



Clean Heat Market Mechanism

Approval of schemes for the certification of
installations

Withdrawn



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General Information

This document should be read in conjunction with *The Clean Heat Market Mechanism Regulations 2024* and sets out the process by which the Secretary of State will decide whether to approve a certification scheme under regulation 6. Unless otherwise stated “certification scheme” and other terms should be interpreted in line with regulation 2.

The Government has announced an overhaul of the consumer protection system, which will include consideration of the approach to certification and may mean that the Government may take a different approach in future to the one described in this guidance.

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Introduction

This document sets out the process by which the Secretary of State will decide whether to approve a certification scheme under the Clean Heat Market Mechanism Regulations 2024 (regulation 6). In addition to outlining this process, the document also includes guidance for potential applicants on how to apply and demonstrate compliance with scheme requirements.

Requiring installations to be certified will mitigate the risk of heat pumps being counted if they are exported from the UK or counted multiple times. It also provides assurance that installations are of an appropriate quality, and that installations generating credits are genuine. Audit and assurance checks conducted by a certification scheme will support in mitigating the risk of fraud, error or non-compliance on the CHMM, and the scheme administrator will work with approved scheme(s) to integrate these activities into wider scheme audit and assurance processes.

The guidance is intended to clarify the expected approach to demonstrating compliance with the regulations. However, there may be other ways to demonstrate compliance other than the approach described below. An approved certification scheme **must** comply with the requirements of the regulations, and the regulations supersede any guidance provided in this document.

Scheme requirements

The Secretary of State must be satisfied certain conditions are met before approving a certification scheme (for the certification of heat pump installations under the Clean Heat Market Mechanism). An excerpt of the relevant regulation is quoted below.

Regulation 6(1) and 6(2)

(1) The Secretary of State may approve a scheme for the certification of heat pump installations where the Secretary of State is satisfied that it is an appropriate scheme for that purpose, and in particular is satisfied in accordance with paragraph (2).

(2) Before approving a certification scheme, the Secretary of State must be satisfied that, under the certification scheme—

(a) the requirements of regulation 3 (stand-alone heat pumps) or 4 (hybrid heating systems), as the case may be, are met in relation to heating appliances for which certificates are acquired under regulation 13;

(b) installations of heat pumps meet the requirements of regulation 5(b) and are otherwise of an appropriate quality;

(c) the conformity of installers, or installations, of heat pumps with the requirements of the certification scheme is assessed by a body that is accredited by UKAS to EN ISO/IEC 17065:2012 (Requirements for bodies certifying products, processes and services)(8);

(d) information regarding the installation of heat pumps and the heat pumps which are installed is collected in an appropriate format and will be made available to the administrator;

(e) sufficiently robust protection is provided for consumers; and

(f) sufficient steps can be taken promptly to rectify an installation of a heat pump which does not meet the standards set by the certification scheme.

Guidance on how a scheme can demonstrate compliance with these requirements is set out below.

Scope of the certification scheme

Regulation 6(2)(a) relates to the scope of the certification scheme. To demonstrate compliance, the certification scheme will be expected to confirm that it allows for the notification of installations of:

- stand-alone heat pumps, as defined in regulation 3, and/or
- hybrid heat pumps, as defined in regulation 4

If the scheme also allows for notification of heating appliances which **do not** meet the requirements of these regulations, the Secretary of State would expect the certification scheme to distinguish clearly between installations which are compliant under the CHMM, and those which are non-compliant.

Quality of installations

To demonstrate compliance with regulation 6(2)(b), the certification scheme will be expected to demonstrate that it ensures installations comply with all applicable statutory requirements.

Examples of statutory requirements which could be applicable include the relevant building regulations applying in the nation where the installation takes place, and the relevant Ecodesign¹ and energy labelling regulations² for heat pump technologies.

The Secretary of State expects schemes seeking approval to set out how the scheme will ensure compliance with these statutory requirements, as well as any additional steps taken by the certification scheme to ensure that installations are generally of a good quality.

¹ <https://www.legislation.gov.uk/eur/2013/813>

² <https://www.legislation.gov.uk/eur/2013/811>

Conformity assessment

The Secretary of State expects that certification schemes will take steps to assess whether installers and/or installations are conforming with the certification schemes' rules and requirements. To demonstrate compliance with regulation 6(2)(c), the certification scheme will be expected to confirm that conformity assessments are carried out by a certification body accredited by UKAS to EN ISO/IEC 17065:2012 (Requirements for bodies certifying products, processes and services).

This does not preclude the certification scheme from carrying out additional assessments, audits or checks on installers, beyond those carried out by the accredited certification body.

Frequency of conformity assessment

It is expected that a scheme will require installers to demonstrate appropriate competency, knowledge, and processes to achieve conformity, and that this will be supported by an appropriate level of surveillance. Where such assurances are in place, the Secretary of State does not expect every single installation will be subject to a conformity assessment. The frequency of assessments should be proportionate to the expected risk of non-conformity. An appropriate audit methodology should be implemented by the certification scheme which considers relevant factors (for example: complaints about a member, time since last audit, or previous non-conformity).

The Secretary of State expects that a certification body will take appropriate steps to correct any non-conformity identified and prevent its recurrence. This may include additional training for members, or disciplinary action or sanctions if appropriate.

The Secretary of State expects that a certification scheme seeking approval would provide evidence of the certification body's UKAS accreditation, details of how conformity is assessed, and evidence that the frequency of assessment is both sufficient and proportionate, and details of the actions taken where non-conformities are identified.

Provision of information

To demonstrate compliance with regulation 6(2)(d), a certification scheme would need to collect the following information regarding heat pump installations.

Table 1 – Data requirements

Data	Description
Technology type	To identify type of heat pump installed. e.g. Air Source Heat Pump
Commissioning date	Date that the installation took place, as opposed to date of manufacture or sale. e.g. 01/04/2024
Total installed capacity	Capacity of heat pump(s) in kilowatt thermal to ensure installation does not exceed capacity limit. e.g. 45 kW
License holder of product installed	Indication of expectation of who should receive the heat pump credit e.g. ABC (UK) Ltd
Product name and/or number	Unique product name or number used by license holder to identify specific product (such as using product list or database). e.g. ABC Heat Pump 123 XY
Hybrid heating system	State whether installation is a hybrid heating system (i.e. as defined in regulation 2). e.g. Yes/No
New build / retrofit	To identify retrofit installations, as new build installations are not eligible to generate credits. e.g. Retrofit

Regulation 6(2)(d) also requires that the information is collected in an appropriate format and will be made available to the scheme administrator. As the CHMM is being delivered using a

digital system which automatically awards heat pump credits to license holders accounts, collecting data in an appropriate format would require digital data collection, and the ability to transfer information on a regular basis to the scheme administrator via the digital system.

Protections for consumers

To demonstrate compliance with regulation 6(2)(e) and regulation 6(2)(f), the Secretary of State must be satisfied that the scheme provides sufficiently robust consumer protections, and sufficient steps can be taken promptly to put right work which is found to be unsatisfactory.

The Secretary of State generally expects to consider the following criteria when determining whether consumer protections are sufficiently robust:

- consumers can access appropriate **information**
- certified installers are held to a high standard of **conduct**
- consumers can achieve **redress**

The Secretary of State's intention is to promote continuous improvement in the protections provided to consumers. The Secretary of State is unlikely to approve any scheme which is demonstrably less effective in its protections than other schemes which have already been approved.

Information

The Secretary of State expects that consumers should be able to easily identify a certified installer and verify that an installer is genuinely certified. Consumers should also be able to access key information such as the scheme's complaints process.

A scheme seeking approval should be able to demonstrate that it maintains:

- an accessible and up-to-date scheme tool for finding registered installers
- clear guidance to consumers as to the role of the certification scheme, and which activities are within the scope of the scheme – the Secretary of State expects that this will:
 - be provided in a manner which is concise and accessible to consumers (e.g. a one-page fact sheet, leaflet and/or easy to identify webpage)
 - explain the significance of using a tradesperson from the certification scheme (e.g. installers must demonstrate competence to become a member)
 - make consumers aware of any guarantees provided as standard (e.g. a manufacturer's guarantee) and any important conditions (such as time limits or cost limits)
- a comprehensive complaints process which is published and easy to understand

- a summary of protections for consumers and which aspects of the scheme members' work is or is not covered – the Secretary of State expects that this will:
 - be provided in a manner which is concise and accessible to consumers (e.g. a one-page fact sheet, leaflet or easy to identify webpage)
 - summarise key details of what the consumer should expect in terms of deposit protections (see "Good Conduct" section below)
 - signpost consumers to the scheme's complaints process, as well as the option for Alternative Dispute Resolution (see "Redress" section below)
- clear guidance to installers on the information that should be provided to the customer – the Secretary of State typically expects that this would include:
 - key details which should be included as part of a contract
 - pre-sale materials to be provided in writing to consumers
 - post-installation materials to be provided to consumers, to meet scheme and regulatory requirements (e.g. handover documents and records, maintenance and servicing requirements, and building regulation certificate if required)
 - reasonable timeframes within which post-installation materials should be provided to consumers

The Secretary of State recommends that any scheme seeking approval also provides the following supporting detail:

- the processes in place to ensure the tool for identifying registered installers remains up to date, including target timeframes for adding newly registered installers and removing installers which cease to be scheme members
- details of where the guidance available to consumers is publicly available
- a summary of steps taken to make consumers aware of the guidance available to them, and any points at which installers are required to make consumers aware of this information
- a concise summary outlining each step of the complaints process, for example in a flowchart or other appropriate format (with alternative formats available as needed for accessibility) – details of where this summary is publicly available, and steps taken to make consumers aware of this information
- measures taken to ensure information provided is accessible to consumers, including those with particular accessibility requirements, in line with best practice accessibility guidelines, as well as any other support available to support vulnerable consumers

Good Conduct

The Secretary of State also expects a certification scheme to provide a clear code of practice for scheme members. The Secretary of State expects the certification scheme to maintain appropriate checks to ensure scheme members comply with the code of practice, and to take appropriate action where scheme members are found to be non-compliant.

The Secretary of State expects that an effective code of practice would typically cover:

- the quality of installations expected within the scheme
- compliance with consumer law, including the Consumer Rights Act 2015, Consumer Protection from Unfair Trading Regulations 2008 and the Data Protection Act 2018
- compliance with other statutory requirements (e.g. relevant building regulations)
- any scheme requirements to hold appropriate insurance (e.g. public liability insurance)
- appropriate pre- and post-install conduct including:
 - appropriate deposit levels and any deposit protections which are a requirement of the scheme (e.g. deposit insurance or use of an escrow account)
 - appropriate advertising and sales practices
 - transparency of pricing and contract terms, particularly cancellation terms
- steps the installer is expected to take with regards to protecting vulnerable consumers

The Secretary of State will need to be satisfied that the elements included in the code of practice are covered in sufficient detail such as to be comprehensive, meaningful, and effective.

The Secretary of State recommends that a scheme seeking approval provides a copy of the code of practice for scheme members, and details of where this code of practice is publicly available. A scheme seeking approval should also provide:

- explanation as to why the scheme's requirements on deposit protection and deposit levels are sufficient
- details of the actions which are taken where scheme members which are found to be non-compliant with the code of practice
- justification as to why the scheme believes these actions to be sufficiently robust

Where a scheme member is expelled from an approved certification scheme, the Secretary of State expects that scheme to share details as necessary with any other body approved as a certification scheme under the Clean Heat Market Mechanism.

Redress

The Secretary of State expects a certification scheme to maintain a robust and effective investigations and complaints process. Where work notified via the certification scheme is found not to meet scheme standards, the certification scheme should be able to demonstrate that steps can be taken promptly to put work right to the standard expected.

The Secretary of State generally expects the following to be true of a robust and effective investigations and complaints process.

- The entire scheme complaints process is published and easy to understand (see “Information” above).
- The scheme has target timelines in place for the resolution of customer complaints (if they are escalated to the scheme).
- The scheme acts promptly to address complaints, particularly in cases where the consumer is left without heating or where the consumer has particular vulnerabilities³.
- Investigations of complaints are free to the consumer, up to the point of arbitration or mediation.
- Appropriate technical and legal expertise is available as required to support the investigations process.
- Consumers can access Alternative Dispute Resolution (ADR) where the scheme is unable to resolve their complaint. Scheme members are expected to respect the result of the ADR process, even if they cease membership of the certification scheme.
- Complaints are not generally considered to be resolved until either the customer is satisfied, corrective action has been taken, or the complaints process has been exhausted. (Providing that the issue is in scope of the certification scheme.)
- Appropriate action is taken to prevent further issues occurring with the same installer. Potential examples could include a requirement for the installer to complete remedial training or undertake a re-assessment of competence, or to be subject to increased frequency of conformity assessments or other monitoring.

By allowing an installation to be notified to the Clean Heat Market Mechanism, a certification scheme is providing an endorsement that the installation meets the standards expected by the scheme. Where this is found not to be the case, the Secretary of State expects the certification scheme to have the ability to ensure that this is promptly rectified.

In the vast majority of cases, the Secretary of State expects that this will be achieved by requiring the original installer to rectify any non-compliance. However, the certification scheme

³ Ofgem defines a consumer as vulnerable where they are a) significantly less able than a typical domestic consumer to protect his or her interests; and/or b) significantly more likely than a typical domestic consumer to suffer detriment, or that detriment is likely to be more substantial.

is expected to ensure steps can be taken to put right work promptly where the original installer is not capable to do so, or otherwise fails to do so.

The Secretary of State expects schemes seeking approval to evidence the complaints process and demonstrate that it is appropriate and sufficiently robust. Schemes should also set out the processes in place to enable work to be put right promptly, and justification that these are sufficiently effective.

Process for approvals

Applicants should write to heatmarketmechanism@energysecurity.gov.uk with their application.

Applicants will need to provide evidence to satisfy the Secretary of State that the conditions in regulation 6(2) are met.

The Secretary of State recommends that applications include:

- A written explanation of how the scheme meets the conditions set out in regulation 6(2), with reference as necessary to this guidance on certification scheme requirements.
- The performance of the scheme to date against the indicators set out in Annex A, where historical data is available. Where historical data is not available, an indication of expected future performance is encouraged.

Where the scheme is not able to provide historical performance against the indicators set out in Annex B, the Secretary of State may still choose to grant approval on the understanding that approval may be withdrawn if the scheme is not able to demonstrate appropriate performance on an ongoing basis.

The Secretary of State may also choose to grant approval on the mutual understanding that certain conditions will be met. For example, on the condition that performance improves, or other scheme changes are made within a reasonable timeframe. In such cases, the Secretary of State will still need to be satisfied that the requirements of a certification scheme under Regulation 6 are met. These conditions should be interpreted as areas where improvement could give the Secretary of State greater confidence in the ability of the certification scheme to meet these conditions on an ongoing basis, reducing the likelihood that approval may be withdrawn in future.

For avoidance of doubt, the process above relates solely to the approval of a certification scheme for the purposes of the Clean Heat Market Mechanism. Approval for this purpose should not be taken as indication of endorsement or approval for any other schemes or purposes, unless explicitly stated.

Notification of decision

Where the Secretary of State decides to approve a certification scheme under this regulation, the Secretary of State will:

- i. write to the applicant to confirm this approval, and the date from which the scheme is approved to certify installations under the Clean Heat Market Mechanism
- ii. notify the scheme administrator of this approval
- iii. publish details of this approval on GOV.UK

Maintaining approval

The Secretary of State may withdraw approval of a certification scheme, as set out in regulation 6(3). To ensure the conditions of regulation 6(2) continue to be met, certification schemes are encouraged to provide quarterly updates on the indicators set out in Annex A, as well as an annual report on performance and priorities for the coming year.

Regulation 6(3)

(3) The Secretary of State may withdraw the approval of a certification scheme under paragraph (1) where the Secretary of State ceases to be satisfied in accordance with paragraph (1) or (2).

Where approval of a certification scheme is withdrawn under regulation 6(3), the Secretary of State will:

- i. write to the applicant to confirm that approval has been withdrawn, the date from which this will take effect, and the grounds on which approval has been withdrawn
- ii. notify the scheme administrator of this decision
- iii. publish details of this decision on GOV.UK

Annex A – Performance Indicators

Table A1 – Certification scheme performance indicators

Indicator	Basis in regulation	Reporting guidance
Size of scheme - installations	6.(1)	Number of heat pumps certified under the scheme (over an appropriate 12-month period within the last two years).
Size of scheme - installers	6.(1)	Number of installers able to certify installations under the scheme. (Where the scheme certifies businesses rather than individuals, an indication of the number of competent installers employed by those businesses should also be provided.)
Scheme onboarding	6.(1)	Average time between a contractor applying to become a member of the scheme and becoming approved to notify installations via the scheme. (Excluding unsuccessful applicants.)
Complaints received	6.(2)(b)	<p>Percentage of all heat pump installations certified under the scheme resulting in a complaint (over an appropriate 12-month period within the last two years).</p> <p>A complaint will be defined as an expression of dissatisfaction by a customer, where they request that the issue is addressed.</p>
Conformity assessment - outcome	6.(2)(b)	Percentage of on-site conformity assessments which identify issues of non-conformity.
Conformity assessment – proportion of installations receiving on-site assessment	6.(2)(c)	Percentage of all heat pump installations certified under the scheme receiving an on-site conformity assessment.

Indicator	Basis in regulation	Reporting guidance
Complaint resolution - speed	6.(2)(e)	Percentage of complaints resolved within 1 month & percentage of complaints resolved within 3 months (over an appropriate 12-month period within the last two years).
Complaint resolution - outcome	6.(2)(e) & 6.(2)(f)	<p>Outcome of complaints (over the same 12-month period as the previous indicator). Percentage of complaints outcomes to be categorised as:</p> <ul style="list-style-type: none"> • complaint deemed out of scope of the scheme • no non-conformity identified, complaint closed without further action (and complainant does not escalate to ADR) • non-conformity identified, and: <ul style="list-style-type: none"> ◦ put right by original installer ◦ put right by scheme or another installer ◦ other outcome • complaint escalated to ADR and found in favour of the complainant • complaint escalated to ADR and found in favour of the installer

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