

# Tango Energy – retail audit fact sheet



Tango Energy is a small energy retailer that sells electricity. Tango Energy underwent a baseline audit by Deloitte on the following topics.

## Grade What the auditors found and recommended

### Compliance and Performance reporting

Tango Energy's controls failed to ensure it was fully compliant in meeting its obligations for compliance and performance reporting.



The auditor found that Tango Energy's processes for extracting data were unreliable during the audit period, and incorrect information was reported to the commission.

The auditor recommended Tango Energy implement a performance reporting and validation procedure, and a register to record compliance breaches, with ongoing regulatory compliance training for the business.

### Life support

Tango Energy's controls failed to ensure it was fully compliant in meeting its obligations for life support controls.



The auditor found that Tango Energy's sign up process did not allow staff to immediately notify a distributor of any new customer's life-support requirements, and that in one instance, there was a delay in notifying a distributor.

The auditor recommended Tango Energy should clearly allocate responsibility for notifying distributors of customers with life support requirements.

### Marketing

Tango Energy's controls failed to ensure it was fully compliant in meeting its obligations for marketing.



The auditor found inconsistencies across Tango Energy's sales pitches, limited quality assurance on completed sales and inadequate staff training records.

The auditor recommended Tango Energy should implement a quality assurance framework and improve the content and delivery of staff training.



### **Billing**



Tango Energy's billing controls were assessed as adequate and effective.

The auditor recommended Tango Energy consider creating an accuracy threshold for sample testing of its bills.

### **Advanced metering infrastructure**



Tango Energy's advanced metering infrastructure controls were assessed as adequate and effective.

### **Financial hardship**



Tango Energy's controls failed to ensure it was fully compliant in meeting its obligations for financial hardship

The auditor found that due to a template error, some customers were not provided all required information when entering into hardship plans.

The auditor recommended Tango Energy review and update its payment plan template.

### **Disconnections and reconnections**



Tango Energy's disconnection and reconnection controls were assessed as adequate and effective.

The auditor recommended Tango Energy ensure its policies are regularly updated to reflect regulatory obligations.

### **Complaints and dispute resolution**



Tango Energy's controls failed to ensure it was fully compliant in meeting its obligations for complaint and dispute resolution.

The auditor found that Tango Energy did not record complaints that were resolved at the first instance, and did not always assess other complaints properly.

The auditor recommended Tango Energy log and track customer inquiries and establish a periodic review of all complaints.

### **Tariff variation determination**



Tango Energy's tariff variation controls were assessed as adequate and effective.



### Deemed customer arrangements

Tango Energy's controls for deemed customer arrangements were assessed as adequate and effective.

**Commission's response:** The audit found that Tango Energy required a range of control improvements to ensure its compliance with the relevant regulatory obligations. The auditor identified a need for improvement in the way Tango Energy manages its compliance and performance reporting, life support, marketing, financial hardship, and complaints and dispute resolution obligations.

We consider compliance and performance data to be integral in determining a licensee's ability to operate compliantly. We will audit Tango Energy's compliance and performance reporting, life support, marketing, financial hardship, and complaints and dispute resolution obligations in 2019.

Tango Energy accepted the audit findings and provided commission staff with a plan to address the audit recommendations.

We will closely monitor Tango Energy's compliance with all obligations. In addition, the commission will refer the potential breach of life support provisions to the Australian Energy Market Operator for review.

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