

Lumo Energy – retail audit fact sheet



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

In 2017 Lumo Energy was audited by EY on four topics, which included additional questions on Lumo Energy's management of deemed customers:

Grade	What the auditors found
	<p>Explicit informed consent Lumo Energy's policies and procedures were identified as effective and current.</p> <p>The auditor made recommendations to further improve processes in this area, including: improve record keeping for retraining staff, review arrangements with outsourced providers, implement a formal guideline for compliance requirements in marketing, update call scripts to include additional information (sales commission and billing frequency), develop a register of vulnerable customers, and establish a process to retrieve records of explicit informed consent.</p>
	<p>Payment plans Lumo Energy's policies and procedures were identified as effective and current.</p> <p>The auditor made recommendations to further improve processes in this area, including: provide guidelines to clearly outline when staff can override systems for disconnection, provide steps for breach reporting and remediation, and to establish a process to test the quality of call recordings.</p>
	<p>Compliance and performance reporting Lumo Energy's policies and procedures were identified as effective.</p> <p>The auditor made recommendations to further improve processes in this area, which includes: creating a document to clearly outline how staff should collect and report data to the commission.</p>
N/A	<p>Deemed customer contracts Lumo Energy's policies and procedures were identified as effective and current.</p>

Commission's response: The audit found that Lumo Energy has strong policies and processes in place in most areas.

The commission notes that some improvements are required for Lumo Energy to enhance its supervision of third parties, document policies for staff non-compliance, and ensure customers can access their record of consent. Lumo Energy advised that it will consider documenting additional processes and guidelines.

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

