

EBOOK

Solar Panel Scams

A STRATEGIC GUIDE FOR

How to Recognize & Fight Fraud



Table of Contents

	Introduction	3
1	Understanding Solar Panel Scams	
	What Are Solar Panel Scams?	5
	Solar Sales Scam Tactics	6
2	Types of Solar Fraud	
	Solar Contract Fraud — Forged & Altered Documents.....	8
	Solar Financing Fraud	9
	The Free Solar Panels Scam and Other Misleading Offers	10
	Solar Tax Credit Misrepresentation.....	10
	Solar Fraud Targeting Elderly Homeowners.....	11
3	Your Legal Protections	
	What Laws Protect You From Solar Panel Fraud?	13
4	What to Do If You've Been Scammed	
	Signs You've Been Misled by a Solar Company.....	15
	How to Avoid Solar Panel Scams From the Start	16
	How to Get Out of a Solar Panel Scam	17
5	Recovering Damages	
	What Compensation Can You Recover From Solar Fraud?	19
6	Getting Legal Help	
	When Should You Hire a Solar Fraud Lawyer?.....	21
	Fighting Solar Panel Scams With Covar Law Group.....	22
	Final Takeaway.....	23



Introduction to Solar Panel Scams: How to Recognize & Fight Fraud

When the Solar Promise Doesn't Match the Reality

Solar panel scams can leave homeowners paying thousands of dollars for systems or financing agreements that look very different from what they were promised. Federal agencies have taken direct notice of the problem, launching joint initiatives to monitor deceptive solar sales and lending practices — but homeowners themselves don't always know where to turn.

This guide is for you whether a solar salesperson has recently approached you, you've already signed a contract and something doesn't feel right, or you suspect you've been misled about the terms of your system. We will help you identify potential solar fraud, understand your rights, and determine what steps may be available.

If your solar deal doesn't match what you were promised, it may signal deceptive practices.

CHAPTER 1

Understanding Solar Panel Scams



What Are Solar Panel Scams?

Solar panel scams occur when a homeowner is persuaded to enter a solar transaction based on deceptive, incomplete, or unauthorized information.

What initially looks like an affordable way to lower energy costs can instead leave the homeowner financially tied to an agreement that looks very different from what they believed they were accepting.

In some cases, those consequences last for years. Unexpected debt or financing complications can attach to the home, and missed or disputed payments can damage the homeowner's credit long after the original sale.

These scams are not all alike. Some involve solar financing fraud or undisclosed fees, while others center on solar contract fraud, false savings or bait-and-switch tactics involving equipment and system terms. A bad deal alone is not necessarily fraud. The key distinction is whether important information was materially misrepresented or unauthorized by the homeowner.



Common Deceptive Solar Sales Scam Tactics

A solar sales scam can take shape long before a homeowner has an opportunity to read the final contract.

The salesperson may present the offer in a way that creates an unrealistic picture of what going solar will actually cost or save, while pushing the homeowner to make a decision before they can verify those claims.

Some of the most common solar scams and deceptive solar sales practices include:

- **“Free solar” promises:** The salesperson claims the panels will cost nothing because a government program, grant, or utility will pay for them.
- **Guaranteed electric-bill savings:** Homeowners are promised that solar will eliminate their utility bill or produce savings that cannot actually be guaranteed.
- **False government or utility affiliations:** A salesperson implies they’re calling on behalf of a government agency or the homeowner’s utility company, when they aren’t.
- **High-pressure closing tactics:** “Today only” pricing or other urgency is used to discourage homeowners from researching the offer or getting another opinion.
- **Misrepresented tax incentives:** Tax credits or rebates are presented as guaranteed savings without adequately explaining eligibility requirements.
- **Verbal promises that disappear from the contract:** The salesperson promises one price, payment, system feature, or benefit while the written agreement says something different.
- **Misleading financing explanations:** Loan payments, fees, reamortization, or long-term costs are minimized or not clearly explained.
- **Bait-and-switch equipment:** The homeowner is promised one system size, panel type, or piece of equipment but ultimately receives something materially different.
- **Rushed electronic signatures:** A salesperson asks the homeowner to sign on a tablet without giving them a meaningful opportunity to review the complete agreement.

These tactics do not automatically prove solar fraud, but they can signal that a closer review is warranted.



CHAPTER 2

Types of Solar Fraud





Solar Contract Fraud: Forged Signatures & Altered Documents

Solar contract fraud raises a more fundamental issue than a misleading sales pitch: whether you knowingly authorized the agreement at all. A homeowner may discover the problem only after receiving a loan statement, seeing an unfamiliar account on a credit report, or obtaining contract documents they do not remember signing.

Unauthorized agreements can take several forms:

- **Physical signature forgery:** Someone signs the homeowner's name on a paper solar contract, loan application, or related document without permission.
- **Unauthorized electronic signatures:** A salesperson or another person completes an agreement electronically in the homeowner's name without authorization.
- **Altered documents:** Terms, figures, initials, or other information may appear differently from the paperwork the homeowner remembers reviewing or signing.
- **Identity theft and unauthorized financing:** In the most serious cases, a homeowner's personal information is used to submit a financing application or loan they never approved. **Federal prosecutors have charged real cases**, built on exactly this pattern, including loan applications and electronic agreements submitted in homeowners' names without their knowledge or consent.

If a signature or financing agreement isn't yours, our guide to a solar contract forged signature explains the evidence to preserve and the steps you can take to dispute the agreement.

Solar Financing Fraud

Solar financing fraud can be especially difficult to recognize because a loan often looks affordable at signing. The problem tends to surface later, once the financing looks nothing like what the salesperson described: a manageable monthly payment changes, or the true cost of the loan turns out to have never been clearly explained.

By then, the homeowner may already be months into a long-term financial obligation, with little room to ignore the gap between what was promised and what the agreement actually requires.

These are the common ways that deceptive solar financing plays out:



Predatory Loan Terms & Reamortization Shock

Reamortization occurs when the lender recalculates the monthly payment based on the remaining loan balance. In some solar loans, the initial payment assumes the homeowner will make a substantial prepayment, historically tied to an expected federal tax credit, within approximately the first 18 months.

If that payment isn't made, the regular monthly payment can increase even when the homeowner has made every scheduled payment on time.

For example, someone might believe they agreed to a \$200 monthly payment, only to discover that maintaining that amount depended on making a large additional payment they did not understand or were never clearly told about.



Escalator Clauses & Payment Increases

Not every payment increase is reamortization. Some solar agreements, particularly leases and power purchase agreements, may contain an escalator, meaning the amount the homeowner pays increases periodically according to the contract.

An escalator itself isn't necessarily a warning sign of solar loan fraud. The concern is whether the increasing payment structure was clearly disclosed or whether the salesperson presented the cost as fixed when it was not.

The Free Solar Panels Scam and Other Misleading Offers

A free solar panels scam relies on making a significant financial commitment sound like it costs the homeowner nothing. The pitch may suggest that a government program will cover the installation or that the homeowner can switch to solar without taking on any real expense.

While legitimate assistance programs are available to some qualifying households, that does not mean residential solar is universally free. In misleading sales situations, homeowners may only discover after signing that the “no-cost” offer actually committed them to years of payments under a loan, lease, or another financing arrangement that was never clearly explained.



Solar Tax Credit Misrepresentation

Solar tax credits have long been central to the sales pitch for residential systems, which has also made them a common source of misleading claims. Sales people would present the federal tax credit as money that homeowners could automatically count on, even though eligibility depended on specific individual circumstances. Treating that money as guaranteed was the basis of solar tax credit misrepresentation.

As of 2026, the Residential Clean Energy Credit under Section 25D is no longer available for property placed in service after December 31, 2025. A salesperson who still presents the former 30% homeowner credit as available isn't just outdated. It's a solar panel scam tactic that can materially misrepresent the true cost of the transaction.

Solar Fraud Targeting Elderly Homeowners

Older homeowners can face particular risks in solar transactions, especially when complicated financing is combined with an aggressive or misleading sales pitch. People running solar panel scams often view seniors as easy targets, taking advantage of their perceived trust in salespeople and unfamiliarity with electronic signing and complex financing terms.

Potential warning signs of solar fraud against elderly homeowners:

- High-pressure door-to-door sales: A salesperson may rush an older homeowner to sign before they can consult family or independently review the offer.
- “Free solar” promises: Claims that the government will provide panels at no cost can make an expensive agreement appear risk-free.
- Misrepresented savings or financing: A salesperson may minimize the true cost of a loan or present projected savings as though they are guaranteed.
- Rushed or unauthorized signatures: An older homeowner may be asked to sign electronically without seeing the full agreement or later discover paperwork they do not remember authorizing.
- Taking advantage of cognitive impairment: When a homeowner has dementia or another condition affecting their ability to understand a transaction, questions about capacity, consent, and potential financial exploitation may become especially important.

If you are concerned that a senior in your life may have fallen victim to a solar scam, gathering explicit information about the terms of the sale is the first step in fighting back.

CHAPTER 3

Your Legal Protections



What Laws Protect You From Solar Panel Fraud?

There is no single federal “solar fraud law.” Instead, your rights depend on how the sale happened, how the system was financed, and which state’s laws apply.

If you suspect a solar company misled you, there are several laws that protect homeowners from solar fraud that could help your case.

FTC Sales Rules & the Cooling-Off Rule

Federal law bans unfair or deceptive business practices, and the FTC applies this to misleading solar sales tactics. For certain sales made at a homeowner’s residence, the **FTC’s Cooling-Off Rule** also provides three business days to cancel. The rule generally covers in-home sales of \$25 or more, with some exceptions.

What this means for you: If you signed after an in-home solar sales pitch, check your contract and cancellation rights immediately because the federal window may be short.

TILA Rescission Rights

The **Truth in Lending Act (TILA) - Regulation Z** provides another potential cancellation right for loans secured by a homeowner’s principal dwelling. Normally, the standard rescission window lasts for three business days. But if homeowners were never given the required disclosures or rescission notice, in some cases, that window can stay open for up to three years.

What this means for you: If your solar financing is secured by your home, it’s worth reviewing your loan documents for missing disclosures.

State Consumer Protection Laws

Your state may provide additional rights when a solar company acts unfairly or deceptively. These laws vary from state to state: what’s prohibited, how long you have to file a claim, and what you can recover all depend on where you live.

What this means for you: Federal protections may only be part of your case; state law could provide additional options.

Curious what protections may be available to you? USAGov’s directory can help you [find your state’s consumer-protection office](#).

CHAPTER 4

What to Do If You've Been Scammed



Signs You've Been Misled by a Solar Company

Many homeowners do not realize something went wrong when they sign the contract.

The warning signs of being misled by a solar company often appear months later, once the promises made during the sales process are supposed to become reality.



You may have reason to suspect a solar scam if:

- **The tax credit or refund you were promised never materialized.** The salesperson may have presented an estimated tax benefit as money you were guaranteed to receive.
- **Your electric bill never dropped as promised.** You may still have a substantial utility bill on top of your new solar payment.
- **Your monthly loan payment unexpectedly increased.** Some solar loans reamortize at a higher payment when an expected lump-sum prepayment is not made.
- **Your loan balance is higher than the price you remember discussing.** Hidden dealer fees can significantly increase the amount financed.
- **The written contract doesn't match the sales conversation.** Financing terms, system specifications, savings estimates, or other important details may differ from what you remember being promised.
- **You discover paperwork you don't remember authorizing.** An unfamiliar signature or financing agreement deserves immediate attention.

Being disappointed with your solar savings does not, by itself, mean you were defrauded. The more important question is whether a material fact was misrepresented, concealed, or changed in a way that influenced your decision to enter the transaction.

How to Avoid Solar Panel Scams **From the Start**

Knowing how to avoid solar panel scams starts with slowing the process down. A legitimate solar company should give you enough time and information to compare the offer, understand the financing, and verify what a salesperson tells you before signing.

Before committing to a solar company:

Get multiple written quotes.

Compare the total system price, equipment, estimated production, warranties, installation costs, and financing, not simply the advertised monthly payment.

Research the installer.

Verify required licenses and insurance through your state or local government and look for complaint patterns involving the company.

Verify major promises independently.

Do not rely solely on a salesperson's claims about government programs, utility affiliations, incentives, or guaranteed savings.

Understand the financing before signing.

Ask about the total amount financed, APR, payment schedule, possible payment increases, loan term, fees, and whether a lien or other security interest is involved.

Read the complete contract yourself.

Make sure verbal promises appear in writing and pay particular attention to cancellation terms, warranties, payment changes, and additional fees.

Walk away from pressure.

Do not let a salesperson rush you into signing on a tablet, discourage you from reviewing paperwork, or insist an offer disappears immediately.

Walk away from pressure.

The goal isn't to avoid solar altogether, but it's important to make sure the system and financing you accept are the deal you actually intended to make.



How to Get Out of a Solar Panel Scam

If you're trying to figure out how to get out of a solar panel scam, start by protecting your records and understanding exactly what you signed before making changes to the agreement. There is no single process that works for every homeowner, and the right to get out of a solar contract depends on the circumstances.



These steps will give you the best advantage for fighting a solar scam:

- **Gather every relevant document.** Save your solar contract, financing agreement, sales proposal, payment records, utility bills, advertisements, and communications with the salesperson, installer, and lender.
- **Write down what happened.** Create a timeline of the sales process, including what you were promised, when you signed, and when you discovered that the agreement differed from what you understood.
- **Don't sign replacement paperwork yet.** If the company offers a revised contract, settlement, refinancing agreement, or other document, understand how signing it could affect your existing rights before agreeing.
- **Don't simply stop making loan payments.** Disputing a solar agreement does not automatically eliminate the underlying payment obligation.
- **Check your cancellation rights quickly.** Some solar transactions may carry time-sensitive federal or state cancellation or rescission rights, so waiting can potentially limit your options.
- **Request a legal case review.** Once your documents are organized, a solar fraud attorney can review what happened and determine whether rescission, a financing dispute, negotiation, or another legal remedy may apply.

The goal, at this point, is not to assume the contract can be canceled, but to preserve the evidence and rights that could help you challenge it successfully.

CHAPTER 5

Recovering Damages





What Compensation Can You Recover From Solar Fraud?

The compensation available in a solar fraud case depends on whether the homeowner can connect deceptive or unauthorized conduct to a specific financial loss. Simply paying more than expected or receiving lower savings than anticipated does not automatically establish fraud. Instead, the circumstances surrounding the sale or financing, and the resulting financial impact, help determine whether a homeowner may have a claim for compensation.

The damages you can recover from solar fraud take a few different forms:

Rescission & Refunds

Rescission generally means unwinding a contract rather than simply receiving money back. When available, the goal is to undo the transaction and return the parties as closely as possible to where they were before the agreement. A refund, by comparison, involves recovering money already paid.

Neither remedy is automatic. Whether a homeowner can pursue rescission, a refund, or both depends on the contract, applicable law, and circumstances surrounding the transaction.

Compensatory and Punitive Damages

Compensatory damages focus on financial harm the homeowner can prove. Depending on the case, that could include amounts lost because of deceptive pricing or financing, costs resulting from property damage, or other expenses directly connected to the misconduct.

Punitive damages serve a different purpose. Rather than simply reimbursing a loss, they may be available under applicable state law in certain cases involving particularly serious misconduct. State consumer protections and available remedies vary significantly.

CHAPTER 6

Getting Legal Help



When Should You Hire a **Solar Fraud Lawyer?**



You do not need to uncover a pattern of multiple problems before considering legal help. Sometimes, one significant red flag is enough, especially when it calls into question whether you knowingly agreed to the contract or financing in the first place.

If what you remember being promised doesn't match the agreement you're now expected to follow, or the company can't explain a serious discrepancy, you've likely reached the point when you should hire a solar fraud lawyer. Keep in mind that you do not need to decide for yourself if what happened technically qualifies as fraud. A lawyer can review the transaction as a whole, compare what you were told with what you actually agreed to, and determine whether you have grounds to challenge the deal.

What Does a Solar Fraud Attorney Cost?

Cost varies by firm and case, but solar fraud attorney costs generally fall into three broad structures:

- › **A contingency fee** ties the attorney's fee to a recovery
- › **An hourly retainer** typically requires an upfront deposit followed by charges for time worked
- › **A flat fee** sets an agreed price for a defined scope of representation.

Contacting an attorney does not necessarily tell you what hiring one will ultimately cost. Ask what fee structure applies, what expenses are separate, and when payment becomes due before signing a representation agreement.

Fighting Solar Panel Scams With Covar Law Group

If you believe you were affected by a solar panel scam, **Covar Law Group** can provide you with a free, no-obligation case review.

An attorney reviews the documents you submit and provides a case-specific assessment of whether the facts may support legal claims. You are not required to hire the firm after receiving that initial evaluation.

If the case moves forward, Covar determines the payment model based partly on the strength and nature of the available evidence. Cases with more subjective evidence that may require extended litigation can be handled through a traditional retainer model, while cases Covar considers particularly strong may qualify for the One Time Flat Fee Program. Qualification is determined case by case rather than guaranteed during the initial inquiry.

Covar's Process Includes:

- › Completing a detailed solar sales questionnaire so the firm can build the client's account of what happened.
- › Providing information through a secure portal so Covar can prepare notices to credit bureaus.
- › Preparing a Notice of Intent to Litigate and an initial settlement demand.
- › Preparing complaints for appropriate consumer-protection agencies when relevant.

These initial steps are generally completed within the first 30 days. The settlement timeline takes an average of 12.7 months for One Time Flat Fee Program cases, although an individual case may resolve sooner or take longer.

LEGAL GUIDANCE

Ready to find out where you stand?

Request your free solar case review from Covar Law Group.

[Get Started](#)



Final Takeaway: You Don't Need to Stay Trapped in a Solar Scam

Discovering that your solar agreement may not be what you thought you signed can leave you wondering whether anything can still be done.

Not every disappointing system or unfavorable contract amounts to a solar panel scam, but when important terms were misrepresented or an agreement was entered without your authorization, those warning signs deserve a closer look.

At this point, you have something many homeowners do not when they first recognize a problem: a clearer understanding of what may separate an unfortunate deal from potentially deceptive conduct. You can use that knowledge to review your paperwork, preserve evidence, and make a more informed decision about what comes next.

You don't have to figure this out alone, and you don't have to decide anything today. **Reach out to Covar Law Group** for a free, no-obligation case review — the first step is simply learning your options.