



Utility Regulator – Compliance Audit 2025

31 March 2026

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1. Introduction and Background

The Utility Regulator (UR) has a statutory responsibility for the regulation of gas, electricity, water, and sewerage services in Northern Ireland.

The UR perform their statutory duties in accordance with the following key legislation:

- The Energy (Northern Ireland) Order 2003;
- The Gas (Northern Ireland) Order 1996;
- The Electricity (Northern Ireland) Order 1992; and
- The Water and Sewerage Services (Northern Ireland) Order 2006.

A fundamental function of regulation activity is the ongoing monitoring of regulated companies' compliance with the obligations of the licences under which they operate and/or the applicable legislation. The UR's Corporate Strategy 2024 - 2029 emphasises that the companies it regulates should aim to be the best in class, raising the bar on the services they provide. Its aim is to ensure that the energy and water companies it regulates compares to the best, improves competition in energy markets through targeted regulatory frameworks, strengthens the culture of compliance across licensed companies and ensures that its compliance and enforcement framework anticipates changing consumer needs.

Audits form an integral part of the UR's [Compliance Monitoring and Reporting Framework](#). They assist in assessing licensee compliance with licence and/or legislative requirements, provide insight into licensee processes and assist in informing regulatory policy and decisions. An independent audit assurance process also helps to provide stakeholder and consumer confidence in relation to the operations of licensees.

The UR's Compliance and Enforcement team conduct an annual compliance audit programme, which takes into consideration the potential for customer harm, market/industry developments, areas of concern and potential issues or risks. All regulated companies may be subject to audit. The audit scope varies each year, providing an opportunity to monitor compliance across a range of regulated activities and licensees.

2. Compliance Audit

2.1 Scope of the Audit

RBCA Limited were appointed by the UR to conduct their 2025 audit which focused on non-domestic consumer protection measures in respect of licensed electricity and gas suppliers.

The area selected for the 2025 audit focused on gas and electricity suppliers' compliance with selected licence conditions relating to the protections in place for non-domestic customers¹. The scope of the audit was limited to the audit programme issued by the Utility Regulator.

The audit focused on the following licence conditions:

Electricity Supply Licence Conditions		Gas Supply Licence Conditions	
LC 27	Terms and Conditions of Electricity Supply Contracts	LC 2.18	Terms and Conditions of Gas Supply Contracts
LC 27A	Security Deposits	LC 2.22	Security Deposits
LC 28	Deemed Contracts	LC 2.1	Deemed Contracts
LC 38	Provision of Information to Customers	LC 2.19	Provision of Information to Customers
LC 38A	Time Limit on the Recovery of Charges	LC 2.19A	Time Limit on the Recovery of Charges
LC 39	Security and Safety of Supplies	LC 2.24	Safety of Supplies

2.2 Nature of Work Performed

The audit was conducted through a site visit and comprised of both process-based and sample-based testing.

Process-based testing was performed to assess the policies, procedures and controls in place within each supplier to enable compliance with the relevant conditions of its supply licences. This included conducting interviews and question-and-answer sessions with relevant personnel, performing walkthroughs of key systems and processes, reviewing supporting documentation such as policies, process documentation and training materials.

Sample-based testing was performed to assess the practical implementation of these processes through the examination of selected customer cases. Samples were selected based on applicable non-domestic customers (i.e. small business customers²), with a focus on testing customers exhibiting variable consumption levels (where such information was available). The sample selection was based on information provided by the suppliers for the purposes of audit testing.

¹ Non-domestic customers are defined as (per the licence): a customer supplied or requiring to be supplied, with electricity at non-domestic premises.

² Small business customers are defined as (per the licence): a non-domestic customer supplied with electricity and consuming less than 50MWh per annum based on its most recent previous actual 12 months consumption or, where such data is not available, the estimated consumption used for customer billing or the Actual or Estimated Usage Factor (AUF or EUF) as defined in the Market Registration Code approved by the Authority in accordance with a condition of the Distribution Licence held by a Licensed Distributor. This does not include a non-domestic customer that is a single legal entity with more than one premises where the total electricity consumption of those premises is more than 50MWh per annum.

Where necessary, additional information was requested and supplementary questions were posed in order to obtain sufficient and appropriate audit evidence to fully assess compliance with the licence requirements.

Once the site visits were completed, RBCA compiled individual supplier reports for the UR summarising the audit findings and highlighting any potential compliance issues and recommendations. These reports were shared with each supplier for review. Suppliers were given the opportunity to review the findings and provide feedback or further evidence.

Tripartite meetings were subsequently held between RBCA, UR and energy suppliers. RBCA led the discussion of the audit findings, which had been shared in advance. Audit findings, potential compliance issues and recommendations were discussed. A final report was issued to individual suppliers and the UR following the meetings.

2.3 Suppliers

All 15 non-domestic gas and electricity suppliers in Northern Ireland were subject to the audit.

Electricity Supplier	Gas Supplier
1. Power NI	1. SSE Airtricity
2. SSE Airtricity	2. Firmus Energy
3. Budget Energy	3. Flogas
4. Electric Ireland	4. Go Power
5. Click Energy	5. Flogas ES
6. Go Power	6. Electric Ireland
7. Share Energy	
8. 3T Power	
9. Flogas ES	

3. Compliance Audit Findings

3.1 Audit Findings - Electricity

Out of the nine electricity suppliers tested, eight of the suppliers were found to have potential compliance issues with at least one licence condition. Two suppliers were found to have potential compliance issues with five out of six of the licence conditions and only one supplier was found to be fully compliant with all six tested licence conditions.

One electricity supplier neither currently supply, nor intends to supply, electricity to non-domestic customers who are classified as small business customers (as defined in their electricity supply licence) therefore the tested sub conditions in Licence Conditions 27 and 27A were not applicable in this case.

A breakdown of the potential compliance issues identified are listed below.

3.1.1 LC 27(18) Terms and Conditions of Electricity Supply Contracts - right to terminate the contract

Testing was performed on compliance with Licence Condition 27(18) in relation to terms and conditions including a provision for small business customers to terminate their contracts if the supplier was to propose a variation to its terms and conditions.

Two out of eight electricity suppliers eligible for this test were found to have potential compliance issues in relation to not having the required provision included in their terms and conditions.

3.1.2 LC 27(19) Terms and Conditions of Electricity Supply Contracts - notice periods for variations to terms and conditions

Testing was performed on compliance with Licence Condition 27(19) in relation to notifications of variations to terms and conditions applicable to small business customers. Only two electricity suppliers made such changes during the 24-month period ending 31 October 2025 and were therefore subject to review.

One electricity supplier (out of the two) was found to have potential compliance issues in relation to Licence Condition 27(19), having issued the required notice two days outside the 21-day notice period specified under the licence condition.

3.1.3 LC 27(20)a Terms and Conditions of Electricity Supply Contracts - termination of contract after initial fixed term period

Testing was performed on compliance with Licence Condition 27(20)a in relation to terms and conditions not including any prohibited provisions that restrict small business customers from terminating contracts after the initial fixed term or during any automatic extensions or consecutive fixed term periods without notice or penalty.

Two out of eight electricity suppliers eligible for this test were found to have compliance issues relating to including prohibited terms in their terms and conditions.

3.1.4 LC 27(20)b Terms and Conditions of Electricity Supply Contracts - fixed term notice content

Testing was performed on compliance with Licence Condition 27(20)b in relation to content contained on the fixed term notice issued to small business customers.

Two out of eight electricity suppliers eligible for this test were found to have potential compliance issues as they did not maintain an appropriate fixed term notice template.

3.1.5 LC 27(20)c Terms and Conditions of Electricity Supply Contracts - fixed term notices to non-domestic customers

Sample testing was performed on compliance with Licence Condition 27(20)c in relation to issuance of fixed term notices on the expiration of contracts with small business customers.

Five out of eight electricity suppliers eligible for this test were found to have potential compliance issues. Two suppliers did not issue any fixed-term notices when the contract expired. One supplier issued all fixed-term notices one day outside the 21-42-day notice period specified under the licence condition. One supplier did not consistently issue notices during the audit period. One supplier did not issue certain notices and issued others late.

3.1.6 LC 27A(8) Security Deposits - security deposit methodology published on website

Testing was performed on compliance with Licence Condition 27A(8) in relation to the publication of their security deposit methodologies.

Four out of eight electricity suppliers eligible for this test were found to have potential compliance issues as they did not publish their security deposit methodologies on their websites.

3.1.7 LC 28(8) Deemed Contracts - content of notices

Testing was performed on compliance with Licence Condition 28(8) in relation to the content of deemed contract notices, to ensure they include the principal terms, as defined by the supply licence, and indicate that alternative contracts may be available along with guidance on how further information can be obtained.

Four out of the nine electricity suppliers were found to have potential compliance issues. Two suppliers did not include the principal terms and a reference to alternative contracts, while the other two suppliers referenced the availability of other contracts but did not fully disclose all principal terms applicable to customers on deemed contracts.

3.1.8 LC 38A(5) Time Limit on the Recovery of Charges - terms of relevant contracts

Testing was performed on compliance with Licence Condition 38A(5) in relation to terms and conditions containing provisions which reflect the effect of paragraphs one to three of Licence Conditions 38A.

Three out of the nine electricity suppliers were found to have potential compliance issues as they did not include the required provisions in their terms and conditions.

3.1.9 LC 39 Security and Safety of Supplies - inclusion of NIE Networks contact details

Testing was performed on compliance with Licence Condition 39 in relation to the inclusion of the postal address and telephone number of the emergency enquiry service (NIE Networks) on bill templates and websites.

Eight out of the nine electricity suppliers were found to have potential compliance issues, with only one supplier fully compliant with the Licence Condition. All suppliers included the telephone number of NIE Networks on their websites. However, seven suppliers did not include the postal address on both their bill templates and websites. One supplier did not include either the postal address or telephone number on its bill template, while another included on its website but omitted the postal address from its bill template.

3.2 Audit Findings - Gas

Out of the six gas suppliers tested, five of the suppliers were found to have potential compliance issues with at least one licence condition.

Two of the gas suppliers neither currently supply, nor intends to supply, to non-domestic customers who are classified as small business consumers (as defined in their gas supply licence) therefore the tested sub conditions in Licence Conditions 2.18 and 2.22 were not applicable.

A breakdown of the potential compliance issues identified are listed below.

3.2.1 LC 2.18.19 Terms and Conditions of Gas Supply Contracts - issuing fixed term notices to non-domestic customers

Testing was performed on compliance with Licence Condition 2.18.19 in relation to notifications of variations to terms and conditions applicable to small business consumers. Only one supplier had made such changes during the 24-month period ending 31 October 2025 and was therefore subject to review.

The supplier was found to have potential compliance issues with Licence Condition 2.18.19, having issued the required notice one day outside the 21-day notice period specified under the licence condition.

3.2.2 LC 2.18.20 Terms and Conditions of Gas Supply Contracts - issuing fixed term notices on the expiration of contracts

Sample testing was performed on compliance with Licence Condition 2.18.20 in relation to issuance of fixed term notices on the expiration of contracts with small business customers. Two suppliers do not offer fixed term contracts to non-domestic customers and were therefore excluded from the relevant audit test.

Out of the remaining two gas suppliers, both were found to have potential compliance issues. One supplier did not consistently issue notices, while another failed to issue certain notices and issued others late.

3.2.3 LC 2.18.20 Terms and Conditions of Gas Supply Contracts - content of fixed term notices

Testing was performed on compliance with Licence Condition 2.18.20 in relation to content contained on the fixed term notice issued to small business customers.

The two eligible gas suppliers for testing were found to have potential compliance issues as they did not maintain an appropriate fixed term notice template.

3.2.4 LC 2.18.20 Terms and Conditions of Gas Supply Contracts - prohibited provisions

Testing was performed on compliance with Licence Condition 2.18.20 in relation to terms and conditions not including any prohibited provisions that restrict small business customers from terminating contracts after the initial fixed term or during any automatic extensions or consecutive fixed term periods without notice or penalty.

Out of the four gas suppliers eligible for this test, one was found to have potential compliance issues relating to including prohibited terms in their terms and conditions.

3.2.5 LC 2.1.2 and LC 2.1.6 Deemed Contracts - required provisions

Testing was performed on compliance with Licence Conditions 2.1.2 and 2.1.6 in relation to the inclusion of specific provisions that are required to be included in each supplier's deemed contract scheme.

Out of the six gas suppliers, one supplier was found to have potential compliance issues, having not included the required provisions in its deemed contract scheme.

3.2.6 LC 2.1.8 Deemed Contracts - issuing deemed contract notices to non-domestic customers

Sample testing was performed on compliance with Licence Condition 2.1.8 in relation to the issuance of deemed contract notices to small business customers on deemed contract terms.

Out of the six gas suppliers, one was found to have potential compliance issues as evidence identified that notices had not been issued.

3.2.7 LC 2.1.8 Deemed Contracts - content of notice

Testing was performed on compliance with Licence Condition 2.1.8 in relation to the content of deemed contract notices, to ensure they included the principal terms, as defined by the gas supply licence, and indicate that alternative contracts may be available along with guidance on how further information can be obtained.

Three out of the six gas suppliers were found to have potential compliance issues, having failed to disclose all required principal terms applicable to customers on deemed contracts and to refer to the possible availability of alternative contracts.

3.2.8 LC 2.19A.5 Time Limit on the Recovery of Charges - terms of relevant contracts

Testing was performed on compliance with Licence Condition 2.19A.5 in relation to terms and conditions containing provisions which reflect the effect of paragraphs one to three of Licence Conditions 2.19A.

Out of the six tested suppliers, one was found to have potential compliance issues relating to not including the required provisions in their terms and conditions.

3.3 Other Recommendations

3.3.1 Security deposits

Testing was performed on compliance with Licence Conditions 37A of the electricity supply licence and 2.22 of the gas supply licence in relation to the requirement that security deposits are only requested from small business customers (where appropriate) and do not exceed the charge for three months' estimated usage.

Through audit site visits across both electricity and gas suppliers, it was identified that suppliers who request security deposits did not consistently maintain sufficient records to support the rationale for requesting each security deposit and the calculation of the security deposit.

It is recommended that all suppliers should maintain adequate records to support the rationale for having sought a deposit and the calculation of all security deposits from small business customers to evidence compliance with the relevant licence conditions.

4. Conclusion & Next Steps

4.1 Conclusion

The audit fieldwork identified some potential compliance issues across suppliers in both the electricity and gas sectors. Overall, 89% of electricity suppliers and 83% of gas suppliers were found to have potential compliance issues with at least one licence condition. Electricity suppliers were found to have more potential compliance issues than gas suppliers with an average of 2.9 potential compliance issues per supplier compared to 1.2 potential compliance issues for gas suppliers. The analysis of potential compliance issues by licence condition indicates that issues were more prevalent among electricity suppliers than gas suppliers across the majority of areas tested.

A significant proportion (88.89%) of electricity suppliers had potential compliance issues with Licence Condition 39 due to the omission of the postal address of the emergency provider. It should be noted this requirement does not apply to gas suppliers. However, even when excluding Licence Condition 39, electricity suppliers were still found to have a higher average number of potential compliance issues (2.0) than gas suppliers.

Potential compliance issues relating to security deposits and deemed contracts were also notable in the electricity sector, with 44.44% of suppliers having issues with Licence Conditions 27A and 28, respectively.

Electricity Licence Condition	Total Electricity Suppliers with a potential compliance issue with LC (out of 9 tested)	Total Electricity Suppliers with a potential compliance issue with LC (%)
LC 27 - Terms and Conditions of Electricity Supply Contracts	7	77.78%
LC 27A - Security Deposits	4	44.44%
LC 28 - Deemed Contracts	4	44.44%
LC 38 - Provision of Information to Customers	0	0.00%
LC 38A - Time Limit on the Recovery of Charges	3	33.33%
LC 39 - Security and Safety of Supplies	8	88.89%

For gas suppliers, the highest level of potential compliance issues were observed in Licence Condition 2.1 (Deemed Contracts), with 66.67% of suppliers with issues. All other gas licence conditions recorded relatively low or no instances of potential compliance issues.

Gas Licence Condition	Total Gas Suppliers with a potential compliance issue with LC (out of 6 tested)	Total Gas Suppliers with a potential compliance issue with LC (%)
LC 2.1 - Deemed Contracts	4	66.67%
LC 2.18 - Terms and Conditions of Gas Supply Contracts	2	33.33%
LC 2.19 - Provision of Information to Consumers	0	0.00%
LC 2.19A - Time Limit on the Recovery of Charges	1	16.67%
LC 2.22 - Security Deposits	0	0.00%
LC 2.24 - Safety of Supplies	0	0.00%

Audit fieldwork was completed successfully with the cooperation of all suppliers, reflecting a positive level of engagement with the process.