

Energy Switch Guarantee

Tonik Compliance Meeting Decision

Purpose

This statement provides a record of the outcome of the Energy Switch Guarantee compliance committee meeting held on 14 December 2018 regarding Tonik Energy.

Finding

The committee found that Tonik Energy had been in breach of the commitment to issue final bills within 6 weeks of a customer leaving and accepted the decision from Tonik Energy to voluntarily withdraw from the Energy Switch Guarantee. Whilst the performance of Tonik Energy through 2018 had been disappointing, the committee welcomed the proactive move from Tonik Energy to withdraw until they were in a position to comply with the Energy Switch Guarantee metrics.

Conditions for re-entry to the scheme

In order to re-join the scheme, the committee agreed that Tonik Energy would be required to display a full quarter of compliant data. Once this had been accepted by the Chair, Tonik Energy would then re-join the scheme on a shortened compliance escalation process for a period of 1 year to mirror the duration of their breach. If Tonik Energy were to fall below the compliance level on any of the KPIs during this period their membership would be suspended

Background

The aim of the Energy Switch Guarantee (ESG) is to increase consumer confidence in switching, and to improve the speed and the ease of the switching process. Members of the Guarantee currently commit to completing switching processes within 21 days, issuing final bills to consumers within six weeks of leaving and refunding credit within 14 days of issuing the final bill. Compliance is demonstrated when suppliers have achieved these commitments for at least 98% of consumers in the case of switching and 90% of consumers for final bills and refunds.

The quarterly reporting and compliance process¹ identifies and escalates incidents of underperformance. Signatories are required to resolve performance issues or will have their breach considered by the compliance committee. A failure to comply for three successive quarters will result in a signatory being required to attend a hearing with a compliance committee formed of the independent chair of the ESG and senior representatives from Citizens Advice and Energy UK. The compliance committee is responsible for deciding whether or not a signatory is in breach of the Guarantee, and approving the most appropriate action to be taken according to the nature, frequency, persistence and impact of the breach.

Strengthening the Guarantee

The Energy Switch Guarantee is committed to using the learning from compliance hearings in order to strengthen its processes and accelerate the improvement of standards across industry. We are in the process of reviewing the compliance process and will publish the amended procedure in Q1 2019.

We will also shortly introduce an amended application process that introduces a category of probationary membership for suppliers that are new to the market and have insufficient evidence to demonstrate compliance with the Guarantee's commitments related to final bills and refunding credit. Probationary members will be signatories of the ESG on a trial basis until they are able to demonstrate the effectiveness of their systems and processes for leaving consumers. The purpose of this amendment is to avoid subsequent non-compliance when new suppliers experience consumers switching to other suppliers.

¹ [ESG Compliance Process](#)