

Account Blocking Overview

ESA has the ability to block an account, meaning that new permit applications cannot be accepted and existing work cannot be scheduled. Blocks are an escalation action used when other attempts at remedy or compliance have not succeeded or when a licence has been suspended or removed. Blocks can occur in different contexts.

Below are the contexts and the core processes for each. The core processes noted below are the basic steps undertaken. Often the circumstances of a case will require additional interaction by ESA with the customer.

ESA will always attempt to work with impacted customers to resolve issues before a block applies.

Below is information on the three possible account block contexts:

- [Licensing](#)
- [Outstanding defects](#)
- [Credit-related](#)

Licensing

The Licensing Department has the account block tool available to them for a variety of circumstances: failure to renew a licence appropriately; loss of Designated Master Electrician (DME); invalid DME; failure to maintain requirements of a licence; and in the context of disciplinary proceedings.

- A. Renewal: failure to submit declaration forms for licensing renewal/ failure to pay licence fee/ failure to submit licensing package (once every five years)*

Core Process:

Declaration Year

1. 30 days prior to end of licence term a declaration notice and renewal fee invoice are issued;
2. 10 days prior to end of licence term a reminder notice is issued, if renewal has not been received;
3. On date of licence expiry, a Notice of Proposal to Suspend the licence is issued. The licensee can submit their documentation and fee to prevent suspension;
4. 15 days after the end of the licence term a Notice of Suspension is issued and the account is blocked. The licensee can submit their documentation and fee to have suspension lifted. A late fee may apply.

Full Renewal (once every five years)

1. 90 days prior to expiry a renewal form is issued;
2. 30 days prior to expiry an invoice is issued, if applicable. (Invoice may not be generated if licensee submits payment before);

3. On date of licence expiry, a Notice of Expiry is issued and the account is blocked. The licensee can submit their documentation and fee to have their licence reinstated. A late fee may apply.

Loss of Designated Master Electrician (DME)

Core Process:

1. First Notice - Notification issued to LEC requiring 5 days to respond and provide proof that they have a new DME in place;
2. 60 day extension can be provided by Registrar, if applied for and meets requirements. A second 60-day extension may also be provided based on circumstance;
3. Second Notice - Notice of Proposal to Suspend LEC licence issued if no valid DME is assigned;
4. After 15 days, if DME has not been assigned the Notice of Suspension is issued to the LEC, the LEC licence is suspended, and the account is blocked.

B. Invalid DME (such as expired or suspended Master Electrician's licence)

Core Process:

1. Master Electrician (ME) is sent Declaration or Renewal correspondence;
2. First Notice - 5-days notice issued to LEC providing notice of potential licence suspension if DME fails to renew;
3. Second Notice - Notice of Proposal to Suspend issued if no valid DME is assigned;
4. After 15 days, Notice of Suspension issued, contractor licence is suspended and account is blocked

C. Failure to meet requirements for an Electrical Contractor's Licence

The regulation for licensing of electrical contractors and Master Electricians (Ontario Regulation 570/05) requires the licensee to meet and maintain a set of requirements in order to retain their licence. If a licensee doesn't meet any of these requirements – such as failing to maintain liability insurance as required, failing to maintain WSIB, or being in default with the Ministry of Finance – the licence will be suspended.

Core Process:

1. When ESA becomes aware of a missing or lapsed licence requirement, a Notice of Proposal to Suspend the licence is issued to the LEC;
2. After 15 days, if the licence is still not in compliance with requirements, a Notice of Suspension is issued, the licence is suspended, and the account is blocked.

For more information and guidance on the requirements of LECs and DMEs, see the *ESA/ECRA Guideline to the Duties and Responsibilities of Licensed Electrical Contractors and Designated Master Electricians* available on ESA's website [here](#).

D. Disciplinary Proceeding

Account blocking can occur as part of disciplinary proceedings based on circumstances. Significant correspondence occurs in the context of a disciplinary proceeding before a block would occur (typically as a result of suspension or removal of a licence.)

Outstanding Defects

ESA can apply an account block when defects have been left uncorrected for a significant period of time: 35 days or more. This is an option available to the Inspector and is typically used when there is a history of ignoring defect correction timelines or problems at multiple sites, and/or serious Life And/Or Property defects left uncorrected.

Core Process:

1. Defect notification to contractor/ customer;
2. After 21 days without action to correct, a follow-up notice is generated and issued to the contractor/customer flagging the outstanding defects;
3. After an additional 14 days without action to correct (35 days in total), an additional defect processing fee is triggered;
4. If not addressed, Inspector can recommend an account block to the Senior Inspector;
5. Three attempts are made to contact the contractor, DME or other customer type to notify of an impending block;
6. Voicemail or email left after the third attempt advising of an imminent block;
7. Blocking of account.

An Inspector can accept a verbal commitment to correct the defect shortly (i.e. within a few days) to lift the block.

Credit Block

Credit blocks are applied when an account is in collections with ESA and the customer has not made payment arrangements, not met payment arrangements or is not responding to collections efforts.

As well, ESA will freeze accounts when outstanding owed amounts are being passed to a collection agency for recovery or where the customer has declared bankruptcy.

Core Process:

1. Issuing of invoice/ statement;
2. Issuing of past due notice;
3. Issuing of final past notice;
4. Passing of item to third-party collection agency;
5. Blocking of account.

Credit limits may be lowered as an initial step when a customer is past due on their account. This allows the customer to still get inspections done on open permits, while limiting the ability to increase the debt owed to ESA. For customers in good standing, if credit limits increases are required, a credit increase approval process is initiated. The vast majority are approved; it is very rare that a limit increase is denied due to credit or payments history.

Core Process:

1. Credit limit is exceeded;
2. Customer Service Representative flags Accounts Receivable and, if required, credit increase approval process initiated;
3. If credit cannot be increased and overdue amounts are owed, account can be blocked.