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Consultation of the Publication of Utility Regulator Compliance and Enforcement Annual Report

Click Energy's Response to Consultation paper

30 July 2026

Introduction

The Utility Regulator has published a Consultation Paper (Publication of Utility Regulator Compliance and Enforcement Annual Report) and has welcomed feedback from stakeholders.

Click Energy has compiled the following response.

General Comments

Click Energy support the Utility Regulator's objective of improving transparency regarding compliance and enforcement activity. A clear and consistent reporting framework can enhance consumer confidence, encourage good compliance practices, and provide valuable regulatory insights to market participants.

However, we believe the report should maintain an appropriate balance between transparency and fairness to licensees. In a market with a relatively small number of active electricity suppliers, care should be taken to ensure that data published does not inadvertently create misleading conclusions regarding the compliance performance of individual companies, particularly where matters have not been formally determined as licence breaches.

We also encourage the Utility Regulator to ensure that any published data is accompanied by sufficient context, explanations of methodology, and appropriate caveats to avoid misinterpretation. Additionally we'd welcome the inclusion of positive compliance outcomes and examples of good practice reflected in the report alongside enforcement activity, so that it presents a balanced picture of the market.

Do you agree with the proposed compliance data providing detail of both routine and annual compliance monitoring?

Yes, in principle. Publishing information on both routine compliance monitoring and the annual SoLC process provides a more complete picture of regulatory oversight and can help stakeholders understand how compliance is monitored throughout the year.

However, we recommend:

- Clear differentiation between:
    - issues identified and self-reported by licensees;
    - potential compliance issues;
    - matters under investigation or review; and
    - formally established licence breaches.

- Recognition that a higher number of reported issues may, in some circumstances, indicate a strong compliance culture and willingness to self-report rather than poor compliance performance.

- Publication of trends and themes rather than excessive focus on raw volumes, which may be misleading when comparing licence types of different sizes and complexity.
- Clearly distinguishing, in any published statistics, between issues identified by UR through its own monitoring/audit activity and those voluntarily notified by licensees.

Without such context there is a risk that stakeholders may incorrectly interpret the existence of a "potential compliance issue" as evidence of wrongdoing. This is particularly important as the framework's reliance on proactive self-reporting by licensees could be undermined if self-identified matters are presented on the same footing as UR-identified findings.

To what extent would it be necessary or desirable to have the published data anonymised / pseudonymised?

We consider anonymisation or pseudonymisation appropriate for routine compliance monitoring and SoLC-related data.

Potential compliance issues are not established licence breaches. Publication of identifiable information before formal determination could:

- create reputational harm;
- discourage proactive engagement with the regulator;
- discourage self-reporting;
- generate inaccurate market perceptions; and
- undermine procedural fairness.

Where enforcement action has already been formally published in accordance with the Enforcement Procedure, publication of licensee identities is appropriate.
However, for:

- routine monitoring findings;
- SoLC findings; and
- unresolved compliance concerns (including open and ongoing investigations, which by definition have not yet reached any determination),

we recommend publication in an anonymised or aggregated format. We consider that presentation by licence type, as set out in our response to Question 3, provides an appropriate and workable basis for this aggregation, provided the population within each category is sufficient to preserve anonymity.

This approach would continue to deliver transparency while protecting due process and encouraging open dialogue between licensees and the regulator.

Do you agree with the proposal to include relevant detail by licence type?

Yes. Providing information by licence type is a sensible compromise between transparency and confidentiality.

Breaking information down by categories such as:

- electricity suppliers;
- gas suppliers;
- network operators;
- generators;
- water businesses; and
- other licence categories,

will provide useful market insight while reducing the risk of identifying individual companies, particularly where potential issues have not been formally determined.

We recommend that:

- statistics only be presented where there is a sufficient population of licensees within a category to prevent indirect identification, particularly where the no. of licensees is small;
- narrative explanations accompany any data;
- year-on-year comparisons be used carefully, recognising that regulatory focus areas may change annually.

Should information about cases closed at the Initial Enquiry Stage through an agreed alternative resolution also be published?

Only if presented in anonymised and aggregated form.

Alternative resolution is intended to provide a proportionate and efficient way of addressing relatively minor concerns without progressing to formal enforcement.

Currently, such cases are not published as standalone news items and appear only as a brief description in UR's Annual Report. The current proposal would represent a material expansion of disclosure - including licensee name, the potential contravention, and details of any charitable donation - in a report with a specific compliance and enforcement focus.

Publishing company-specific information relating to matters resolved through alternative resolution may:

- reduce incentives to engage constructively;
- discourage early resolution;
- create reputational impacts disproportionate to the nature of the issue; and
- blur the distinction between formal enforcement and cooperative regulatory outcomes.

If the UR wishes to provide transparency in this area, we would support publication of:

- the number of cases resolved through alternative resolution;
- broad themes identified;
- lessons learned; and
- sector-wide improvement measures.

This information should be anonymised and should not identify individual licensees unless publication already occurs under the established Enforcement Procedure.

If, notwithstanding the above, UR does intend to publish licensee-identifiable information in relation to alternative resolution outcomes, we consider it essential that affected licensees are given an appropriate opportunity to review the factual accuracy and context of the proposed entry before publication, given the absence of any formal determination underpinning them.

Additional comments regarding the annual report and consumer interests

We suggest the following enhancements:

1. Include Positive Compliance Indicators

The report should seek to present a balanced picture of compliance performance rather than focusing primarily on instances of potential non-compliance. Consider including:

- SoLC submission rates;
- timeliness of reporting;
- successful remediation activity;
- examples of industry good practice; and
- evidence of improved compliance outcomes.

This would encourage a culture of continuous improvement rather than one focused solely on enforcement.

2. Provide Context Around Data

The report should explain:

- what constitutes a potential compliance issue;
- the distinction between a concern and a breach;

This will improve consumer understanding and avoid misinterpretation.

3. Confirm a right of reply before publication

The consultation paper does not indicate whether licensees will have an opportunity to review entries concerning them before publication. Given the potential reputational significance of the report, we would encourage UR to consider a proportionate process allowing licensees to

check the factual accuracy of relevant entries and, where appropriate, provide brief contextual comments ahead of publication.

4. Exercise caution in reporting open and ongoing investigations

We would ask UR to consider carefully how open investigations are presented in the report. We advise:

- keeping entries to high-level, anonymised summary information rather than case-specific detail while a matter is still open;
- reserving fuller detail for once a matter has concluded; and
- bearing in mind that early publication of live, undetermined matters could be read as an impression of wrongdoing ahead of any finding.

5. Publish a draft template ahead of finalisation

We would welcome the opportunity to review a worked example or draft template of the proposed report before the format is finalised. This would help stakeholders understand the practical implications of the proposed approach, including any potential re-identification risks arising from anonymised information.

6. Benchmark Performance Trends

Over time the report could demonstrate:

- recurring themes;
- emerging risks;
- areas of market improvement; and
- examples where regulatory interventions have delivered positive consumer outcomes.

This would provide greater value than a simple presentation of annual statistics.

Do you agree the impacts are likely to be positive in relation to equality of opportunity?

Yes - We agree that the proposals are unlikely to have adverse impacts on any Section 75 group and are generally likely to have positive effects through improved transparency and consumer awareness.
However, information published should remain accessible and easy to understand for all consumers. We therefore support the proposed use of:

- plain language;
- clear visual presentation;
- accessible formats; and
- Plain Numbers principles.

These measures should help ensure equal access to regulatory information across all consumer groups. More broadly, we consider that the fairness and proportionality safeguards recommended throughout this response - including anonymisation of undetermined matters, clear contextual explanation, and balanced reporting of positive compliance outcomes - support, rather than detract from, the positive equality impact UR has identified.

Click Energy would welcome the opportunity to discuss any aspect of this response further with UR ahead of the decision paper.