business companion

trading standards law explained

Energy Performance Certificates

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In this guide, the words 'must' or 'must not' are used where there is a legal requirement to do (or not do) something. The word 'should' is used where there is established legal guidance or best practice that is likely to help you avoid breaking the law.

This guidance is for England and Wales

Energy Performance Certificates (EPCs) give information on the energy performance of a building in a sliding scale from A (very efficient) to G (least efficient). This enables potential buyers, tenants or building occupiers to consider a building's energy efficiency and typical energy costs before making a commitment to the contract. It also gives suggestions of how to reduce the energy usage of that building. Further information is required for buildings that are 'Green Deal' buildings.

All buildings constructed, sold or rented require an EPC (subject to the listed exemptions below) and certain public buildings are required to display information about their energy consumption.

The information in this guide applies to EPCs issued on or after 9 January 2013.

From April 2025, all newly rented commercial properties will be required to have an EPC rating of C or above, with existing leases required to meet this by 2028. For residential properties, minimum EPC ratings are also under review to possibly increase to a C rating by 2030.

What information will an EPC provide?

EPCs must:

- contain information on the building's current and potential energy use and carbon dioxide emissions, expressed as an asset rating from A (most efficient) to G (least efficient)
- include a reference value, such as a current legal standard or benchmark
- be issued by an energy assessor who is accredited to produce EPCs for the category of building to which the certificate relates
- include a recommendation report with suggestions on how to reduce energy use and carbon dioxide emissions. The report may also state whether these improvements are eligible for Green Deal finance*
- provide reference information (unique certificate reference number, date of issue)
- include the address of the building and its total useful floor area
- be valid. An EPC is valid if it was entered on to the register no more than 10 years before the date it is made available or until a newer EPC is produced and registered, whichever is earlier. For buildings of over 1,000 m², the EPC is valid for seven years

[*Where the EPC relates to a property that has funded improvements through Green Deal finance, which is still outstanding, the EPC must also provide specified information in relation to each Green Deal plan that is attached to the property. The EPC does not need to provide this information for plans that have been paid in full.]

Certification for building units may be based:

- for a non-residential building, on either:
 - $\circ\,$ a common certification of the whole building for blocks with a common heating system or
 - $\circ\,$ the assessment of another representative (building) unit in the same block
- for a building that consists of a single dwelling, on:
 - the assessment of another representative building of similar design and size with a similar actual energy performance quality if correspondence is guaranteed by the energy assessor issuing the energy performance certificate

A <u>sample EPC</u> in PDF format is available on the GOV.UK website.

What is Green Deal information?

The Green Deal is a scheme that enables householders to make energy-saving improvements to their property with the costs being repaid through their electricity bills. It was funded by the Government between 2013 and 2015, and is still available through approved providers.

The debt stays with the property so on the sale or rental of a Green Deal property further information is required on the EPC. This further information includes details on the improvements that have been made, the type of agreement, details of amounts payable and estimated savings.

While the Green Deal scheme is no longer actively funded by the Government, other support schemes are available, such as the <u>Boiler Upgrade Scheme</u> and various <u>local authority grants</u>.

Whose responsibility is it to obtain an EPC?

If the building is being offered for sale, it is the responsibility of the seller to provide the EPC to the potential buyer. If it is being rented, then it is the responsibility of the landlord to provide the EPC to the potential tenant. Where a building is under construction it is the responsibility of the person who carries out the construction. Certificates in relation to air conditioning systems should be obtained by the person who has control of the air conditioning system.

When should an EPC be given?

An EPC must be made available free of charge by landlords and sellers to prospective tenants and buyers at the earliest opportunity. As soon as an EPC is available in writing, it must be given to any person who has requested it; where a person has made a request to view a building, it must be given at the time of viewing. A copy of the EPC must be given free of charge to the successful tenant or buyer.

The energy performance indicator (A-G rating) must also be stated in any advertisement of the sale or rental in commercial media.

Where a building is placed on the market for sale or rent, the relevant person (for example, the seller or landlord) and their agent must ensure that a valid EPC has been obtained for the property. If there is no valid EPC, they must satisfy themselves that an EPC has been commissioned for the property before it is placed on the market and before it is marketed; they must also make all reasonable efforts to ensure that the EPC has been obtained within seven days of first marketing the property.

EPCs do not have to be provided if the relevant person believes, on reasonable grounds, that one or more of the following apply to the prospective buyer or tenant:

- they are unlikely to have sufficient means to buy or rent the building
- they are not genuinely interested in buying or renting a building of a general description that applies to the building
- they are not a person to whom the relevant person is likely to be prepared to sell or rent out the building

This does not authorise the relevant person to do anything that may be considered an unlawful act of discrimination.

An EPC can be produced for the whole building or may be required for a separate building unit. An example of a building unit could include a flat within a larger building that has its own access and within which the heating and ventilation can be independently controlled.

Buildings that are not dwellings and have a total useful floor area of 500 m² or more, are frequently visited by the public and have an EPC made available on sale, rent or construction must display a valid EPC in a prominent place that is clearly visible to members of the public visiting the building. This is a separate requirement to Display Energy Certificates for public authority buildings (see below).

Are there any exemptions to the Regulations?

EPCs are not required for:

• buildings officially protected as part of a designated environment or because of their special architectural or historical merit, in so far as compliance with certain minimum energy performance

requirements would unacceptably alter their character or appearance

- buildings used as places of worship and for religious activities
- temporary buildings that are only planned to be used for two years or less
- industrial sites, workshops and non-residential agricultural buildings with low energy demand
- non-residential agricultural buildings that are in use by a sector covered by a national sectoral agreement on energy performance
- residential buildings that are used or intended to be used for less than four months of the year or, for a limited annual time of use and with an expected energy consumption of less than 25% of what would be the result of all-year use. (Only those properties let frequently and where tenants pay for energy costs need an EPC)
- stand-alone buildings that have a total useful floor area less than 50 m²
- buildings suitable for demolition and the resulting site is suitable for redevelopment (further conditions apply in respect to relevant consents)

EPCs are not required to be given or made available to a prospective buyer or tenant at any time before the construction of a building has been completed.

Who prepares an EPC?

Only an accredited energy assessor can produce a EPC and a recommendation report. You can <u>find an</u> <u>energy assessor</u> on the GOV.UK website. All EPC reports have to be published on the <u>register</u>, which can be viewed by the public for free.

How much will it cost?

The cost of the EPC will vary from one company to another and you will have to shop around for the best price. However, the price will also depend on other factors, including size, location and age of building.

How long does it take to get an EPC?

This depends on the availability of the energy assessor. Before choosing an assessor, ensure that you have clarified the timescales for the report to be produced. On average, a report can be obtained within three working days and you must ensure that you have commissioned the report before the property is placed on the market and marketed (if a valid EPC does not already exist).

For how long is an EPC valid?

An EPC is valid for a maximum of ten years (seven years if the building is over 1,000 m²) or until another EPC is commissioned for the same building, whichever is sooner.

Holiday lets

An EPC is only required for a property rented out as a furnished holiday let when all of the following apply:

- the building is occupied for the purposes of a holiday as a result of a short-term letting arrangement of 31 days or less for each tenant
- it is rented out for a combined total of four months or more in any 12-month period
- the occupier is responsible for meeting the energy costs for the property

Display Energy Certificates (DEC)

A DEC shows the operational rating of the building it was commissioned for; this conveys the actual energy use by the building and its carbon dioxide emissions. A DEC must also show the building's previous ratings from the last two years. As with an EPC it must be issued by an accredited energy assessor and include mandatory information, including the building's address, total useful floor area, date of issue, nominated date, reference value and details of the issuing energy assessor, their company and accreditation details.

Currently only public authorities (those providing services traditionally associated with local or national government) occupying a building of total useful floor area of 250 m² or more and frequently visited by the public must display a valid DEC. This must be displayed at all times in a prominent place that is easily visible to visiting members of the public; a valid recommendation report must be available on request where it is appropriate to have one.

Certificates issued for buildings with over $1,000 \text{ m}^2$ total useful floor space are valid for a period of 12 months only; for all other buildings the certificate validity is 10 years from the nominated date.

Other private occupants of the same building are not required to display a DEC but may be required to obtain an EPC if they sell or rent their property.

Air conditioning reports

All air conditioning systems with an effective rated output of more than 12 kW must be regularly inspected by an energy assessor, who will issue a report to the person in control of the air conditioning system. There must not be more than five years between inspections.

Having air conditioning systems inspected by an energy assessor is designed to improve efficiency and reduce the electricity consumption, operating costs and carbon emissions for your system.

Trading Standards

For more information on the work of Trading Standards services - and the possible consequences of not abiding by the law - please see '<u>Trading Standards: powers, enforcement and penalties</u>'.

In this update

Information added about forthcoming changes to EPC rating for commercial properties, as well as other general detail.

Last reviewed / updated: January 2025

Key legislation

- Housing Act 2004
- Consumer Protection from Unfair Trading Regulations 2008
- Energy Performance of Buildings (England and Wales) Regulations 2012

Please note

This information is intended for guidance; only the courts can give an authoritative interpretation of the law.

The guide's 'Key legislation' links may only show the original version of the legislation, although some amending legislation is linked to separately where it is directly related to the content of a guide. Information on changes to legislation can be found by following the above links and clicking on the 'More Resources' tab.

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