

## **TruEnergy Limited**

### **Provisional Order made under section 25(2) of the Electricity Act 1989 and 28(2) of the Gas Act 1986**

To: Tru Energy Limited ("TruEnergy"), company number 09735909, of Gable House, 239 Regents Park Road, London N3 3LF

#### WHEREAS:

- (A) TruEnergy is the holder of gas and electricity supply licences granted by the Gas and Electricity Markets Authority ("the Authority") and is subject to the usual conditions thereunder, which are "relevant conditions" for the purposes of the Electricity Act 1989 and the Gas Act 1986 ("the Acts").
- (B) Standard Licence Condition (SLC) 4A.1 requires TruEnergy to have and maintain robust internal capability, systems and processes to enable it to efficiently and effectively serve its customers and comply with its regulatory obligations.
- (C) SLC 27.15 requires TruEnergy to ensure that the level of direct debit payments are based on the best and most current consumption data available.
- (D) It appears to the Authority that TruEnergy's systems and processes are insufficiently developed and/or robust to comply with SLC 4A.1, and that (in particular) those processes do not ensure the level of direct debit payments are appropriately based on customers' usage.
- (E) TruEnergy has engaged appropriately with the Authority and proposed to take remedial actions that make progress towards addressing the Authority's concerns, but, in the Authority's view, these actions need to be both more substantial and more timely to mitigate the risk of consumer harm.
- (F) It appears to the Authority that urgent intervention is required to address this situation and hence it is requisite that a provisional order be made.
- (G) The Authority has had regard to the matters specified in section 25 of the Electricity Act and section 28 of the Gas Act in forming the view that a provisional order is requisite.

NOW THEREFORE:

The Authority, pursuant to section 25(2) of the Electricity Act and section 28(2) of the Gas Act, and for the purpose of securing compliance with SLC 4A.1 and SLC 27.15, makes a provisional order requiring TruEnergy to:

- (1) By 1 August 2022, commission (at its own expense) an independent audit of its policy and processes with respect to setting customer direct debit payments. The audit report must:
  - a. Be prepared by an independent compliance professional acceptable to the Authority<sup>1</sup>;
  - b. assess whether TruEnergy's policy and processes are suitable to satisfy the requirements of SLC 4A.1, and SLC 27.15 and whether they are consistently followed since inception,
  - c. identify any shortcomings in the policy and processes and recommend areas for improvement, and,
  - d. Be provided to the Authority by no later than 4pm 19 August 2022
  
- (2) By 4pm 16 September 2022,
  - a. review the fixed direct debit amount of every customer that uses this payment method, and,
  - b. where appropriate, adjust that amount to ensure the amount is reflective of the customers electricity and/or gas consumption as applicable, taking all reasonable steps to ensure that any estimate or projection of the customer's consumption is based on the best and most current information available<sup>2</sup>.
  - c. Take all necessary and appropriate steps to implement the learnings and recommendations from the audit report.

Pursuant to section 27(7) of the Act and section 30(8) of the Gas Act 1986, the Authority may seek to enforce the Order by application to the High Court for injunctive or other relief without further notice to TruEnergy.

This provisional order will lapse on 27 October 2022 unless confirmed by the Authority on or before that date.

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<sup>1</sup> TruEnergy is strongly encouraged to consult with the Authority's responsible officer prior to engaging its proposed auditor.

<sup>2</sup> For the avoidance of doubt, "available" includes information not in TruEnergy's possession but that could be obtained, for example, from the customer in the form of an up to date meter reading. The Authority expects TruEnergy to make every effort to obtain accurate and up to date consumption data on which to base direct debits.

Dated: 27 July 2022

Charles Hargreaves

Deputy Director, Enforcement

Duly authorised on behalf of the Gas & Electricity Markets Authority