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**Notice of reasons under section 49A of the Electricity Act 1989 and section 38A of the Gas Act 1986 for the decision to make a Provisional Order under section 25(2) of the Electricity Act 1989 and section 28(2) of the Gas Act 1986**

A. **To: Maxen Power Supply Limited** ("Maxen Power"), company number 10298693, having its registered office at Olympic House, 28-42 Clements Road, Ilford, Essex, England, IG1 1BA, holder of an electricity supply licence granted or treated as granted under section 6(1)(d) of the Electricity Act 1989 ("the Electricity Act") and a gas supply licence granted or treated as granted under section 7A(1) of the Gas Act 1986 ("the Gas Act").

**Background**

- B. This Notice sets out the reasons why, on 12 September 2025, the Gas and Electricity Markets Authority ("the Authority") made a provisional order in respect of contraventions, or likely contraventions by Maxen Power (the "Provisional Order").
- C. Maxen Power is the holder of gas and electricity supply licences granted by the Authority and is subject to the conditions thereunder, which are "relevant conditions" for the purposes of the Electricity Act and the Gas Act.
- D. The Provisional Order was made as it appeared to the Authority that Maxen Power was contravening, or likely to contravene, relevant conditions and requirements by virtue of the following conduct:
- (i) Altering 4,589 payment references, which the Authority suspects the majority relate to energy theft based on Maxen Power's previous explanation of energy theft charges, on 2,910 accounts following a request for an audit, commissioned by Maxen Power under SLC 5B, to understand the extent to which Maxen Power was complying with requirements under Standard Licence Condition ("SLC") 12A of the gas supply licence and SLC 12.A of the electricity supply licence;
  - (ii) Failing to provide clear information to customers in relation to suspected energy theft as required by SLC 12.A.11(h) of the electricity supply licence conditions and SLC 12A.12(g) of the gas supply licence conditions;
  - (iii) Failing to provide clear written communication to customers on how they could reinstate their supply following disconnection resulting from suspected energy theft as required by SLC 12.A.11(h) of the electricity supply licence conditions and SLC 12A.12(g) of the gas supply licence conditions.

- E. The Authority has been made aware of the conduct outlined in section D (i) via information received from a third party as a result of an information request. The independent auditor assigned by Maxen Power identified the conduct in sections D (ii), (iii).
- F. SLCs 12.A.11(h) and 12.A.12 of the electricity supply licence; 12A.12(g) and 12A.13 of the gas supply licence ("the relevant SLCs") provide the following:

Electricity supply licence:

*SLC 12.A.11(h)*

*"The licensee must provide (and ensure that any Representative provides) in plain and intelligible language, clear, timely and accurate information and advice to the Customer about:*

- (i) the basis of any assessment made by the licensee (or its Representative) that Theft of Electricity occurred;*
- (ii) the basis for the calculation of any Charges for the Supply of Electricity associated with the Theft of Electricity made to the Customer;*
- (iii) what steps the Customer should take if they wish to dispute that Theft of Electricity occurred; and*
- (iv) the steps a Customer may take to reinstate supply if the licensee (or its Representative) has exercised the Statutory Disconnection Power."*

*SLC 12.A.12*

*"The licensee must keep (and ensure that any Representative keeps) a record of its compliance with its obligation under this licence condition."*

Gas Supply licence:

*SLC 12A.12(g)*

*"The licensee must provide (and ensure that any Representative provides) in plain and intelligible language, clear, timely and accurate information and advice to the Customer about:*

- (i) the basis of any assessment made by the licensee (or its Representative) that Theft of Electricity occurred;*

- (ii) *the basis for the calculation of any Charges for the Supply of Electricity associated with the Theft of Electricity made to the Customer;*
- (iii) *what steps the Customer should take if they wish to dispute that Theft of Electricity occurred; and*
- (iv) *the steps a Customer may take to reinstate supply if the licensee (or its Representative) has exercised the Statutory Disconnection Power.”*

#### SLC 12A.13

*“The licensee must keep (and ensure that any Representative keeps) a record of its compliance with its obligation under this licence condition.”*

- G. The Authority is concerned that the alteration of records has prevented the independent auditor, and therefore the Authority by extension, from properly assessing Maxen Power’s compliance with the above licence conditions. Furthermore, the Authority is concerned about the lack of communication customers suspected of energy theft are provided about the nature of the charges and the steps they need to take to reinstate supply.
- H. The Authority had been engaging with Maxen Power since January 2025 as part of enhanced compliance monitoring agreed between Maxen Power and the Authority, following an investigation which was closed on 5 December 2024. The timeline of events is as follows:
- (i) On 24 June 2025, the Authority conducted a site visit to Maxen Power’s offices as part of the above-mentioned enhanced compliance monitoring. During this visit, and as part of an examination of Maxen Power’s CRM system, the Authority noted that Revenue Protection (“RP”) fees had been applied to customer accounts. Maxen Power advised the Authority during this visit that RP fees related to energy theft. Despite this, the fees in question were not accompanied by any recorded evidence of an energy theft referral, an energy theft investigation, or correspondence notifying customers of any RP fee and a basis for its calculation.
  - (ii) The Authority issued an Information Request (“IR”) to Maxen Power on 1 July 2025 requesting further information relating to the application and administration of RP fees. In response, Maxen Power did not sufficiently evidence that customers are sent communication which breaks down the calculation of charges or the steps customers can take to reinstate their supply.

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- (iii) As a result of this, on 16 July 2025 the Authority opened a formal investigation into Maxen Power which includes the relevant SLCs. The Authority issued an IR to Maxen Power on the same day requesting they commission an independent audit which would assess whether Maxen Power takes the appropriate steps regarding energy theft investigations.
  - (iv) On 7 August 2025, the Authority was provided with evidence from a third party in response to an information request which suggested, prior to the audit beginning, Maxen Power altered 4,589 payment references which made specific reference to revenue protection. 2,910 total accounts had at least one payment reference altered, and most alterations appeared to remove any reference to revenue protection.
  - (v) On 2 September 2025, the independent auditor provided the Authority with its final report. The audit report concluded that, from the reviewed sample, no customer received an itemised bill/breakdown of RP fees. Additionally, the report states that very limited evidence was found in customer-facing letters that explained the steps required to reinstate supply.
- I. The Authority considers that the conduct described in section C above, in relation to energy theft investigations, appears to show that Maxen Power is contravening, or likely to contravene SLCs 12.A.11(h) and 12.A.12 of the electricity supply licence; and 12A.12(g) and 12A.13 of the gas supply licence. The alterations made to payment references has prevented the independent auditor from being able to conduct a full and transparent assessment of Maxen Power's compliance with the requirements set out under the relevant SLCs. Despite these changes, the audit has still identified significant weaknesses in how Maxen Power communicates to customers about the nature of the charges and reinstating supply.
- J. The Authority considers it requisite to issue a provisional order rather than consulting on a Final Order. It is not appropriate in these circumstances to allow the delay (of at least three weeks due to the statutory consultation process) associated with a Final Order. Where non-compliance remains, the Authority cannot have confidence that Maxen Power is applying, administering and communicating to customers RP fees in a fair, transparent and consistent manner. This non-compliance can lead to the
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illegitimate application of RP fees with consumers being unfairly penalised, and vulnerable customers may be disproportionately affected.

- K. The Authority has had regard to the matters sections 25(3), (4A), (4B), (5) and (5A), and section 26 of the Electricity Act 1989 and the equivalent provisions in the Gas Act 1986.<sup>1</sup> In particular:
- (i) it does not consider that it would be more appropriate to proceed under the Competition Act 1998 (that Act has no application to the present circumstances);
  - (ii) it is satisfied that the duties imposed on the Authority by sections 3A to 3C of the Act do not preclude Authority from making the Provisional Order (on the contrary, it considers that its duties require it to make the provisional order); and
  - (iii) it does not consider that the contraventions are trivial.
- L. For the above reasons, the Authority decided to make the Provisional Order requiring Maxen Power to:
- (i) By no later than **4pm on 19 September 2025**, reinstate records for the 2,910 accounts for which RP transaction fee references were changed after 15 July 2025. Each of the RP transaction fee references changed are to be reinstated on Maxen Power's systems to as they were on 15 July 2025. Maxen Power must provide the Authority with each of the account numbers for which an RP transaction fee reference was changed and provide evidence of the corrections in 'before' and 'after' screenshots to allow an independent audit to make a full and complete assessment of Maxen Power's compliance with SLCs 12A.11(g) and 12.A.12(g) and 12A.13.
  - (ii) Upon the completion of requirement (i) and therefore by no later than **4pm on 19 September 2025**, commission an independent audit under SLC 5B from an auditor with forensic accounting capabilities to assess Maxen Power's compliance and ongoing ability to comply with SLC 12A.12(g) of the gas supply licence and SLC 12.A.11(h) of the electricity supply licence. Maxen Power must consult with the Authority's Responsible Office(s) prior to a) engaging an independent auditor to provide the report, and b) providing its appointed auditor with the scope for

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<sup>1</sup> The equivalent provisions in the Gas Act 1986 being sections 28 (3), 28 (4A), 28 (4B), 28 (5), 28 (5A) and 29

the audit. The Authority will provide Maxen Power with information about what the scope of the audit must cover.

- (iii) By no later than **4pm on 20 October 2025** provide the Authority with the independent audit report arising as result of requirement (ii). The report must also outline recommendations, if any, of what remedial actions Maxen Power should take to obtain and maintain compliance with its obligations under SLC 12A.12(g) of the gas supply licence and SLC 12.A.11(h) of the electricity supply licence.
- (iv) By no later than **4pm on 20 October 2025**, provide the Authority with a detailed remedial plan relating to the calculation, application and communication of all fees detailing how Maxen Power will achieve ongoing compliance with its obligations under SLCs 12A.12(g) and 12.A.11(h). Any remedial plan to be implemented must include a timeline for implementation and be approved, signed and submitted to the Authority in writing by an individual or director with significant managerial responsibility or influence.
- (v) Until compliance with SLC 12A.12(g) and SLC 12.A.11(h) is achieved, in accordance with the preceding paragraphs, and the Authority has confirmed in writing to Maxen Power that compliance has been achieved, Maxen Power must:
  - a) refrain from all sales, marketing and customer acquisition activity, including the acquisition of any new domestic and non-domestic customers ("Sales Ban");
  - b) refrain from making any payment, providing any loan or transferring any asset to any third party unless that payment, loan or transfer is one that: i) it is required to make by virtue of a statutory requirement, court order or by virtue of a contractual requirement where making that payment is essential to enable Maxen Power to run its business; ii) is essential to Maxen Power's operation as a supplier of electricity and gas to consumers; or iii) is otherwise approved in writing by the Authority ("Non-essential Payments Ban").

M. The Provisional Order is published online at: [Enforcement cases | Ofgem](#). The Provisional Order has been served to Maxen Power on 12 September 2025.

- N. The Authority will, in due course, consider whether to consult on confirming the Provisional Order (with or without modifications). Unless earlier confirmed or revoked by the Authority, the Provisional Order will lapse on **12 December 2025**.
- O. The issuance of the Provisional Order is without prejudice to any further or other enforcement action the Authority may decide to take, in relation to this or any other outstanding or future breaches. The Authority will consider whether it is appropriate to impose a financial penalty on Maxen Power Supply Limited in relation to this breach.

Dated: 12 September 2025

**Dominic Alexander (Deputy Director for Enforcement)**

**Duly Authorised on behalf of the Gas & Electricity Markets Authority**