

## **Provisional Order made under section 25(2) of the Electricity Act 1989**

### **To: Farringdon Energy Limited trading as Champion Energy**

("Farringdon") (company number 09256369) having its registered office at **Endeavour House 3rd Floor, Coopers End Road, Stansted, England, CM24 1SJ**, holder of electricity supply licence granted or treated as granted under section 6(1)(d) of the Electricity Act 1989 (the "EA 1989").

### **WHEREAS:**

- A. Farringdon is the holder of electricity supply licences granted by the Gas and Electricity Markets Authority ("the Authority") and is subject to the conditions thereunder, which are "relevant conditions" for the purposes of the Electricity Act 1989.
- B. Based on information received by the Authority regarding Farringdon's compliance with its obligations, under the Standard Conditions of the electricity supply licences, it appears to the Authority that Farringdon is contravening or is likely to contravene Standard Licence Condition ("SLC") 4A.
- C. The relevant SLC provides the following:

#### SLC 4A.1

*The licensee must ensure it has and maintains robust internal capability, systems and processes to enable the licensee to:*

- (a) efficiently and effectively serve each of its Customers;*
- (b) efficiently and effectively identify likely risks of consumer harm and to mitigate any such risks;*

- D. Based on the information received by the Authority, including:

D.1. Farringdon has been receiving payments from in the region of 200 Customers and consumers for supply of electricity which Farringdon has not supplied and has not informed the Customers and consumers that it has not been supplying.

D.2. The Customers and consumers are, unknowingly, being supplied by other energy companies, and there is evidence that these energy companies are not being paid for their supply.

D.3. There is evidence that the Customers and consumers are unknowingly accruing debt to the true suppliers of their electricity.

It appears to the Authority that Farringdon is contravening or likely to contravene the relevant SLC outlined above.

E. It appears to the Authority that Farringdon is contravening, or likely to contravene, SLC 4A.1(a) and 4A.1(b) by failing to (1) maintain robust internal capability, systems and processes to enable it to efficiently and effectively serve each of its Customers and (2) efficiently and effectively identify likely risks of consumer harm and to mitigate any such risks.

F. Having had regard to the matters set out in section 25 of the Electricity Act 1989, the Authority considers it is requisite to make a provisional order in exercise of the power in section 25(2) of the Electricity Act 1989.

### **NOW THEREFORE:**

The Authority, pursuant to section 25(2) of the Electricity Act 1989, and for the purpose of securing compliance with the relevant SLC makes a provisional order requiring Farringdon to:

- 1) Not act in contravention of SLC 4A.1.

- 2) Within 7 days of the date of this Provisional Order terminate all direct debits to Farringdon by customers who pay Farringdon for supply of electricity but do not receive their electricity from Farringdon.
- 3) Within 7 days of the date of this Provisional Order, inform all customers referred to in 2) above, in writing, (a) that their direct debit has been cancelled, (b) that Farringdon is not their electricity supplier, (c) of their customer reference number and (d) of their licenced electricity supplier.
- 4) Within 7 days of the date of this Provisional Order, provide to the Authority a list of all customers who pay Farringdon for supply of electricity but do not receive their electricity from Farringdon, along with the name, address and contact details of each customer's electricity supplier and the customer reference number.
- 5) Within two weeks of the date of this Provisional Order, provide to the Authority copies of all of Farringdon's customer contracts.
- 6) Within four weeks of the date of this Provisional Order, provide the Authority with a report confirming that it has complied with 1), 2), 3) and 4) above. Said report must be accompanied by supporting documentation to evidence compliance with 1), 2), 3) and 4) above and be accompanied by an attestation signed by a Director of Farringdon confirming that its contents are full and accurate.
- 7) Within four weeks of the date of this Provisional Order, provide the Authority with a report confirming that it has robust systems in place to effectively serve its customers and to identify and mitigate risk of consumer harm.
- 8) Until the terms of this Provisional Order are met and the Authority has confirmed in writing to Farringdon that the terms of this Provisional Order are met, Farringdon shall:

- a. Refrain from all sales, marketing and customer acquisition activity, including the acquisition of any new non-domestic customers.
- b. Refrain from making any payment, providing any loan or transferring any asset to any third party unless that payment, loan or transfer is essential to Farringdon's operation as a supplier of electricity to consumers.

Pursuant to section 27(7) of the Electricity Act 1989, the Authority may seek to enforce compliance with this Provisional Order by application to the High Court (in England and Wales) or the Court of Session (in Scotland) for injunctive or other relief.

This Provisional Order will lapse exactly 3 months after the date on which it is served unless confirmed by the Authority on or before that date.

Dated: 9 May 2024

Signed:

**Charles Hargreaves**  
**Deputy Director, Enforcement**  
**Duly authorised on behalf of the Gas and Electricity Markets**  
**Authority**