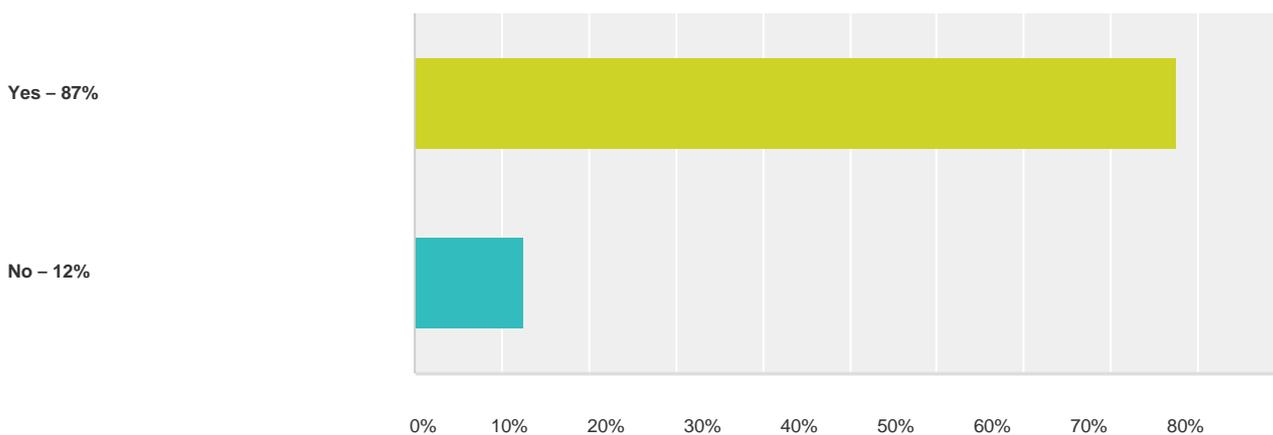
## Results of online survey

**Q2 Please tell use more about you/your organisation by selecting the description that most closely matches you/your organisation**



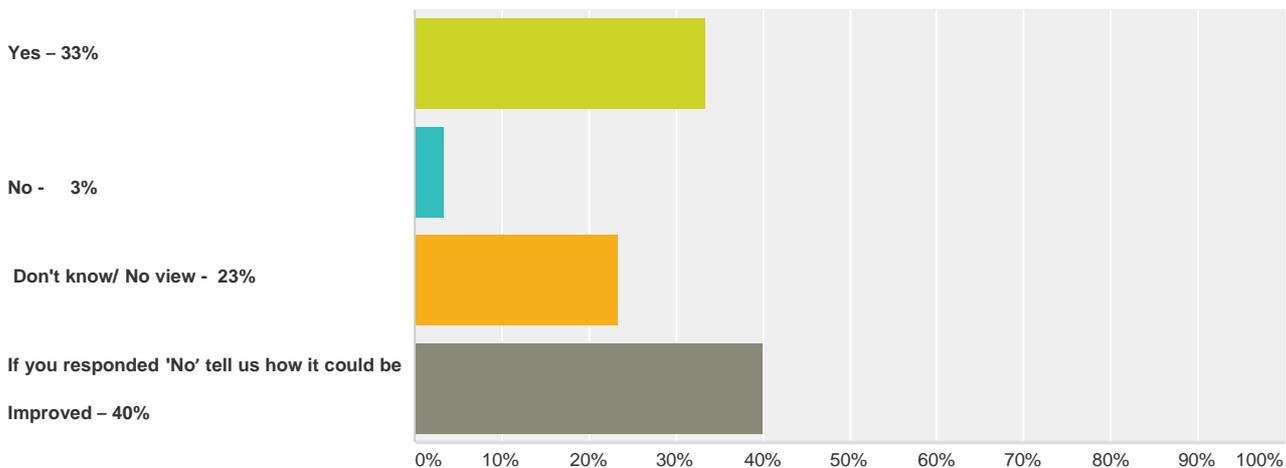
**Q3 Are you happy for details about your response to this review to be published by CIGA?**

Answered: 32 Skipped: 2



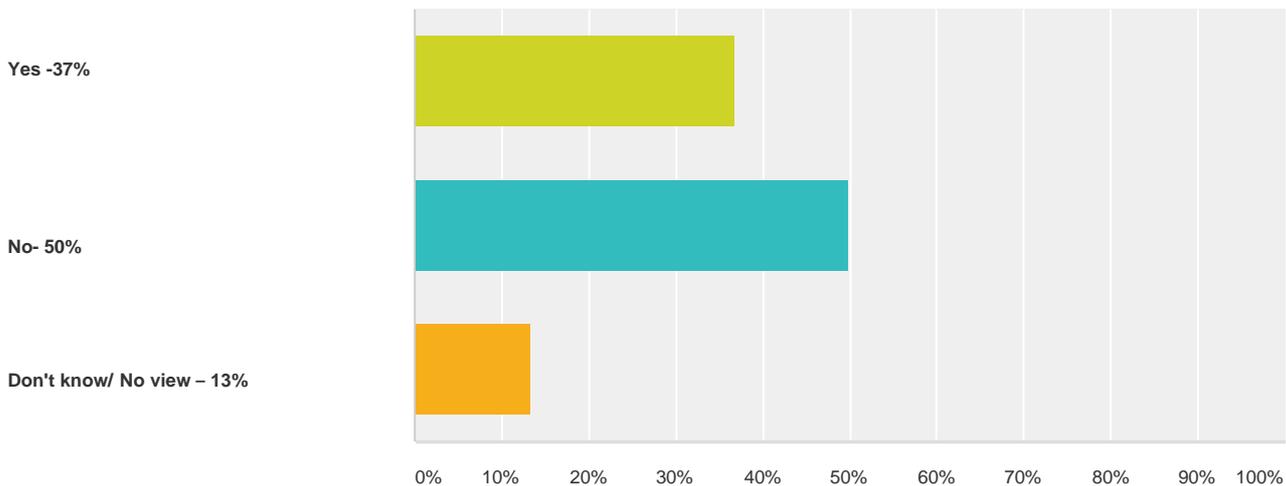
### Q4 Is the information CIGA now provides about how to complain sufficient?

Answered: 30 Skipped: 4



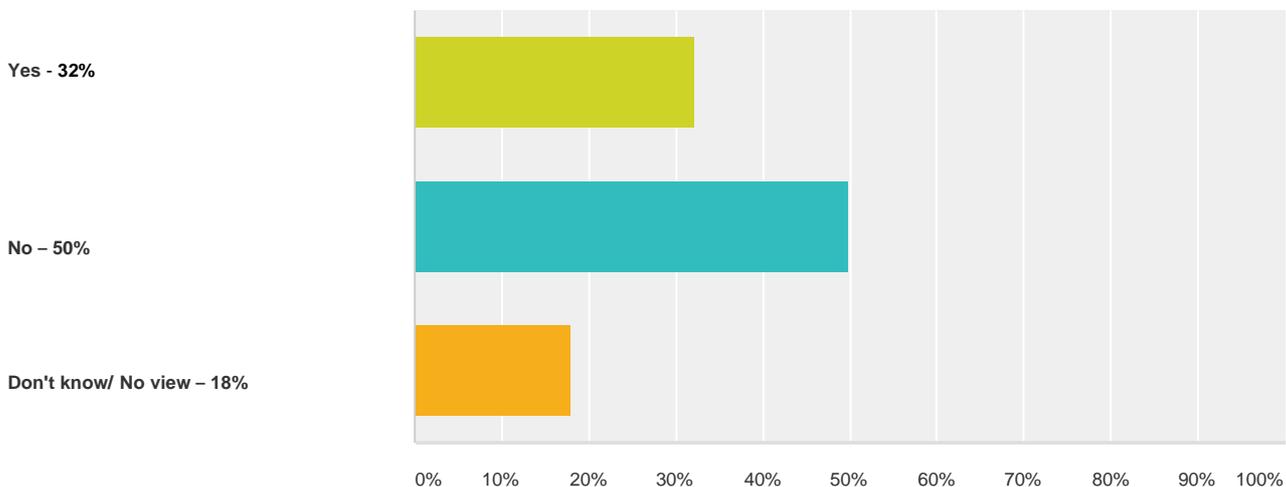
### Q5 Are the methods for making complaints to CIGA appropriate?

Answered: 30 Skipped: 4

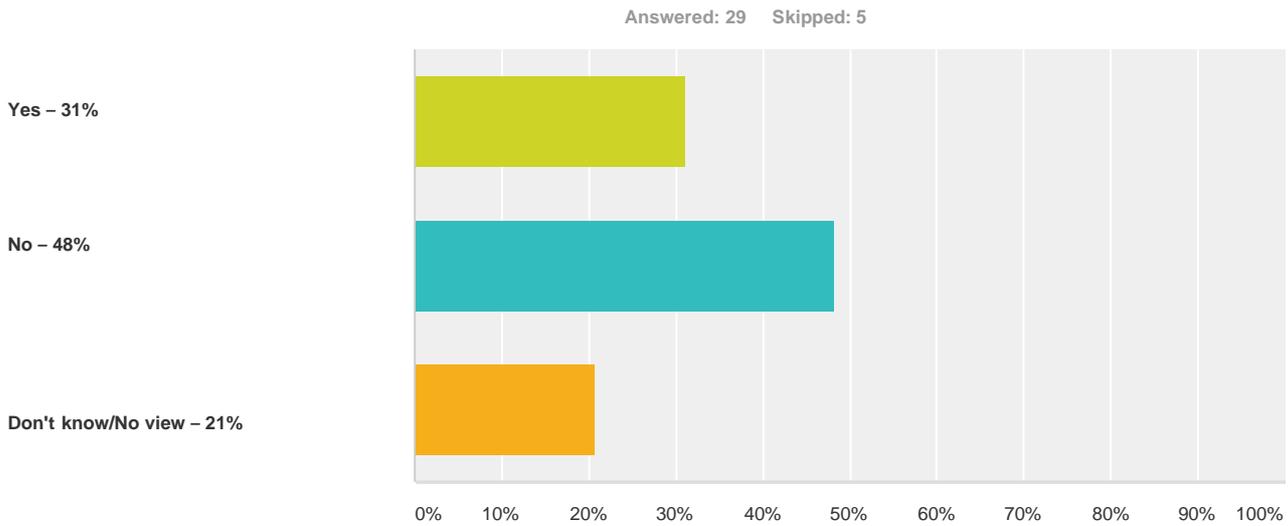


### Q6 Are the current performance standards, and the targets CIGA has set for improvement, adequate?

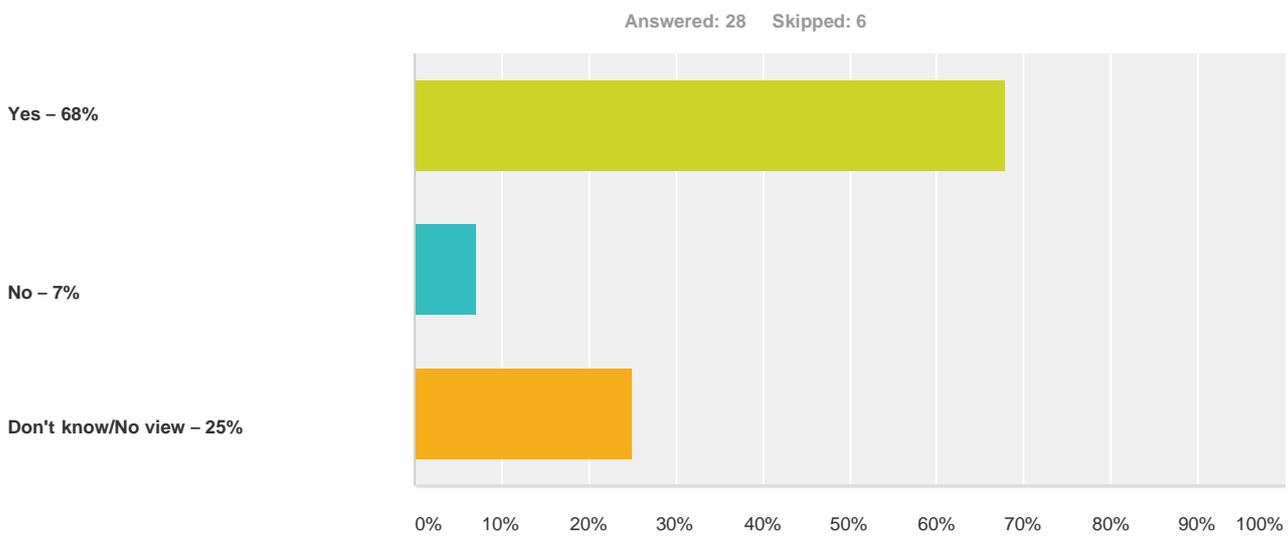
Answered: 28 Skipped: 6



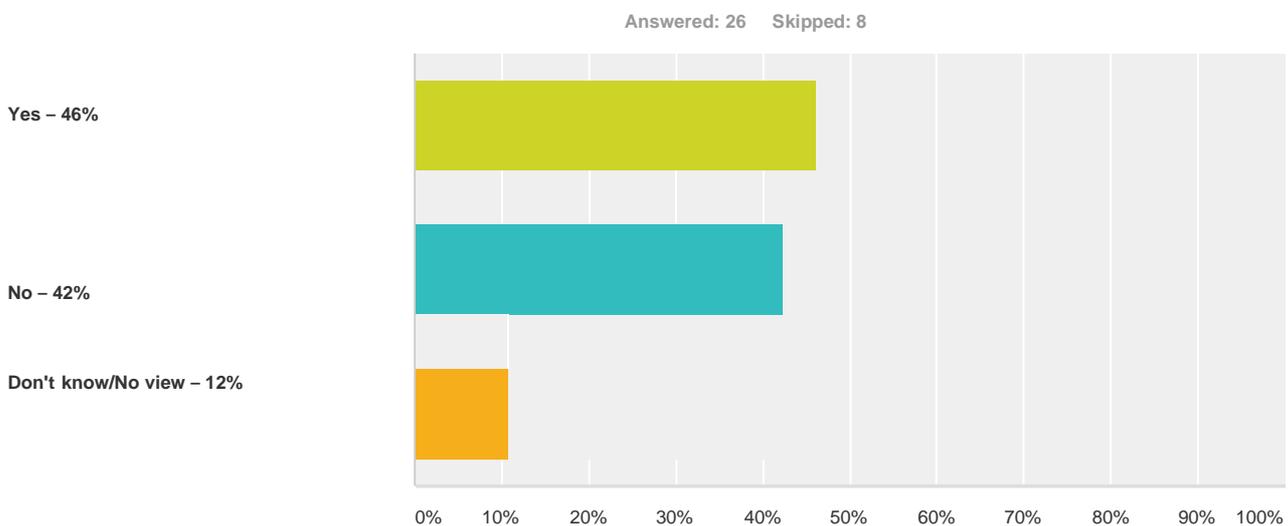
**Q7 Do you think the current process for resolving any disputes is appropriate?**



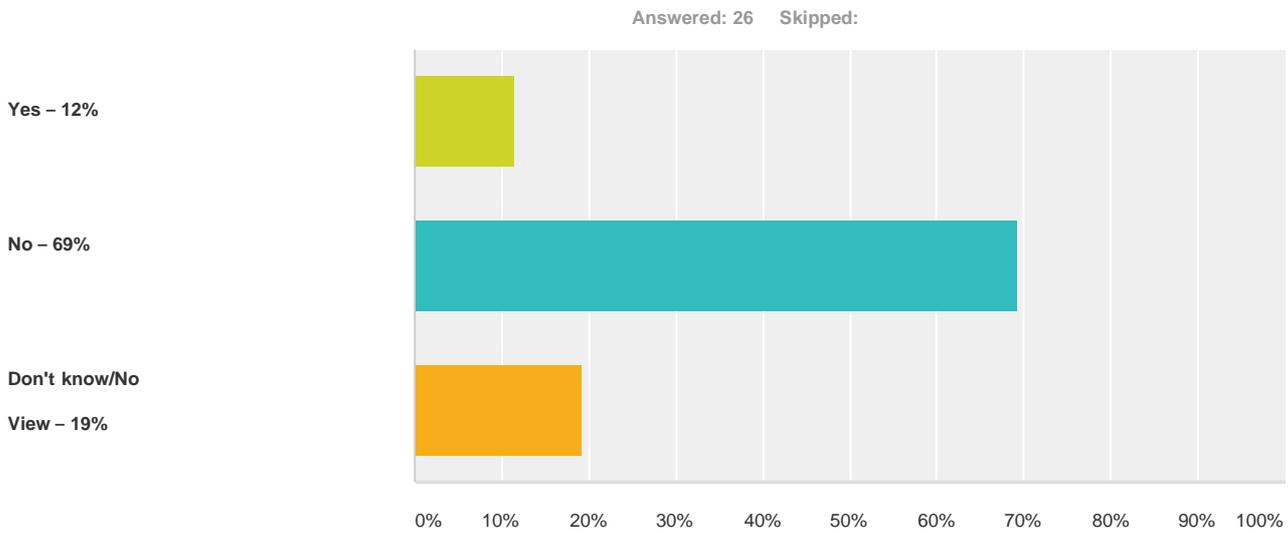
**Q8 In principle do you think CIGA should take steps to make its complaint handling and dispute resolution process compliant with the ADR directive?**



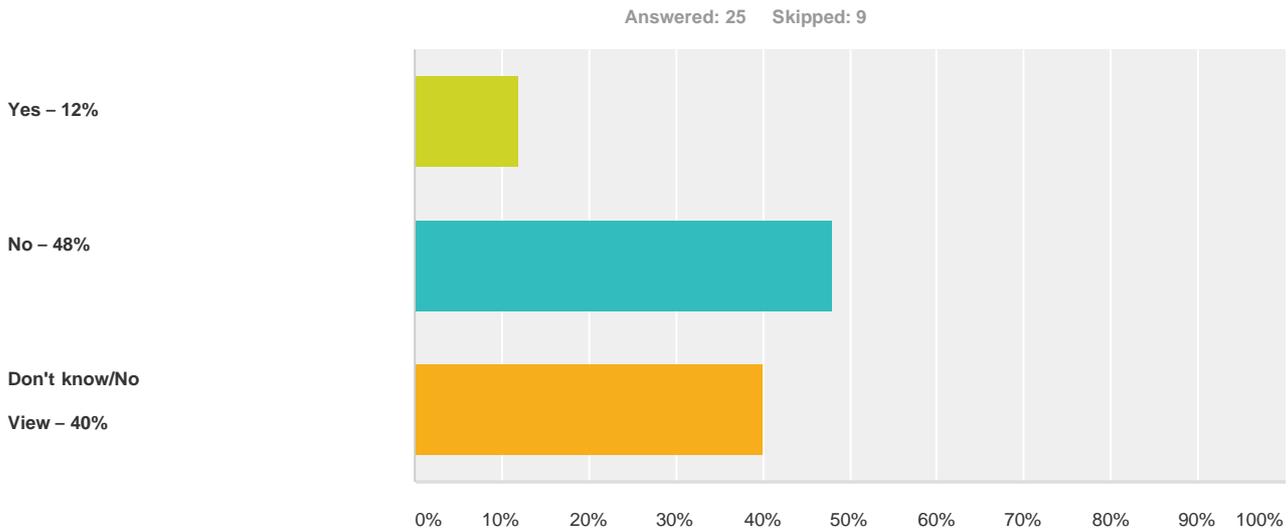
**Q9 Do you think the redress offered by the CIGA Guarantee in cases where there are defects in the installation of cavity wall insulation is adequate and appropriate?**



**Q10 Do you think the journey consumers may have to take to identify who they should make a complaint to is sufficiently simple and straightforward and easy for consumers to understand and navigate?**

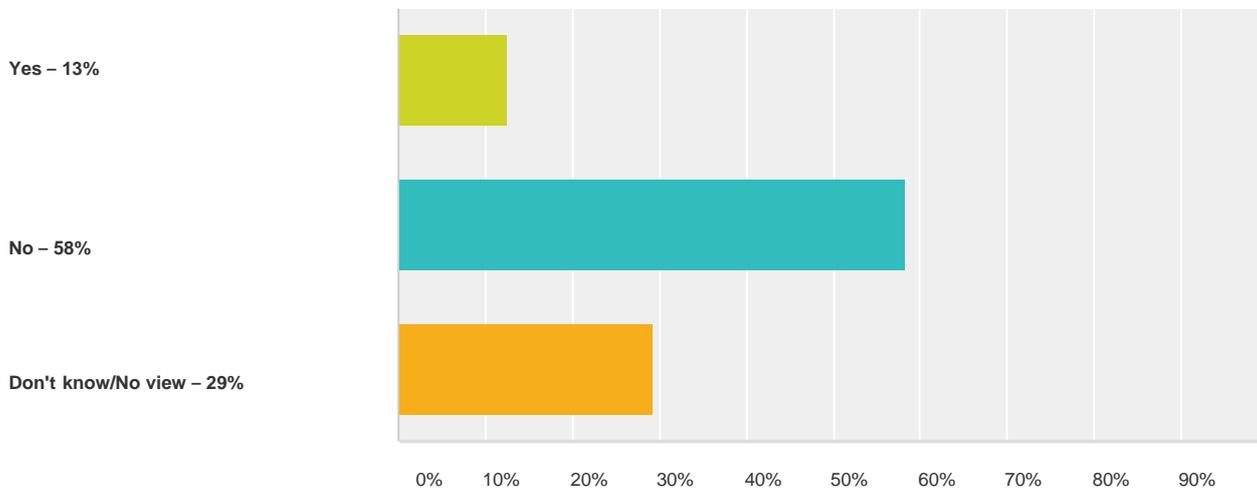


**Q11 Do you think the advice and support offered to vulnerable consumers to make a complaint about the installation of cavity wall insulation is adequate and appropriate?**



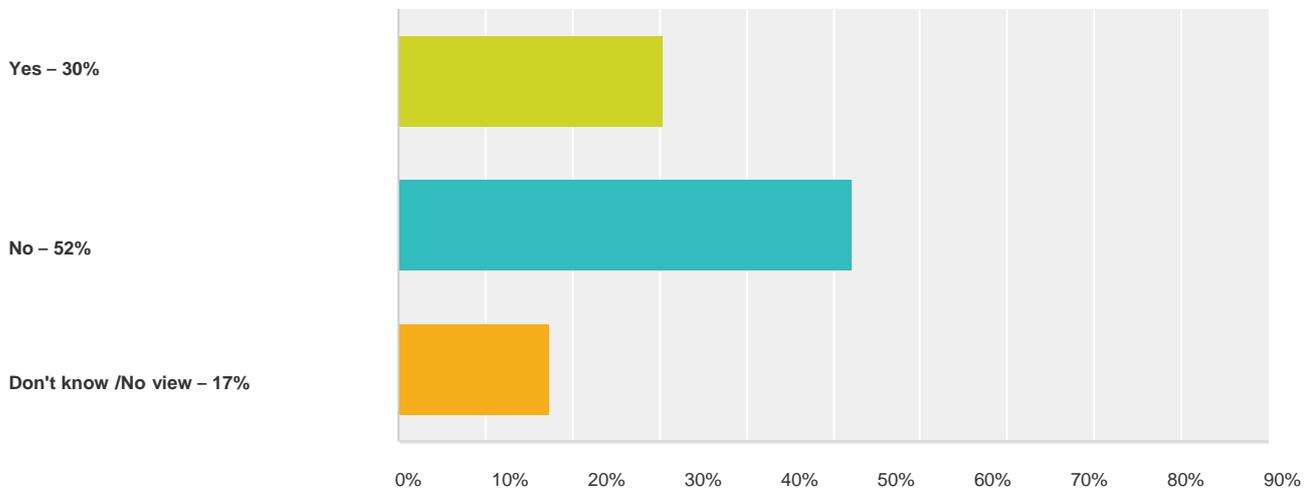
**Q12 Do you think that CIGA adequately ensures that installers fulfil their responsibilities to resolve issues with cavity wall insulation, learn lessons from complaints to prevent further problems arising and achieve good practice?**

Answered: 24 Skipped: 1



**Q13 Do you think that CIGA publishes sufficient information about its work?**

Answered: 23 Skipped: 11



## Annex D

### Text of the CIGA Guarantee

# *The Guarantee*

## *Period of Guarantee - 25 years from date of installation*

The Cavity Insulation Guarantee Agency (CIGA) hereby guarantees that any defect in materials or workmanship in connection with the installation by the Installer of the cavity wall insulation in the above property shall be rectified without charge subject to compliance with the terms and conditions set out below.

## *Your Route to Total Satisfaction*

In the event that you have a problem that you believe to be caused by a defect in materials or workmanship relating to the Cavity Wall Insulation installed by the installer referred to above:-

1. Please check (as far as is practical) that there is no obvious cause for the problem, eg blocked gutters, blocked vents, cracked masonry.
2. **If this check does not resolve the problem, contact the Installer who performed the installation who will, where possible, rectify the defect.**
3. If the problem still remains unresolved, contact CIGA in writing at the address given below.
4. Following this contact, CIGA will arrange for the manufacturer or system designer to investigate the matter and where required instigate any necessary remedial work free of charge.

## *Conditions*

1. **All defects must be reported in writing to the installer as soon as practicable and CIGA must be informed if the matter is not resolved satisfactorily within two months of reporting to the installer.**
2. The guarantee is not valid if the installation has been altered or disturbed after the installation was completed.
3. It is a condition of the Guarantee that the property must be maintained in a good state of repair.
4. Your statutory rights are not affected by this guarantee.
5. The guarantee remains valid for subsequent owners of the property and/or, where the present occupant is only the lawful tenant of the property, for the benefit of the Landlord and the Superior Landlord of the property and their respective successors as well as the lawful successors of the said tenant but otherwise the rights under this Guarantee cannot be assigned to a third party.
6. Any claim under the guarantee must be notified (with appropriate details) in writing to CIGA within twenty-five years of the Installation date. If no such notification has been received by this date CIGA shall have no liability under this guarantee.
7. These conditions set out the entire financial liability of CIGA in respect of the guarantee. Save as set out herein CIGA's total liability (for rectification work or otherwise) under this guarantee shall in no event exceed £20,000. CIGA shall have no liability if the terms of the guarantee are not complied with nor for any indirect loss, damage, costs or expenses. Nothing in these conditions shall limit or exclude CIGA from any liability to the extent that such exclusion or limitation is prohibited by law.
8. Any dispute arising out of or in connection with this guarantee which cannot be settled by negotiation shall be referred to a single arbitrator to be agreed upon by the parties or, in the absence of agreement within 21 days, to an arbitrator reasonably determined by CIGA and the decision of the arbitrator shall be final and binding on the parties.

*CIGA*

CIGA House, 3 Vimy Court, Vimy Road, Leighton Buzzard, Beds. LU7 1FG