

Red Energy – retail audit fact sheet



Red Energy is a mid-sized energy retailer that sells electricity and gas. Red Energy underwent a baseline audit in 2016.

In 2017 Red Energy was audited by EY on four topics, which included additional questions on Red Energy's processes managing deemed customers:

Grade	What the auditors found
●	<p>Explicit informed consent</p> <p>The audit indicated that Red Energy's processes and controls were effective. The auditor made recommendations to improve processes in this area, to enhance compliance by updating call scripts to include information on sale commissions and billing frequency. The auditors also recommended Red Energy improve supervision of all sales channels through more regular audits, and improve call recording quality.</p>
●	<p>Payment plans</p> <p>Red Energy's policies and procedures were identified as effective and current.</p> <p>The auditor made recommendations to improve processes in this area, to review retraining processes and ensure all calls are recorded.</p>
●	<p>Compliance and performance reporting</p> <p>Red Energy's policies and procedures were identified as effective and current.</p> <p>The auditor made recommendations to improve processes in this area to include amended reporting indicators.</p>
N/A	<p>Deemed customer contracts</p> <p>Red Energy's policies and procedures were identified as effective and current.</p>

Commission's response: The audit found that Red Energy has strong policies and processes in place regarding the items reviewed.

The auditors recommended Red Energy improve its supervision of third parties. Additionally, Red Energy could further improve its policies and procedures to guide staff in dealing with rectifying breaches. Red Energy has accepted the audit findings and have committed to implementing the proposed recommendations.

The commission would like to thank Red Energy and EY for their collaborative and co-operative approach to the audit.

