



Making a positive difference  
for energy consumers

Gas and Electricity Suppliers,  
Electricity Distribution Network  
Operators,  
Gas Transporters and all other  
interested parties

Email: [solrlevyteam@ofgem.gov.uk](mailto:solrlevyteam@ofgem.gov.uk)

18 September 2026

## **Last Resort Supply Payment Claim from EDF Energy Customers Limited**

On 4 June 2026, EDF Energy Customers Limited ("EDF") gave notice to Ofgem of its final True-up Claim for a Last Resort Supply Payment (LRSP) in relation to acting as Supplier of Last Resort (SoLR) to customers of the former Utility Point Limited ("Utility Point").

Under Standard Licence Condition (SLC) 9.1 of the Electricity and Gas Supply Licences, SoLRs are entitled, provided Ofgem consents, to make a claim for a LRSP from each Relevant Gas Transporter and Relevant Distributor. The claim from EDF included its calculation of the claim amount and information to support the calculation.

On 21 August 2026, we published a minded-to position for consultation in relation to that claim and invited consultation responses. We received no responses to the minded-to position consultation.

### **Decision**

After taking into consideration the results of our internal assurance process, we are partially consenting to EDF's final True-up Claim in relation to acting as the SoLR for Utility Point.<sup>1</sup> This comprises a final credit balance claim of **£8,128.05**, reflects a recovery of **£9,492,353.99** from the administrators of Utility Point, and results in a net repayment position of **£9,484,225.94** plus applicable interest. We have not consented to EDF's proposed working capital amount of **£221,556.39** or other costs of **£1,688.00** in this final True-up Claim.

This letter is the notice of reasons for our decision on the final True-up Claim in relation to costs incurred by EDF in complying with the Last Resort Supply Direction and our

---

<sup>1</sup> [Utility Point - SoLR Direction \(EDF\) - gas.pdf](#); [Direction to appoint EDF Energy Customers Limited as Electricity Supplier of Last Resort for customers of Utility Point Limited | Ofgem](#)

decision to consent to EDF making a final True-up LRSP claim from relevant network operators for costs relating to:

- protecting the credit balances owed to former customers of Utility Point.

We have assessed this LRSP claim in accordance with our policy published 21 September 2022,<sup>2</sup> and consistent with our published *Guidance on supplier of last resort and energy supply company administration orders*.<sup>3</sup> In addition, in making this decision, we have had regard to our principal objective of protecting the interests of current and future energy consumers<sup>4</sup>, the public sector equality duty<sup>5</sup>, relevant licence provisions, and the particular circumstances of the case.

As part of the multiple-claim levy process introduced in December 2021, EDF entered into a True-up Agreement with us. Under the True-up Agreement between EDF and Ofgem, Initial and Subsequent Levy Claims and a final True-up Claim may be made.

EDF indicated that it wished to close the True-up Agreement for Utility Point. Following consultation, we consider this claim to be a final True-up Claim for the purposes of the True-up Agreement. The decision letter for this final valid claim is therefore the Notice of Termination under clause 2.2(c) of the True-up Agreement, subject to any subsequently identified recovery from the liquidation of Utility Point being returned to consumers via the levy process.

Clause 2.2 of the True-up Deed sets out when the agreement will terminate:

*"This Deed shall continue in force (and the undertakings contained herein shall be irrevocable) until the earlier of:*

- (a) Where any Valid True-up Amount is an Excess, the date upon which the SoLR has repaid in full the total of any Excess resulting from the True-ups of all Last Resort Supply Directions covered by this Deed;*
- (b) Where any Valid True-up Amount is a Deficit, the date of the last of the Valid Final Levy Claim(s) covered by this Deed; and*
- (c) The date of termination specified in any notice of termination of this Deed issued by the Authority."*

Nothing in this decision should be taken as setting a precedent for any future claims, which would also be considered on their merits and on a case-by-case basis, taking into account all relevant circumstances.

An overview of EDF's LRSP claim together with the reasons for decision with respect to this claim are set out below.

## **Background**

### *The SoLR process*

Electricity and gas supply is a competitive activity in Great Britain. While competition has the potential to bring many benefits to consumers, in a competitive market, companies

<sup>2</sup> [Decision on last resort levy claims true-up process | Ofgem](#)

<sup>3</sup> [Supplier of Last Resort: Revised Guidance 2016 | Ofgem](#)

<sup>4</sup> s4AA Gas Act 1986 and s3A Electricity Act 1989

<sup>5</sup> Equality Act 2010 Part 11 Sections 149 to 157 [Equality Act 2010 \(legislation.gov.uk\)](#)

that are not operating efficiently may fail. This applies as much in relation to the gas and electricity supply markets as it does to other markets.

It is our statutory duty to protect customers' interests when suppliers fail. When a supplier fails, our focus is to ensure continuity of supply for its customers and to minimise wider negative impacts on the market.

We can ensure continuity of supply to the failed supplier's customers and minimise these wider negative effects by appointing a SoLR, which is issued with a Last Resort Supply Direction requiring it to supply the failed supplier's customers at very short notice.<sup>6</sup>

### Failed Supplier event

On 17 September 2021, we appointed EDF as the SoLR<sup>7</sup> for Utility Point gas<sup>8</sup> and electricity<sup>9</sup> customers, following an announcement that Utility Point had ceased trading. This followed an appointment process aimed at getting the best deal for consumers. We outlined the material factors behind our decision to appoint EDF as the SoLR to those customers in our decision letter published on 23 June 2022<sup>10</sup>.

### Decision-making process

Under SLC 9.5, we must decide whether it is appropriate in all the circumstances of the case for the SoLR to make the LRSP claim notified to Ofgem in accordance with Standard Licence Condition 9.3. In making this decision we have considered evidence provided by EDF, and our own knowledge of the energy markets.

In exercising this decision-making function, we have had regard to the interests of current and future consumers of gas and electricity and considered the public sector equality duty.

We published a minded-to position on this claim on 21 August 2026 and invited consultation responses. We did not receive any responses to our consultation on the minded-to position on this claim.

### Overview of EDF's claim

EDF indicated at the time of our SoLR appointment process that it would not waive its right to make a claim for LRSP for credit balances and certain other costs. The initial claim was consented to on 17 December 2021<sup>11</sup>, and subsequent claims were consented to on 20 December 2022<sup>12</sup> and 14 December 2023<sup>13</sup>. Consistent with the

---

<sup>6</sup> The obligation for a supplier to comply with a LRSD derives from standard licence condition 8 of each supplier's gas and electricity supply licences and is intended to ensure a universal service for Great British energy consumers (for further information on this universal service, see Articles 3(3) of the EU Directives 2009/72/EC and 2009/73/EC).

<sup>7</sup> [Ofgem appoints EDF to take on customers of Utility Point | Ofgem](#)

<sup>8</sup> [Utility Point - SoLR Direction \(EDF\) - gas.pdf](#)

<sup>9</sup> [Direction to appoint EDF Energy Customers Limited as Electricity Supplier of Last Resort for customers of Utility Point Limited | Ofgem](#)

<sup>10</sup> [Decision Letter - Utility Point.pdf](#)

<sup>11</sup> [EDF Energy Customer Ltd - LRSP Notice of Reasons - for UtilityPoint Limited.pdf](#)

<sup>12</sup> [Decision on last resort levy true-up claims 2022 | Ofgem](#)

<sup>13</sup> [Decisions on Last Resort Supply Payment Claims 2023 | Ofgem](#)

terms of those consents and the True-up Agreement between EDF and Ofgem, we have taken those claims into consideration in reaching our decision on this claim.

### Summary of decision

Based on the information available and consideration of the circumstances in which the claims for LRSPs by EDF were made in relation to customers of the former Utility Point, we have decided to consent to EDF's final True-up Claim, subject to the repayment due to networks. This includes a final credit balance claim of **£8,128.05** and reflects a recovery of **£9,492,353.99** from the administrators of Utility Point. We have not consented to EDF's proposed working capital claim of **£221,556.39** or other costs claim of **£1,688.00**.

Table 1: Summary table of approved initial and subsequent claims and final True-up Claim

| Item | Cost            | Initial Claim   | First subsequent claim | Second subsequent claim | This claim (as submitted) | Decision on Final True-up claim |
|------|-----------------|-----------------|------------------------|-------------------------|---------------------------|---------------------------------|
| 1    | Wholesale       | £152,080,979.69 | £44,326,844.00         | £868,367.95             | £0.00                     | £0.00                           |
| 2    | Credit Balances | £0.00           | £32,844,848.10         | £53,564.97              | £8,128.05                 | -£9,484,225.94                  |
| 3    | Working Capital | £9,151,752.13   | £8,225,432.14          | £399,392.57             | £221,556.39               | £0.00                           |
| 4    | Other Costs     | £2,478,111.09   | £3,400,752.84          | £2,309,627.77           | £1,688.00                 | £0.00                           |
|      | Total           | £163,710,842.91 | £88,797,877.08         | £3,630,953.26           | £231,372.44               | -£9,484,225.94                  |

Table 2: Summary table of cumulative approved LRSP total (including decision amounts)

| Item | Cost            | Final LRSP total (incl. final levy claim decision amounts) |
|------|-----------------|------------------------------------------------------------|
| 1    | Wholesale       | £197,276,191.64                                            |
| 2    | Credit Balances | £23,414,187.13                                             |
| 3    | Working Capital | £17,776,576.84                                             |
| 4    | Other Costs     | £8,188,491.70                                              |
|      | <b>Total</b>    | <b>£246,655,447.31</b>                                     |

### Reasons for decision

We set out our general approach to SoLR levy claims in our September 2022 policy decision.<sup>14</sup>

Our general preference is for a SoLR not to make a LRSP claim for costs it has incurred carrying out its role. However, we recognise that circumstances may exist which would justify a departure from this general rule. We recognise that the costs of this claim will ultimately be paid by consumers. In our assessment of the claim, consideration has been given to the interests of current and future consumers, particularly those in more vulnerable circumstances.

<sup>14</sup> [Decision on last resort levy claims true-up process | Ofgem](#)

In the particular circumstances of this claim, and in line with the relevant licence conditions, we consider it appropriate to allow for the additional and otherwise unrecoverable costs included in this claim to be recovered via a LRSP. We consider it to be in the interest of current and future consumers to allow this claim to ensure that the safety net provided by the SoLR process remains viable into the future, and the stability of the retail energy market is not further undermined to the detriment of all consumers.

### **Cost category: Credit balances**

Under SLC 9.4(b) a SoLR can claim 'any sums paid or debts assumed by the licensee to compensate any Customer in respect of any Customer Credit Balances'. Our published guidance sets out circumstances in which we may consider it appropriate to approve a claim for the amount a SoLR spends compensating customers with a positive credit balance with a failed supplier.

#### Decision

EDF claimed **£8,128.05** for credit balances repaid to date to ex-customers of Utility Point as part of its final True-up Claim. EDF also informed us of a recovery of credit balance amounts from the administrators of Utility Point of **£9,492,353.99**. We consider that the amount claimed is consistent with SLC 9.4(b), and we have reflected the administrator recovery in our assessment of the final True-up position.

Table 3: Summary of final True-up Claim and decision for credit balances

| <b>Item</b> | <b>Cost</b>     | <b>Initial and Subsequent Claims Previously Approved</b> | <b>Final True-up Claim Submitted</b> | <b>Minded-to position on Final True-up Claim</b> | <b>Decision on Final True-up Claim</b> |
|-------------|-----------------|----------------------------------------------------------|--------------------------------------|--------------------------------------------------|----------------------------------------|
| 2           | Credit Balances | £32,898,413.07                                           | £8,128.05                            | -£9,484,225.94                                   | -£9,484,225.94                         |

#### Rationale for decision

EDF requested our consent to claim **£8,128.05** for the cost of refunding credit balances to former customers of Utility Point. We are satisfied that the claim is for costs incurred in compensating customers for credit balances. As explained in our minded-to position, costs incurred by SoLRs as a result of credit balance refunds being made by cheque should only be recovered through the levy once that cheque is cashed. This avoids consumers bearing the cost of compensation for credit balances that are yet to be received or not cashed by customers of the failed supplier and ensures the SoLR does not benefit where cheques are never cashed.

We have therefore decided to consent to a final credit balance claim of **£8,128.05**. In line with the True up Agreement, we have also reflected the administrator recovery in the final True up position. As a result, EDF's net position for this final levy claim is **-£9,484,225.94**, plus applicable interest.

The approved claim amount (£8,128.05) will be recovered through the accompanying consent to claim document. The repayment of the resulting Excess, including applicable interest, will be implemented through a separate Final Repayment Direction issued in accordance with the True up Agreement.

### **Cost category: Working capital**

Our published policy on the multi-claim process<sup>15</sup> sets out the requirements for SoLRs seeking to claim financing or working capital costs. It also sets out the requirement for SoLRs to demonstrate, with evidence, that their financing cost claim delivers value for money for consumers and is the best possible rate they could achieve given their individual circumstances.

#### Decision:

EDF's claim includes £221,556.39 for the cost of working capital. EDF asserts that this claim reflects the financing costs associated with refunding customers credit balances; costs EDF incurred after being appointed as SoLR.

We consider that the claimed amount is not consistent with our criteria and commitments made at the bidding stage, and have decided to refuse consent for the claim.

Table 4: Summary of final True-up Claim decision on working capital

| <b>Item</b> | <b>Cost</b>     | <b>Initial and Subsequent Claims Previously Approved</b> | <b>Final True-up Claim Submitted</b> | <b>Minded-to position on Final True-up Claim</b> | <b>Decision on Final True-up Claim</b> |
|-------------|-----------------|----------------------------------------------------------|--------------------------------------|--------------------------------------------------|----------------------------------------|
| 3           | Working Capital | £17,776,576.84                                           | £221,556.39                          | £0                                               | £0                                     |

#### Rationale for decision:

When a SoLR is appointed, it incurs costs associated with taking on the new customers (purchasing energy for new customers, migration costs etc) which need to be financed. There are a range of ways in which SoLRs can finance this activity. Regardless of the finance option used, there is a cost in doing so. These financing costs vary based on the individual characteristics of the supplier (e.g. the size of the supplier, the perceived level of risk the supplier has, whether or not the supplier is part of a group etc).

Under the supply licence, suppliers may seek to recover some of the financing costs that they have faced in acting as a SoLR through the levy. Interest on working capital used to finance the reasonably incurred costs of supplying SoLR customers may be included in a SoLR levy claim, provided those costs cannot be recovered through customer charges and are consistent with commitments made by the SoLR during the bidding process.

<sup>15</sup> <https://www.ofgem.gov.uk/publications/decision-last-resort-levy-claims-true-process>

After reviewing EDF's submission, we have decided to reject the claim amount as we have determined it is not consistent with our criteria and the commitments made by the SoLR at the bidding stage. EDF committed to honour a portion of customer credit balances rather than seeking recovery through the levy arrangements. As that portion was agreed to be borne by EDF, we do not consider that working capital costs associated with financing those amounts to be recoverable through the levy. We instead will reflect the full recovery amount (without any deduction for working capital) in the credit balance category of this claim as noted in the "credit balances" cost category section above. As a result, the overall approved working capital amounts for the Utility Point SoLR remain unchanged from the 2023 decision.

### **Cost category: "Other costs"**

We understand that other costs may have been incurred when undertaking activities as part of becoming a SoLR (for example, legal fees). We have used the criteria set out in our published decision on the last resort levy claims true-up process<sup>16</sup> to assess whether it is appropriate for these costs to be recovered through a LRSP. The other costs that EDF has claimed are detailed below alongside our decision on these submitted costs.

#### Decision:

EDF's final True-up Claim includes **£1,688.00** for other costs associated with acting as a SoLR for former customers of Utility Point.

We consider that the claimed amount is not consistent with our criteria, and have decided to refuse consent for the claim.

Table 5: Summary of final True-up Claim decision on "other costs"

| <b>Item</b> | <b>Cost</b> | <b>Initial and Subsequent Claims Previously Approved</b> | <b>Final True-up Claim Submitted</b> | <b>Minded-to position on Final True-up Claim</b> | <b>Decision on Final True-up Claim</b> |
|-------------|-------------|----------------------------------------------------------|--------------------------------------|--------------------------------------------------|----------------------------------------|
| 4           | Other Costs | £8,188,491.70                                            | £1,688.00                            | £0                                               | £0                                     |

#### Rationale for decision:

The **£1,688.00** claim for legal costs under the "other costs" category was submitted as part of EDF's final True-up Claim for Utility Point.

The costs incurred in dealing with these legal issues relating to EDF's SoLR role should be additional to those that it would have faced in the course of its normal retail operations, and not recoverable in any other way. In the process of our assessment, we considered whether these are clear and evidenced costs that EDF would not have otherwise incurred.

<sup>16</sup> <https://www.ofgem.gov.uk/publications/decision-last-resort-levy-claims-true-process>

While EDF has sought consent for these costs, we are not satisfied that the evidence provided confirms that this part of the claim meets our criteria that the costs incurred must be additional.

Therefore, we have decided to refuse consent for the “other costs” portion of EDF’s claim.

### **Recovery of Excess**

EDF informed Ofgem of a recovery from the administration of Utility Point of **£9,492,353.99**. The purpose of the True-up process is to ensure the final position reflects actual costs and recoveries before the agreement is closed, preventing over recovery by the SoLR and ensuring any recoveries are returned to consumers via the levy arrangements.

The True-up Agreement entered into by Ofgem and EDF sets out the process for repaying any Excess:

*7.1 Where any Valid True-up Amount is an Excess, the Authority shall, acting reasonably, determine that the SoLR must repay an amount equal to the Excess including any interest accrued. Where it so determines and acting reasonably, the Authority shall provide a draft direction setting out the time, method and amount of any such repayment, together with the rate of interest, where relevant, and shall provide such draft to the SoLR and other relevant stakeholders, consulting where appropriate (a Draft Repayment Direction).*

*7.2 The Authority will consider any representations received from the SoLR, and, if relevant, any consultation on the Draft Repayment Direction and will issue a final repayment direction setting out the time, method and amount that the SoLR will be required to repay, including any interest (a Final Repayment Direction).*

As a result of this decision, EDF is required to repay the determined Excess of **£9,492,353.99** 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 operator will be set out in the Final Repayment Direction.

### **Notice of termination of the True-up Agreement**

This decision constitutes the Authority’s notice of termination of the True-up Agreement for Utility Point under clause 2.2(c). As the final True-up position is an Excess, this termination will take effect on the date upon which EDF has repaid the Excess in full, including applicable interest, in accordance with the Final Repayment Direction issued to the Licensee by the Authority on the same date as this decision letter.

Termination does not affect EDF’s continuing obligation to return to consumers, through the levy process, any further recovery subsequently identified from the liquidation of Utility Point.

Yours faithfully,

**Elaine Hutcheson**  
**Deputy Director, Financial Resilience and Controls**