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10 October 2025

### **Recovery of creditor dividends from liquidation of Tonik Energy Limited ("Tonik Energy")**

On 17 February 2025, we were informed that ScottishPower Energy Retail Limited ("ScottishPower") had received a creditor dividend from the administrator Tonik Energy Limited ("Tonik Energy") for **£57,534.48**.

We appointed ScottishPower as Supplier of Last Resort (SoLR) for Tonik Energy gas<sup>1</sup> and electricity<sup>2</sup> customers on 10 October 2020, following Tonik Energy's announcement that it had ceased trading. This followed a SoLR appointment process aimed at getting the best deal for consumers. We outlined the material factors behind our decision to appoint ScottishPower as the SoLR to those customers in our decision letter published on 17 December 2020<sup>3</sup>.

ScottishPower indicated at the time of our SoLR appointment process that it would absorb a portion of credit balance costs. A Levy Claim was consented to on 17 December 2021 which included a claim for refunding credit balances above this portion.<sup>4</sup> In this 2021 decision, and associated LRSP consents, we stated that the final amount ScottishPower can claim would be adjusted against any additional costs recovered through the liquidation process of Tonik Energy, not recovered at the time the claim was made to Ofgem.<sup>5</sup>

Appointed SoLRs can make LRSP claims, to ensure that customers of the failed supplier are compensated for their CCBs. This applies despite the SoLR being able to recover some of the money through the liquidation process of the failed supplier. We expect that

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<sup>1</sup> [Direction to appoint ScottishPower Energy Retail Limited as Gas Supplier of Last Resort | Ofgem](#)

<sup>2</sup> [Direction to appoint ScottishPower Energy Retail Limited as Electricity Supplier of Last Resort | Ofgem](#)

<sup>3</sup> [Appointment of Scottish Power as Supplier of Last Resort | Ofgem](#)

<sup>4</sup> [Decision on Last Resort Supply Payment claim from Scottish Power for Yorkshire Energy and Tonik Energy | Ofgem](#)

<sup>5</sup> [Last Resort Supply Payment Claim from Scottish Power Energy Retail Limited](#)

following appointment SoLRs submit subrogated creditor claims to the administrator of the failed supplier for CCBs. However, liquidation of failed suppliers can take a long time, and the outcome can be uncertain which is why we allow for CCBs to be claimed via a LRSP. Where a SOLR has claimed a LRSP for CCBs, as it has already been compensated, any amount recovered from the failed supplier must be repaid to consumers.

As indicated above, ScottishPower has made an LRSP claim for CCBs for Tonik Energy and therefore should repay any funds received from its liquidation. As a result, we have issued a Final Repayment Direction for repayment of **£57,534.48** plus the relevant amount of interest specified in the Final Repayment Direction. The specific amounts to be paid to each relevant licensed gas and electricity network operators will be set out in the Final Repayment Direction, with repayment commencing from April 2026.

Yours faithfully,



**David Hall**  
**Deputy Director, Financial Resilience and Controls**