

THE ENERGY TEST CLAIMS UPDATE

WELCOME FROM THE BC LEGAL ENERGY TEAM

Welcome to the 2nd edition of our Business Energy Claims Newsletter to keep you updated on energy litigation against the UK's major energy suppliers.

In our inaugural newsletter we explained there is no established legal framework for business energy claims and that BC Legal is currently leading the way to establish legal precedent which will pave the way for consumers harmed within the complex and opaque non-domestic energy market.

We continue with news on our litigation and also what is happening more generally in the energy litigation market.



*Boris Cetnik
Director & Founder BC Legal*

Test claim in the London High Court

In May we commenced a 'test claim' in the London High Court pursued by Scottish charity, the Clutha Trust against energy supplier TotalEnergies Gas & Power Ltd. It is estimated that commissions paid by the supplier to the energy broker, UK Direct Business Solutions Ltd, were close to £300,000 and more than doubled the energy

costs for the charity. The claim has been picked up by the national media [Clutha charity launches legal action after trust was 'scammed out of almost £300,000' | The Scottish Sun](#)

This month we start court proceedings in another 20+ claims for a variety of businesses, charities and sports and social clubs against TotalEnergies Gas & Power Ltd which involved the same energy broker UK Direct Business Solutions Ltd and other major brokers such as Utility Alliance Ltd. We hope to 'join' these claims to the Clutha Trust claim and so have a 'group action' proceeding in the London High Court. We believe this will be the most significant business energy litigation in the UK today and will keep you closely informed on developments.

Test claims in the Central London County Court, Business and Property Court

We now also have over 20 energy claims proceeding against TotalEnergies Gas & Power Ltd in the Central London, Business & Property Court-a specialised commercial court. We hope to have

these cases case managed together and dealt with at trial by a specialist commercial judge.

Dealing with the claims as a group will mean that each individual claim 'cross-fertilises' and strengthens the other claims. The court will treat a group of claims with more importance than individual claims. This will improve prospects of success in what is complex litigation.

Energy supplier pays energy claim

In June, BC Legal secured 5 figure compensation from a leading UK energy supplier where we acted for a Church of England Church in its energy claim. The claim was just 5 weeks away from trial.

Unfortunately, as the settlement was made under terms of confidentiality agreement, we can't provide more details... but it shows that if energy claims are properly run then they will succeed.

Energy supplier defendands energy claim

Engie Power Ltd recently defended an energy claim at trial made by Oxfordshire pub, The Dark Blue Pig Ltd.

This was not a claim run by BC Legal-but it shows that the legal framework for energy claims is not yet properly established and if claims are not presented and run in the correct way then the likelihood is that they will be lost.

The claim (in our view) was incorrectly pursued as a bribery claim where it was alleged the pub did not know & could not have known that the energy supplier was paying commission to the energy broker.

In the vast majority of cases, customers of the energy companies know or suspect that commissions are being paid to energy brokers. What they don't tend to know is that these aren't just one-off payments coming out of profits of the energy companies for referrals of new business but commissions on-going for the life of the energy contracts based on energy consumption and which the suppliers 'claw back' from customers by increasing energy costs. It is the end customer which is indirectly funding the commissions and in the very worst cases this can double energy costs. Sometimes customers are also kept in the dark about commercial arrangements between the energy suppliers and energy brokers which means that the brokers are contractually & financially incentivised to send your business to that supplier and to act in the supplier's best interests-and NOT YOURS. The energy brokers are searching the energy market for what is the best or cheapest energy supply for you.

The Dark Blue Pig highlights that it is essential for energy claims to be presented in the correct legal way and run with proper forensic detail and clever legal strategy-otherwise there is real risk the claim will be lost.

Can you get quick settlement of an energy claim?

If you research business energy claims on the internet you will see a proliferation of 'Claims Management Companies' claiming that:

- Energy claims are an established area of law-'the new PPI'.
- They can recover compensation on behalf of customers within a couple of months of a claim being presented to energy suppliers.
- It is highly unlikely that a claim will ever go to trial.



These sorts of statements are rubbish and show a complete ignorance of business energy litigation.

Quick and easy payments just aren't happening. The Claims Management Companies are simply interested in signing up as many clients as possible and selling claims onto inexperienced law firms. Once the claim is sold to a law firm most Claims Management Companies have little or no interest in what happens after that. Many of the Claims Management Companies have also been set up by former energy brokers who were part of the problem first time around-would you trust them?

All energy claims are being robustly defended by the energy suppliers-none will be paid without claims entering litigation. Energy suppliers realise that easy payments will mean the floodgates potentially opening to huge volumes of future litigation. There are probably some 3 million+ small businesses in the UK which at some time secured their energy supplies via an energy broker and so potentially have an energy claim. That doesn't include all the charities, sports and social clubs and places of worship that also used energy brokers.

If claims are paid, then it will likely be very close to trial otherwise you should expect your claim to go to trial.

Know anyone else who may have an energy claim?

If you know any other organisation which may be affected by energy mis-selling, then please refer them to us. Our business energy team will provide free 1 hour advice on whether they potentially have a realistic claim.

Please make sure you are named as the referrer, and we can offer you a discount on the success fee we charge in your own claim.

What our clients think?

'Boris and the team at BC Legal have been instrumental in helping us reclaim mis-sold commission on our utility bills. Through the process they have been very friendly and professional. At every stage they have explained things thoroughly and ensured we understand. I highly recommend the services they offer.'

Director of Operations, CofE Church

Being kept updated

| How will I be kept updated on things?

We will keep you updated on the progress of the test claims through our bi-monthly newsletter, updating you on the progress of the test claims and how we will be keeping the pressure on the defendants.

If you want to discuss anything further, then please contact our team using the email below but we hope that our newsletter will keep you up-to-date on the latest developments.

For queries on your claim email: Energyupdate@bc-legal.co.uk

A member of our energy team will get in touch with you within 2 working days.

Thank you for your continued support.

