Theft Detection Scheme Survey Summary

1. Overview

A REC Energy Theft Detection Incentive Scheme Survey was sent out to REC Parties via the Code Manager on 12 October 2022 with a completion date of 10 November 2022. The survey was also promoted in the RECCo Newsletter and via the UKRPA to increase awareness and encourage responses.

The survey requested feedback and views on potential changes to the Theft Detection Incentive Schemes and other processes that may incentivise energy theft reduction.

It advised that some refinement may be possible ahead of the 2023/2024 scheme year, subject to the progression of a suitable REC Change Proposal, but we will also consider the incentives around theft activities and reporting more holistically and longer term.

There were 14 respondents.

A summary table of potential changes can be found in Appendix 2 'Table of Potential Changes'.

2. Theft Targets

There are comments that the current targets are unrealistically high, particularly in the Non-Domestic Sector and do not take the differences in Suppliers' portfolios into consideration for customer/meter type within the current sectors.

Targets based on historic performance of all or most Suppliers for 3 years or more of the Scheme, potentially excluding the Scheme year most impacted by Covid is preferred over the use of the output from the Theft Estimation Methodology – possibly because the output of this was not available at the time of the survey and therefore, as one respondent stated, this is an unknown method and amount.

There was some support to add a stretch element to the Theft Targets to demonstrate that the industry is trying to improve theft detection levels but little support for a Suppliers Theft Target to go down the following year if they outperformed their target. It was commented that some parties aren't achieving their current targets and introducing a stretch target would introduce a bigger target for them to not achieve and that enforcement action from Ofgem is required to provide a consequence for not investigating theft.

There was a very strong preference for the TEM to give a number of thefts and not just the volume of kWh/financial value and to provide a granular estimate splitting it into fuel type, Domestic/Non-Domestic, Theft in Conveyance/Supplier and 21% of respondents stated it should be split even further into meter type.

Almost all respondents stated that the target should remain based on the number of thefts with only 1 stating it should be based on volume of kWh.

Basing the Theft Target on historic performance averages would lead to lower targets so it is not unexpected that Suppliers stated this as their preference – although the Theft Target only derives the pot of money for each sector and the amount awarded to or owed by a Supplier is determined by how much they outperform or fall behind the industry as a whole – a lower Theft Target would reduce the pot of money available (assuming the TDV remains the same).

As question 12 was the first opportunity for comments this was used by many respondents to express their overall views of the Scheme ahead of specific questions.

One asked if it is right to financially incentivise Suppliers to find theft in the current climate as customers may decide to tamper due to need. One commented that they would like to see Network Operators more involved in helping to deter and detect energy theft with specific theft in conveyance targets. It was also stated by a respondent that they would like to see improvements in the reporting and documentation of theft discovered by MEMs and Network Operators when they attend a property and find evidence of theft.

Possible changes:

- Theft Target methodology is changed to base the target for each sector based on historic scheme performance.
- Theft Target methodology is changed to use the TEM as a baseline for the available theft to detect and the target set as a proportion of this.
- Publish Theft Target stating what proportion of the Theft Estimate it represents
- Clearer and more detailed requirements on Network Operators and MEMs to report and document theft.

For a summary of responses, please see Appendix 1.a (Theft Targets).

3. Segmentation

There is support for the Theft Targets to be further segmented and Theft Targets for each segment to be calculated based on the Suppliers market share of each segment.

Beyond further splitting the Non-Domestic sector into SME and I&C no specific segmentation was suggested.

If Theft Targets were segmented there was a preference for weighting to be applied for segments where there is evidence of a higher propensity for theft based on historic identified theft levels in each segment rather than being set higher where historically there has been lower levels of theft identified which could potentially be due to under detection in some segments.

It was commented that any segmentation should not be overly complex as this could disengage parties and be cumbersome, especially for Suppliers with smaller infrastructures and resources. The focus should be on better lead generation to influence target expectations.

It was also commented that Theft Targets should be based on each individual Suppliers customer base and market segment and it was clear that the methodology for Non-Domestic Suppliers has not worked for several years now.

One respondent stated that they would agree to set Theft Targets for segments with poor performance, if there is evidence to prove that segment has theft to identify and all reasonable steps aren't being taken to do so.

Possible changes:

- Non-Domestic Sector is further segmented into SME and I&C with weighted Theft Targets set per segment based on Suppliers market share of that segment and on historic industry performance.
- Domestic Sector is further segmented based on significant customer categories and meter types with weighted Theft Targets set per segment based on Suppliers market share of that segment and on historic industry performance.

For a summary of responses, please see Appendix 1.b (Segmentation).

4. Incentive Values

Most people agree that the current weighting for an increased TDV for Non-Domestic Thefts is reflective of an increased cost of investigation and more complex metering in this Sector and most people agree that it is correct the gas TDV is greater than the electric TDV.

Although the question was asked, no respondents suggested any actual amounts for the TDV.

The vast majority stated that the TDV should incorporate costs for analytics, desktop reviews and the cost of unsuccessful investigations in the value but again no specific amounts were given but a smaller majority also said that an increase in TDV would incentivise Suppliers to detect more theft.

The view on differing TDVs for any new segments introduced was split equally between the opinion that the existing 4 TDVs values were sufficient and that each segment should have its own TDV set in line with the cost of an investigation for that segment. A minority thought that the TDV should be set higher in sectors/segments that have historically had low detection levels to incentivise Suppliers to focus on hard to find thefts.

The majority thought that the theft lead source should not impact the TDV.

When asked if the Theft Target and TDV should recognise more than Confirmed Theft Outcomes 36% stated it should remain as is, 29% thought Unproven Suspicion of Theft should also be included and 29% though any field theft investigation should count in some way towards the Theft Target and have some incentive value. It was recognised that including other investigation outcomes would require defined criteria for what constitutes a valid field investigation, which could be problematic and add complexity to the Scheme and require more detailed auditing, but nearly a third felt this would be more reflective of and reward the effort expended to detect theft.

Again, when asked how TDV should differ depending on outcome no monetary values were given.

Other views expressed were that the values do not need to be changed and engagement should be driven in other ways, there is potential to overcomplicate the Scheme, safety should be considered first and that a number of parties do not see the financial value of investigating and resolving energy theft - therefore any increase to TDV would need to be significant to drive additional participation.

Possible Changes:

- Update the TDV for the existing Sectors and any new Segments if introduced to reflect current costs incurred for investigating and detecting theft in that Sector/Segment including costs of analytics, desktop reviews and all theft field investigations. This would require detailed analysis of costs.
- Add Targets and incentive value for theft field investigations regardless of outcome – lower incentive value for non-theft outcomes but recognition for effort and resource investment.
- Define the criteria for a valid Theft Field Investigation.

For a summary of responses, please see Appendix 1.c (Incentive Values).

5. Qualification for Incentive

There was little support to introduce a minimum performance requirement within the Scheme before being eligible to receive any Scheme credits. If a minimum performance requirement was introduced the preference is that sectors where theft is historically hard to find are set lower and the minimum requirement should be individual to each Supplier based on their historic performance – although there was also support for this being set the same for each Supplier. There was a slight preference for a sliding or stepped scale to be used over an all or nothing approach. There was also some support for a requirement for eligibility for any payment from the Scheme to be based on evidence of meeting obligations of investigating reactive theft leads.

If this led to a surplus of funds in the scheme suggestions regarding the excess money was to donate to a charity to support with energy costs, re-invested into methods of finding theft or split between Suppliers in some way who have met the minimum requirements. There were also comments that incentives payments should not be withheld and that funding other activities should be seperate to the scheme and it should remain cash neutral.

There was an even split on opinion regarding a review and update to the criteria and definition of a Confirmed theft with half saying it should remain as it is and half of the opinion it needs updating.

When asked about the requirement of a crime reference number – many felt that this would currently be a time consuming box ticking exercise with little benefit due to lack of interest from the police, but if an efficient mechanism could be created then it would be useful for the police and home office to have visibility of the true extent of the scale of this crime, one suggestion was the use of the outcome files supplied to the police for logging directly. It was also commented that there should be active participation and collaboration with police and the sharing of knowledge and information with them.

Most supported the requirement for a photo for a valid Confirmed Theft but it was also expressed by many that this may be better as a conditional requirement as it depends on the lead source and circumstances on the investigation e.g. police onsite with DNO and both confirm energy theft in reports but no photos taken by them prior to the evidence being removed. There was also a comment on the need for guidance on how meters are tampered with and what kind of interference with meters count as theft.

The vast majority of people said that repeat offences should not be excluded from the scheme, theft is theft and each instance has the same safety risk, it can be hard to stop this behaviour and it costs the same to investigate and resolve each theft. If repeat offenders were excluded, it was split between any at the same address or if this had to be the same customer also. It was also preferred that if there were to be any exclusions it should only be repeated instances by they same customer at the same address in the same Scheme year to be excluded.

Possible Changes:

- Add a minimum performance requirement before a Supplier is eligible for some or all of their calculated incentive payment.
- Review and update the criteria for Confirmed Theft regarding conditions for the requirement of a photograph.
- Explore feasibility of monthly Theft Outcome files data being used to report all energy thefts to the police and any change in data requirements that may be necessary to facilitate this.
- Exclusion of repeat offenders (would have to establish if there were any benefit to this)
- Create category 3 guidance documents informing on types of tampers/interference

For a summary of responses, please see Appendix 1.d (Qualification for Incentive).

6. Operations

The majority said it would be useful and add clarity to update Schedule 7 with additional level of detail regarding payment and payment defaults in line with the detail in Schedule 22 – Market Stabilisation Charge.

The vast majority thought the annual Scheme reporting period was suitable and did not see a need for this to change – 2 responses suggested it could change to quarterly.

When asked if more information should be made available on the requirements of what Energy Theft information should be submitted via the REC portal by Suppliers and when, 3 respondents said no with comments that the current information required is a continuation of the TRAS scheme agreed previously under SPAA and DCUSA and Suppliers should already have a process in place to manage and report this but in the case of a new Supplier then mentorship or information session may need to be put in place.

7 responses said yes, more information should be available with comments that information is not easy to find, it should be easily obtainable, all in one place and clearly advise and give guidance on all the requirements, steps and expectations. 1 response commented that there was not enough feedback given by the REC following the uploads and once uploaded there is no acknowledgment.

Regarding changes to the Energy Theft information that is currently reported by Suppliers, 6 responses said no changes required with comments including that the current format is sufficient, well established and comprehensive.

7 respondents suggested changes including that other data items could be useful to support analytics of the country and segmentation, also to help address health and safety situations at site and provide an environmental view of energy theft. Similarly, a view of tamper type would help identify any new and emerging tampers. It was suggested that a data expert should look at current data reporting and consider what else could help with insights. It was also suggested that a workshop would be useful with parties to look at current data reporting/insights and to agree next steps collectively. There was also a suggestion to introduce a new investigation outcome code to indicate tampering confirmed with no theft to identify when a customer has just damaged equipment. This could help differentiate between an attempt to tamper with the intention of stealing which has resulted in damage and accidental damage or vandalism.

It was also stated that if there is a requirement for more information to be provided by Suppliers, then reasons for the requirement needs to be made clear so Suppliers can make the relevant business cases to accommodate the change.

1 response suggested that the frequency of performance reporting should be increased, that providing greater visibility across all Suppliers would help drive engagement through increased visibility of the overall performance across the industry. There was no specific frequency suggested, monthly reports of the individual Suppliers

performance and an anonymised view of the overall performance across the industry has been made available on the REC Portal since October 2021 so it may be that greater awareness of this report and the accessibility needs to be considered.

When asked if they thought there was duplication in theft reporting requirements, including reporting of losses in the industry 2 respondents commented that the reporting requirements for gas and electricity to go into settlements is duplicated with the outcome files for the incentive scheme, it would be more consistent if there was one data set used for both purposes. The change going through the UNC was noted (UNC MOD 0734S) but a similar change is necessary for electricity. There is further duplication with the electricity report going to DNOs for which there is no defined contact to send this to and it should be reviewed to determine if this report is still needed and if so, if it can be done via the theft reporting.

1 respondent said there was not duplication but a validation of the theft submission to REC and the submissions to settlements need to be done to maintain accountability.

One comment made regarding the operational aspects of the Scheme was that in the previous TRAS scheme the reporting of thefts for a specific month was locked down after a set period and no changes could be made (or it was extremely difficult to do so). Now suppliers can alter / amend their data for a particular month right up to the end of the scheme. This causes difficulties for suppliers monitoring how they are performing relative to the rest of the industry, making it difficult to forecast the financial impact of the scheme and unable to accurately allocate resources onto different workstreams. If there is no reliable indicator of how suppliers are performing then suppliers have difficulties in managing resources, performance and financial impact (positive or negative).

Possible Changes:

- Change to Schedule 7 to add detail regarding the payments and payment defaults in line with level of detail in Schedule 22
- Additional information and guidance on reporting requirements, including the availability of monthly performance assurance reporting, to be made available either in Schedule 7, Performance Assurance Report Catalogue or as a category 3 document and be easy to find on the REC Portal.
- Introduction of a handshake and validation confirmation from Performance Assurance to Supplier on receipt of monthly Theft submission file following successful upload.
- Additional data item requirements added to Theft submission file, following a review of the requirement of potential data items facilitated by a workshop/Theft Expert group.
- Use of Theft submission file for settlement and network reporting.
- Update Schedule 7 to transfer the previous defined 2 month submission window for Confirmed Thefts to be submitted and accepted into the Scheme from date the investigation is closed.

For a summary of responses, please see Appendix 1.e (Operations).

7. General

Only 1 response stated that the non-availability of TRAS lowered their levels of Energy Theft detection as they no longer received the investigation leads based on consumption, the reasons given by others who thought it had not lowered their levels of Energy Theft detection was that TRAS was unsuccessful, didn't work, had generated poor quality leads, and was less accurate than their in-house lead generation or theft detection processes.

The majority of responses to this question stated that the Theft Detection Incentive Scheme was not detrimental to overall effort to mitigate theft with 1 adding that it had provided a mandate in their business to increase efforts of the RP team.

63% of those who answered the question thought that all Suppliers should have to participate in the Scheme including those with a target less than 1. Two respondents suggested that smaller Suppliers that have not opted in may become a safe haven for those customers wishing to avoid being caught raising the questions whether Confirmed Theft was the right target or is there a better one that will include all Suppliers.

Some said their levels of theft detection are higher than they would be without the Scheme, others said it was not as they had focused on theft prior to the scheme anyway but commented that it did appear to have driven up engagement with other parties and incentivised Suppliers to investigate theft proactively.

Regarding what respondents felt prevent them from succeeding in the Scheme, lack of the below were quoted:

- Clarity on uploads
- Support form Scheme administrators
- Suitable reporting mechanisms
- Understanding on how the Non-Domestic market operates
- Shared data and UK Energy Theft hotspots
- Boots on the ground
- Quality Data Analytics
- Visibility of performance against target and by Supplier
- Collaboration meeting to address key issues as a collective and share best practice
- Police support

It was stated by one respondent that they investigated over 100 Non-Domestic cases last year, none of which were confirmed thefts meaning they had nothing to show for their efforts to try and achieve their target. Another point was that competing with large suppliers with bigger RP teams and economy of scale meant it was hard to do well out of the scheme.

It was agreed that TDIS supports compliance of REC Parties with their licence obligations, it was commented that more emphasis is needed on prevention of theft and the safety implications of theft. One stated that there is a greater level of participation in theft investigations post scheme roll out but it should be higher and there should be more direct enforcement for non-compliance through the PAB and from Ofgem. It was also stated in one response that although the Scheme supports compliance, they did not believe that REC or previous code bodies have supported Suppliers to be compliant with their theft licence obligations.

Whilst 3 responses included how they think entering unrecorded electricity and gas assessed to have been stolen into settlements currently is clear and fair, the majority fed back that it is unclear, lacks guidance and reconciliation and the lack of a consistent process for doing so across Suppliers makes it unfair as those who do report and enter theft into settlements pay twice. It was stated that there should be further analysis and review into this area.

There was interest in a centralised innovation fund to which REC parties could apply, 1 respondent stated that any activities should be funded through a robust business case supported by a clear and transparent process and not funded by the incentive scheme.

Only 1 respondent felt that the definition of Theft in Conveyance needed to be aligned between electricity and gas and their preference was for electricity to change to match gas. 1 other respondent said there needs to be a clear definition of theft in conveyance for both fuels, it does not necessarily need to be aligned but must clearly set out who deals with different types of theft.

There was interest in an optional National Revenue Protection Service but many also said that don't think it is the way forward, they prefer to do this in house or through their own commercial arrangements with specialist service providers. It was suggested that a NRPS would be useful to combat the issue of customers changing suppliers to avoid detection, another said this issue could be addressed by creating a Change of Supplier objection reason.

There was very strong support for a Network Operation Theft Detection Scheme with no respondents against the idea. 1 said it was worth looking at the benefits case further whilst all others were a definite yes.

Regarding the term Revenue Protection – it was acknowledged that there are negative connotations with this term because it sounds like the company is looking after their financial interests and gets confused with debts. It also means different things in different business sectors which can cause confusion. It was also acknowledged that it is a mature and long used term known across internal and external stakeholders so there would be challenges to changing it. It was also stated that changing it to Energy Theft would not necessarily be helpful as circa 60% of investigation are not theft so anything with a theft theme could have a detrimental impact during the customer interaction with those not

stealing energy. One respondent who said the term was problematic suggested research into consumer insights to help inform future terminology.

When asked if there is a different approach that can be taken to increase levels of Energy Theft detection the use and sharing of data, including smart data was a very common theme, other suggestions were a theft group, the monitoring of performance with enforcement consequences for non-participation, awareness campaigns to tackle false reports and claims around energy theft and to improve the energy industries relationship with the public so more people willingly report suspicions of energy theft.

Potential Changes:

- Removal of a minimum target requirement of 1 before scheme participation mandatory so TDIS become mandatory for all Suppliers regardless of size.
- Ensure reporting mechanism, file validation and feedback on quality and acceptance of theft files is robust, clear and fit for purpose.
- Create a suitable escalation path for non/low participation of scheme or failure to submit valid theft files.
- Review of potential changes to process for settlement of assessed stolen energy to ensure consistency across Suppliers and to remove financial disincentives.
- Centralised funding for innovative projects for Energy Theft prevention and detection subject to an agreed acceptance criteria.
- Creation of a National Revenue Protection Service (Optional/Mandatory?)
- Create a Change of Supplier objection reason for ongoing theft investigation.
- Create a Theft Detection Incentive Scheme for Network Operators
- Commission consumer research into the term “Revenue Protection” and alternative terminology to determine how to refer to Energy Theft detection and prevention activity in a consumer centric way.
- Review of Energy Theft data currently provided by Suppliers to understand what is needed to meet current requirements and for development and support of future initiatives – including how this data may be collated, stored, shared and used.
- Creation of a suitable Energy Theft Group/Forum to share challenges, solutions, best practice and progress change.

For a summary of responses, please see Appendix 1.f (General).

Appendix 1: Responses Summary

1.a Theft Targets Summary of Responses

No.	Question	Summary	Potential Changes/Actions
1	Should the Theft Estimation Methodology be used to help set Theft Targets?	A strong preference for the use of historic TDIS performance to be used to set future Theft Targets, some support for historic performance to be used to determine a % of the Theft Estimate as the target, some support to use the total Theft Estimate as the target.	
2	Please explain your answer in question 1	Themes are that previous Theft Targets have been unrealistically high, especially in Non-Domestic sectors, that targets should reflect suppliers differing customer bases and that the TEM is not yet known to decide if it is suitable to use as a basis for Theft Targets. Actual historic performance is seen to be less ambiguous and more realistic	
3	Should the Theft Estimation Methodology go beyond determining an estimate of the total financial value of theft and break the estimate down to different sectors of the market and number of thefts?	57% said it should be split to the most granular level, by fuel, Domestic or Non- Domestic, Theft in Conveyance of from Supplier and further split into meter types. A further 21% felt it should be split as above without the further split into meter types	
4	Should the Theft Target be a financial value, a volume of kWh, or a number of Confirmed Thefts (as it is currently)?	Nearly all respondents stated that the target should remain based on the number thefts with only 1 stating it should be based on volume of kWh.	
5	If the Theft Estimation Methodology is updated, do you think future Theft Targets should be updated accordingly?	There was a strong preference for the Theft Target to change based on the previous year's TDIS performance although there was some support for it to be updated based when the TEM is updated if that forms part of the Theft Target methodology	
6	If historic TDIS performance is used to help set the Theft Targets, which Suppliers performance should be used?	There was a strong preference for this to be an average of all the Suppliers with some support for an average of the top 5 Suppliers.	
7	Should it be the historic TDIS performance of the relevant Suppliers aggregated across all sectors or should each sector be evaluated separately to	71% stated it should be the top performing Suppliers in each sector 29% stated it should be the overall top performing Suppliers.	

	use the highest performing Supplier in each sector?		
8	If historic TDIS performance data is used to determine future Theft Targets, should it be the TDIS performance in just the last Scheme year or an average over several Scheme years?	This was quite evenly split between the last year, the last 3 years and an average of all the scheme years	
9	Do you think the 2020/2021 Scheme year data should be removed from analysis to set the Theft Targets due to the impact of Covid-19?	64% stated it should be removed 36% stated it should be left in.	
10	To demonstrate that the industry is trying to improve levels of theft detection should a stretch element be added to the Theft Target?	The majority (57%) stated a stretch element should only be applied if the TEM shows that levels of theft have increased or remain static. 29% stated there should be no stretch element.	
11	If a Supplier outperforms their target should their target decrease for the following year as they could potentially have less theft remaining in their portfolio to detect due to their previous success?	71% stated it should not decrease 29% stated if should go down proportionally.	
12	Do you have any other comments or suggestions regarding Theft Targets?	• Scheme should have been focused on the B2C and potentially Microbusiness market. Currently need to identity theft is all but impossible for a I&C supplier so just end up being a cash cow for the likes of domestic suppliers • Targets should be based on each individual Suppliers customer base and market segment. It is clear that the methodology for non-domestic Suppliers has not worked for several years now - a stance echoed by those close to the scheme. • Safety should always come first over any financial gain. • We believe that the incentive scheme as a whole need to be looked at, is it right that we are incentivising suppliers to find theft. Are suppliers doing the right things for a customer's in the current climate? As more customer's may decide to tamper	

		due to need now. Also a lot of work goes into finding thefts, suppliers are not only penalised for not reaching their targets but also have paid out more costs (visiting and analysing accounts) in order to find theft. As an industry we believe we need more robust incentive scheme that doesn't just look at the confirmed theft alone. • The new Theft Estimation Methodology should ensure that a supplier's smart portfolio is taken into consideration as we've found very few cases where customers would steal when they have a smart meter installed. This should also take into consideration a supplier's market share in each region as some areas of the country are worse when it comes to energy theft. Producing a heat map of the country would be helpful to identify previous cases against each supplier's market share. We also believe that all the unsuccessful investigations should be counted against the target as it shows all reasonable steps taken against the target. For example, if our smart portfolio is at 80% and most of our investigations are unsuccessful, 3-5 unsuccessful investigations should at least count towards the successful ones or have a significantly lower target. • In reference to Q7, we think it should be broken down based on sector, but as an average of all suppliers, not the top performers as per our response to Q6. More support is required for the commercial sector as the domestic sector has had more focus in previous scheme years. • Some parties aren't achieving their current targets. Introducing a stretch target would introduce a bigger target for them not to achieve. This will either make performance look worse and/or disengage parties from participating. The scheme shouldn't be the only tool to drive engagement in theft detection investigation and remedies. Enforcement action from Ofgem is required to	

		provide a consequence of not investigating energy theft. • We would like to see networks being more involved in helping deter and detect energy theft. Perhaps through setting a target for finding theft in conveyance? We would also like to see improvements in the reporting of theft by MEMs especially where they attend a property and find evidence of theft relating to surrounding properties. Can we request networks to support suppliers by documenting evidence when they find meter tampering?	

1.b. Segmentation Summary of Responses

No.	Question	Summary	Potential Changes/Actions
13	Do you think that the Theft Targets should be split out further into different segments?	50% thought the current split of 4 sectors was sufficient. 43% thought it should be further segmented.	
14	What sectors and/or segments do you think the Scheme and Theft Targets should be split into?	• 3 people responded that Non-Domestic should be further split into SME and larger I &C segments. • 1 person responded that a target for Network Operators • 1 person responded that targets should be based on Suppliers customer base and market segment	
15	Should the segmentation of the target be tailored to each Supplier's portfolio or should the industry average of each segment be used to segment a Suppliers Theft Target e.g. If industry wide 8% of electricity domestic meters are pre-payment so assume 8% of all Suppliers electricity domestic portfolio are pre-payment?	There was a very strong preference for the segmentation of the target to be based on the market share of each Supplier of the relevant segment and not industry averages.	
16	Should it be assumed that theft is split proportionate to the market share of each segments or would weighting need to be applied	64% thought weighting should be applied as part of the Theft Target Methodology.	

	based on evidence of propensity to theft of each segment?	14% thought it should be assumed that Theft is split proportionally. 1 person responded that any proportionality of segments will be based on historical performance. Lack of visibility of the Theft Methodology means effective comment cannot be provided but the success of any proportional segmentation would inevitably not be visible until 12/24 months post implementation.	
17	Should Theft Targets for each segment reflect what proportion of theft has been found historically in each segment or be set higher for segments where theft detection may be historically low and therefore potentially under detected?	79% stated that Theft Targets for each segment should reflect historic theft levels in each segment.	
18	Do you have any other comments or suggestions regarding segmentation?	• Targets should be based on each individual Suppliers customer base and market segment. It is clear that the methodology for non-domestic Suppliers has not worked for several years now - a stance echoed by those close to the scheme. • An overly complex segmentation strategy has the potential to over complicate the scheme and disengage parties. Similarly, an overly complex structure would be cumbersome for parties with smaller infrastructures and resources. The focus should be on better lead generation to influence target expectations Smart, EV install, Micro Generation, tampering offered as a service across social media etc. • We would agree to set theft targets for segments with poor performance, if there is evidence to prove that segment has theft identified and all reasonable steps aren't been taken to do so.	

1.c. Incentive Values Summary of Responses

No.	Question	Summary	Potential Changes/Actions
19	Is the difference between the TDV value of a gas theft to that of an electric theft valid?	9 people said yes, a difference is valid as gas investigations are more expensive 1 said electric investigations were more expensive 4 said they should be the same	
20	What do you think the TDV should be set at to reflect the cost of a theft investigation for each of the 4 existing sectors and why?	• The financial values should be reflective of the volume of historic theft found both by the supplier and the industry as a whole Commercial theft is traditionally harder to detect and more expensive and time consuming to investigate and therefore should be reflected in the TDV. • We believe that the gas and electricity should be the same, the cost would be no different to investigate. • The values should broadly stay the same and driving engagement should come from greater visibility of performance across all parties being shared at an anonymised level. Similar to a previous response enforcement action for non-compliance/participation with energy theft obligations should also be an element of performance assurance. • It should be based costs incurred taking into account desktop investigation, site visits using agents specialising in identifying theft and meter tampering.	
21	Should the TDV also include costs for analytics, desktop reviews and unsuccessful investigations, if so, how would this alter the values?	• Costs and Time to investigate would increase • Yes, this should include all costs related to the investigations. • Yes, it should include the costs for analytics, desktop reviews and unsuccessful investigations. This would need to be looked into see what the average would be. • Yes, all of the above	

		• We believe it should include the above as the FTE required to assess unsuccessful attempts are still a cost borne to market. • No, again has the potential to over complicate the scheme and the focus should be on the investigation outcome. Running a script to review payment history and consumption patterns does not constitute a complete theft investigation. It is merely a singular step required within a theft investigation. With the legacy metering infrastructure often the only way to establish theft is to visually inspect the meter. • Yes, It should be based costs incurred taking into account desktop investigation, site visits using agents specialising in identifying theft and meter tampering.	
22	If the TDV was increased, do you think this would incentivise Suppliers to detect more theft?	8 people said yes 5 said no 1 person commented that it shouldn't have an impact if the scheme is operating correctly	
23	Should each sector/segment have a different TDV?	5 people said the current split into 4 Sectors is sufficient. 5 people said each sector/segment should have a TDV set in line with the cost of an investigation for that sector/segment. 2 people said The TDV should be higher in sectors/segments that have historically had low detection levels to incentivise Suppliers to focus on hard to find thefts.	
24	Should the TDV be different depending on the theft lead source?	71% stated No 21% stated Yes	
25	Which sectors/segments and/or theft lead sources should have a higher or lower TDV and why?	• Commercial theft is traditionally more difficult to detect and more expensive due to opening hours or some premises, number of staff required for site visits, meter locations & accessibility as well as different meter types.	

		• No lead source should have a high TDV as the end goal is the same a confirmed theft. • Introducing this step has the potential to overcomplicate the scheme. There are inconsistencies in how effectively parties deal with the tip offs they get today; this would need to be addressed before a measure of this nature could be introduced. • I&C segment - because of complex metering, the specialism required to test equipment and cost of replacing them. Also the number of man hours required to source, repair and replace equipment is higher than Domestic or SME	
26	Should the Theft Target and TDV recognise more than Confirmed Theft outcomes?	36% stated it should remain as just a target for Confirmed Theft and only this outcome should have an incentive value. 29% stated Confirmed Thefts and Unproven Suspicion of Thefts should count towards targets and have an incentive value. 29% state that Confirmed Theft and any field theft investigation, regardless of outcome, should count towards targets and have an incentive value	
27	Should the incentive value be the same for any Field Theft Investigation or should it be different depending on outcome? If you think it should be different depending on outcome please explain how it should differ and why.	• Incentivising just number of visits is problematic. Where is the proof other than a line on a report. With the current scheme there is a visit and if successful and theft found there is a removed meter, site photo, engineer report and photo of the theft. • Depend on outcome/crime reference number. • It should relate to the amount of work involved in the investigation. • We believe all field outcomes should be taken into consideration as this would then show the amount of work suppliers have been doing to get their confirmed theft target.	

		However audit supplier would be crucial as suppliers could be falsifying data saying they have visited properties and confirmed no theft when they have not. Unproven Suspicion should go toward the target as some outcomes may not be the suppliers fault but due the 3rd parties attending and not taking the relevant process to confirm a theft. • It should be different depending on the outcome. • No, the values do not need to be changed. Engagement should be driven in other ways.	
28	Does there need to be a defined criteria for what constitutes a valid Field Theft Investigation, if so what might these be?	• Yes. Pre-Site checks with justification for visit (no payments , non-advancing reads, meter reader reports, reports from lead source - such as Crimestoppers). On Site checks with photos, full meter checks (not just visual), engineer finding and comments. • Crime reference number/report. • Yes • Yes there needs to be a defined criteria for what constitutes a valid Field Theft Investigation, a desktop search, a field visit and photos of the meter which has been check. • A significant reason to believe there is theft at that property. • Yes, including a visit to site, assessment of equipment etc. • This already exists in terms of desktop review, visit to site with report of findings, photographic evidence of the tamper and an assessment of loss • Yes it does, what a site visit entails, what are the tests and checks that need to be done to ensure there are no internal tampers within equipment	

29	Do you have any other comments or suggestions regarding Incentive Values?	• Safety should be considered first. • A number of parties do not see the financial value of investigating and resolving energy theft. Therefore, any increase to the TDV would need to be significant in order to drive additional participation.	

1.d. Qualification for Incentive Summary of Responses

No.	Question	Summary	Potential Changes/Actions
30	Should a Supplier have to reach a minimum requirement before being eligible to receive any Scheme credits?	71% thought that the Scheme credit and debits should be calculated and paid with no minimum performance requirement to be met. 14% thought that a Supplier should have to reach a minimum % of target in a sector/segment to qualify for any credit payment for that sector/segment. 1 person thought that a Supplier should have to reach a minimum % of their target across all sectors/segments to qualify for any credit payment.	
31	If a minimum % of target is required, should this be the same for all sectors/segments to qualify for payments?	43% said that sectors/segments where theft is historically hard to find should have a lower minimum % of target to qualify for payment. 21% said the minimum % of target required should be the same for all sector/segments. Other respondents stated that there should not be a minimum or that all efforts to find theft should be recognised in the Scheme.	
32	Should any minimum % of target be the same for all Suppliers or should it differ based on their previous performance?	50% said that the minimum % of target should be individual to each Supplier based on their previous performance to set a personalised stretch element to the target. 29% said it should be the same for all Suppliers 1 person commented that there is no requirement to change.	
33	If a minimum performance requirement is introduced, should a sliding or stepped scale of payment also be introduced? (An example of this	57% said that if a minimum performance requirement was introduced it should be a sliding or stepped scale	

	could be that a Supplier reaches 60% of their target in a sector so they qualify for 60% of the calculated credit payment)	so % of incentive payments received reflects % of target achieved. 36% stated that if the minimum performance requirement is met than 100% of incentive payments calculated within the Scheme should be received.	
34	Should incentive payments be withheld if other theft reduction requirements have not been met e.g. failure to follow up on ETTOS leads or other reactive lead?	64% said No 36% said Yes	
35	If you answered yes above, please detail what requirements should need to be met?	• Investigate all reports as safety needs to come first • You should not be failing in your obligation in other area of theft not just the reduction strategy but within the unbilled codes also. • Incentives should only be provided where all aspects of finding theft have been met.	
36	Currently the Scheme is cost neutral, if incentive payments were withheld as minimum performance thresholds were not reached there could be a surplus of funds in the Scheme - what should happen to this pot of money?	• Split between suppliers (proportionally based on their performance over the year). The detection of meter tampering and the detection of theft is vital from a health and safety standpoint as well as being both expensive and time consuming. Failure to award payments because of a target was not reach is counter productive. There could be a myriad of reasons for this not being met. • Incentive payments should not be withheld. • Pay the money to charity to support people with Energy Costs. • Where debits are being paid should this be look at also as a % if you have hit certain point, you pay a % like the credit one. This may then balance out the surplus. Also if we start taking into count not just confirmed thefts but the amount of work attempted by the supply to achieve the	

		targets this could then form part of the lesser payment into the scheme. • Reinvested into methods of finding theft which result in confirmed thefts. • Funding other activities needs agreement and a separate business case with a signed off funding approach. Market volatility has created an unstable situation for suppliers and has resulted in a number of parties collapsing, therefore the cost neutral funding position needs to be maintained from a scheme perspective. • Yes it should be divided between suppliers who have exceeded the minimum. • This money could be smeared to increase TDV	
37	Is the current criteria for a Confirmed Theft accurate or should changes be made?	There was a 50/50 on opinion for it to remain as it is and for it to be reviewed and updated	
38	Should a crime reference number be required in every instance of a Confirmed Theft to ensure that police and home office records correctly reflect the scale of the issue? If so what mechanism should be used to log and obtain a crime reference number, is the current process efficient for the Police and Suppliers?	• No. Just this would reduce it to a box ticking exercise, purely administrative. Time consuming both for the suppliers and the police. The approach should be to encourage the active participation and collaboration with local police the sharing of knowledge and information. • Yes. Outcome files. • The process is not efficient as police seem not to want to know about theft, the crime reference number was removed from the definition which was the correct thing to do so should not be brought back. However as an industry we need to have better links in with the police force across the country • No, this would increase the FTE requirements for theft investigations. If the mechanism is reviewed for logging the	

		crime reference numbers, then we would ensure these are provided. • Energy theft is a crime, so ideally the police and the home office need to be aware of this so we can get them to see the scale of the problem and get to a point energy theft becomes a crime for which you can be prosecuted for.	
39	Should a photo or sketch be required to qualify as a Confirmed Theft?	8 people said yes, 1 person said no. 4 people replied with comments regarding conditional requirements: • No - police reference. • It depends on the circumstances • A photo or digital recording of what was found at sight would be sufficient. Any sketch would need to be site specfic and not a generic drawing of a DTM or bypass etc. A sketch should be a last resort • Dependant on the source of the theft report	
40	What do you think the criteria to qualify as a Confirmed Theft should be?	• The current approach is sufficient for the most part. Like to see more uniformity between fuels for example possible to claim blank screen in Gas but not in Elec. In Gas can see cases where the meter is PUG but can't claim this as a confirmed theft. • Follow agreed documented process. • The criteria for confirmed thefts is showing what it should be, however we need to incorporate where supplier are only notified after the evidence has been remove and where credible engineer/professionals have been to the property but not taken photos/sketch. As a suppler we have seen on multiple occasion where police and DNO have attended with us so no evidence is left on-site but police	

		are counting this as a theft from a supplier but we can't submit due to no photos. • As it is already. • Meter tampering, drilled index, tilted meter, reversed meter and others which are currently covered in the guidelines	
41	Should repeated offences of Energy Theft be disqualified for submission into the Scheme?	11 people said no, repeat offences should not be disqualified from the Scheme. 1 person said only the first 3 instances should count.	
42	Should it be based on repeated thefts at the same address or by the same named account holder?	5 people said the same address 2 people said the same named account holder 2 people said theft is theft and should count in any instance. 2 people said it should be both the same address and same named account holder to count as a repeated theft.	
43	Should it be limited to repeated thefts in the same scheme year or over a longer period?	4 people said same Scheme year. 2 people said last 2 Scheme years. 1 person said last 3 Scheme years. Other responses were: • Unlimited • Since the account holder has been in the property • Repeat thefts should be count in any instance so this would include same scheme year and over a longer period • We can influence customers behaviour to a certain extent but those who choose to commit multiple instances of energy theft will do so irrespective of our actions. Therefore, any subsequent theft investigation for the same customer at the same property, should be submitted irrespective of scheme year	
44	Do you have any other comments or suggestions regarding Qualification for Incentives	• Excluding repeated offences by some customers and landlords from the figures	

		would not give a true indication of scale, volume and problem of energy theft. • Regarding excluding repeat offences, costs are still incurred for investigations and remedial meter works for subsequent instances of theft at a property which are often better concealed as a result of it being a subsequent offence. Also, the safety ramifications are the same irrespective of how many times theft has occurred before	

1.e. Operations Summary of Responses

No.	Question	Summary	Potential Changes/Actions
45	Should Schedule 7 - Energy Theft Reduction be updated to align with the level of detail regarding payments and payment defaults in Schedule 22 - Market Stabilisation Charge?	64% said it would be a useful update 36% said it is sufficiently clear as it is	
46	Should the Scheme reporting period be split into smaller periods?	79% said no annually as it is currently is a suitable period	
47	Should more information be made available on the requirements of what Energy Theft information should be submitted via the REC Portal by Suppliers and when it should be submitted? If so, what information would be useful to increase clarity?	• No • The information is clear. It is a continuation of the previous TRAS scheme. All suppliers should have processes in place to manage and report this. In the cases of new suppliers then mentorship or information sessions may need to be put in place temporarily until they are up to speed. • Yes. There is not enough feedback given by the REC on uploads. They are seemingly uploaded and then never acknowledged. • Yes, however as we are a Gas Transporter we are not aware of the information that is currently provided.	

		• Yes • No, we submitted monthly currently and the information was agreed previously under SPAA and DCUSA, nothing needs to change • It should contain all required steps and information about them on a single document that we can share with our operational teams • Yes, as information is not easily obtained and this makes management of the scheme difficult • Other data items could be useful to help address health and safety situations at sites, provide a view of the environmental of energy theft. Similarly, a view of tamper type would help identify any new and emerging tampers • Yes, an idiots guide to ensure understanding/ level playing field • Helpful for expectations /requirements/guidance to be clearer on the REC Portal. • If there is a requirement for more information to be provided by suppliers, then reasons for the requirement needs to be made clear so suppliers can make the relevant business cases to accommodate the change.	
48	Should the Energy Theft information that is currently reported, including the format, be changed and if so, what changes should be made and why?	• No • No the format is sufficient, well established and comprehensive. Suppliers know what they must report, in what format and the in what timeframes. • Yes. There is not enough feedback given by the REC on uploads. They are seemingly uploaded and then never acknowledged. • No • Nothing needs to be changes	

		• Yes, to include further details which will support your analytics of the country and segments. • At this time we do not believe an amendment is required. • Frequency of performance reporting should be increased. Providing greater visibility across all suppliers would help drive engagement through increased visibility of the overall performance across industry. • A data expert such as the RPA should look at current data reporting and see what else could help with insights. A workshop would be useful with parties to look at current data reporting/ insights to agree next steps collectively. • Introduction of current investigation code to indicate tampering confirmed with no theft e.g. customer has just damage equipment. • Current report and format is sufficient. Although it will be good to understand when the consumption report submission will be restarted.	
49	Do you think there is currently duplication in Theft reporting requirements, including reporting of losses, in the industry, if so where is this duplication and how would you change it?	• No • There is currently 2 reports that are duplicated. One is the gas to UNC, which there is a change currently in process. The other is the electricity report going to DNO regarding settlement, however there is no contact where these should be being sent to and is an old report from the COP, again all information is loaded to the theft incentive reporting. The electricity report to DNO needs to be look at to whether this needs to be done still and can it be done through the theft reporting.	

		• Declarations for settlement reporting and confirmed thefts could be made consistent from one data set. • No, although a validation of submission to RECCO and submission to the industry settlements need to done to maintain accountability.	
50	Do you have any other comments or suggestions regarding the operational aspects of the scheme	• Yes. In the previous TRAS scheme the reporting of thefts for a specific month was locked down after a set period and no changes could be made (or it was extremely difficult to do so). Now suppliers can alter / amend their data for a particular month right up to the end of the scheme. This proves difficult for suppliers to gague how they are peforming relative to the rest of the industry. Difficult to forecast financial impact of the scheme. Unable to accurately allocate resources onto different workstreams. If there is no reliable indicatior of how suppliers are performing then suppliers have difficulties in managing resources, performance and financial impact (positive or negative)	

1.f. General Summary of Responses

No.	Question	Summary	Potential Changes/Actions
51	Has the non-availability of TRAS lowered your levels of Energy Theft detection, if not why do you think this is?	8 people said no – most making the point that this was because TRAS generated poor quality leads. 1 person said yes and they no longer received the investigation leads based on consumption	
52	Do you think there is any evidence that the Theft Detection Incentive Scheme is detrimental to overall effort to mitigate Energy Theft e.g. targeting effort on the wrong area?	5 people said it had not been detrimental with 1 adding that it provided a mandate in their business to increase efforts of the RP team.	

		1 person said yes it is, saying we should be incentivising Supplier on (identifying) confirmed thefts or trying to help their customer not (to) tamper. 1 persons said they think there is insufficient evidence to state it has been successful in eradicating much Non-Domestic theft at all	
53	Do you think that the current requirement that Suppliers with a Theft Target less than 1 have to opt in to participate in the Scheme should remain or should all Suppliers be required to participate in the Theft Detection Incentive Scheme? Do you think changes would need to be made to the Scheme to ensure they were incentivised and not penalised, if so, what?	• Yes • All Suppliers • All should be required to take part • No • The current requirement of less than 1 is the right approach, and suppliers have to opt in. However, customer's may know to keep to the smaller supplier in order not to be detected. Again is confirmed theft the right target, is there a better one to include all supplier so there is no safe haven. • All suppliers should be required to participate. Customers who have stolen will look to a supplier with low engagement in theft detection and "hide" on their portfolio. We have experience of acquiring customers through the SoLR process from a supplier with no revenue protection activity. In the first month post SoLR transfer we identified 80 thefts within a relatively small geographical area. • It should remain. • Yes the current requirement should remain so all suppliers do take part in the scheme. Energy theft is everyone's problem.	
54	Do you think your levels of theft detection are higher than they would otherwise be if the Scheme did not exist?	4 people said they thought it was higher. 6 people said they did not think it was higher because of the Scheme. Comments were:	

		• Our levels of detection would be the same whether the scheme was in place or not as we always being trying to prevent and detect theft even before TRAS and the incentive scheme were in place. Due to the level of smart now being introduce we haven't got the level of boots on the ground as previous, therefore proactive leads have drop and detection is becoming harder as it is now base more on data initially. • Our engagement and effort has been consistent from prior to the scheme being introduced and, in the time, since its introduction. However, it has undoubtedly driven up engagement with other parties. • Yes, it incentivizes suppliers to investigate theft proactively.	
55	Does anything prevent you from achieving success in the Scheme, if so, what?	• A lack of clarity on uploads, support from the Scheme and an unfortunate lack of understanding on how the non-domestic market operates. For example, we investigated over 100 cases of theft last year - none were legitimate, but we had nothing to show that we had tried. We were still marked as failing to reach our target, despite all best endeavours. • Lack of shared data and U.K. hot spots • Boots on the ground also better quality with data analytic • The reporting mechanisms • Visibility of performance against our target and by supplier creates an issue, internally and externally. Internally it's difficult to socialise with stakeholders our performance against expectation.	

		Externally lack of visibility means parties can hide and do little to address theft on their portfolios. The lack of collaboration meetings to address key issues as a collective - e.g., lack of police support, misinformation on social media etc. • Large suppliers with bigger RP teams/ economy of scales means its harder to do well out of the scheme. • The theft targets need to be segment orientated and past performance of the scheme needs to dictate future targets	
56	The Retail Energy Code contains arrangements that are designed to support compliance of REC Parties with their licence i.e. for Gas and Electricity Suppliers Standard Condition 12A: Matters relating to theft of Gas/Electricity. Do you think that the Theft Detection Incentive Scheme supports compliance with this licence obligation and if so how? If not what changes can be made to be support compliance?	• Yes the requirements are clear. The system and processes have been in place for a number of years. Any changes and amendments are always well communicated. • Licence obligation safety first. • Yes • The TDIS does support the licence obligations to investigate and detect but doesn't include prevention. theft needs to be looked at as a whole, investigation of how do we stop customer endangering others • Yes • We believe it supports the licence obligation but we do not believe the REC or previous bodies support suppliers to be compliant with that obligation. • There is a greater level of participation in theft investigations post scheme roll out, but it should be higher. There should be more direct enforcement for non-compliance through the PAB and from Ofgem.	

		• Yes, but i also support a review to evolve the scheme but it must be evidence based and i hope RECCo can use data reported to the RPA to present some robust findings. • Yes - it does encourage suppliers to do more in their investigation of theft. • Yes it does, it makes it necessary for them to take part in the scheme and put the necessary processes in place to ensure compliance.	
57	Do you think how the unrecorded electricity and gas assessed to have been stolen is entered into settlements currently is clear and fair, if not why? Is there a better way this could work, if so how?	• Yes • Yes • The industry calculators are confusing and only gives you a fair unmetered if the owner/customer lets you walk around the property. The current way we enter into settlement is not clear, does every supplier do this, or are there different ways in which each supplier enters into settlement. • Yes • Further analysis will be required to answer this question • See answer to Q49 - one file for both requirements • Worth a further review by RECCo/ Code Manager with outcome reported to parties. • No - suppliers have to pay DUOS charges, which are a share of the energy estimated to be stolen. If they also enter their own theft figures through settlement they are also charged for this energy twice. • No a clear guidance of how assessment is done need to be issued and then we also need a reconciliation system which ensures accountability. That units billed for theft are submitted for settlements	

58	Would a centralised innovation fund, to which REC Parties could apply to for funding, to support projects developing innovative ways of tackling theft be of interest?	• Yes - the detection of theft in EV chargers , SMART Meter as well as Unallocated sites are all areas that could benefit from some innovative thinking • Best practice should be shared and rewarded • Yes • Yes this could get more people involved • Yes • Any activities need to be funded through a robust business case supported by a clear and transparent process and not funded by the incentive scheme. • Yes, this may help Suppliers where RP costs are not seen as a priority in challenging times. • Yes - as long as it aligns with RECCO's current project. • Yes it could as it will allow suppliers to explore better methods of detecting theft for example AI based systems	
59	Does the different definition of Theft in Conveyance between electric and gas cause issues in theft investigations, theft reporting and settlements? Should these be aligned, and if so should gas change to match electricity or electricity change to match gas?	• No • There should be a clear definition of theft in conveyance for both, not necessary needs to be aligned but clear set out who deals with the different types of theft. • Gas and electricity cannot be matched as they are supplied in different ways. • Not for us • Yes it needs to be aligned. Electricity to match Gas	
60	Would you be interested in a National Revenue Protection Service that would be available to all Suppliers to use e.g. where a Supplier has no contractual agreement for services or there is a gap in their contracted service?	5 people said yes, 1 caveating depending on cost. Responses. 5 people said no with comments: • For now our inhouse analytics team is sufficient. Not sure how this would work in	

		terms of costs, IT infrastructure, Data Protection. • No we don't think this is the way forward, we moved away from DNO/Networks preforming the RPU service. There needs to be clear guidelines and possible audits to make sure RP services are being done correct. • No. There are a number of Revenue Protection Service Providers in the marketplace who can adequately meet parties need to conduct an investigation. The focus should be on ensuring all parties have an RP service and they effectively respond to theft tip offs. Again, greater visibility of how parties are performing will highlight any gaps which could be addressed through enforcement activity. • No, we prefer controlling this activity in-house. • No as it would invalidate the current infrastructure of suppliers built around identifying theft would become wasted.	
61	If there was a National Revenue Protection Service do you think that all Suppliers should have to use it to homogenise the volume and standard of Energy Theft detection across Suppliers and prevent the avoidance of theft identification by consumers changing Supplier?	3 people said yes 1 person commented that changing of suppliers is an issue and NRPS could be beneficial in minimising/preventing this. 4 people indicated no with comments: • Suppliers should be able to opt into the service, there should be a better TDIS that includes all suppliers to prevent the avoidance of theft identification, suppliers shouldn't be allow not to follow the theft codes just because they are new to the industry	

		• We are not favourable of RECCo mandating a service which should be a suppliers commercial decision. • No - should be used as an additional resource for suppliers where they are unable to fill this requirement themselves. • No, changing supplier can be resolved by Ofgem allowing a reason for Objection to stop supplies moving when there is a theft investigation being conducted.	
62	Should there be a Theft Detection Incentive Scheme for Gas and Electricity Network Operators?	8 people said yes 1 person said it is worth looking at the benefits case further. Additional comments in support of yes were: • to support a fully rounded response to theft across the industry. There is a potential for duplicate reporting of tip offs, but this would be easy to overcome • this should be covered by Gas and Elec networks and be separate to the Suppliers scheme	
63	How do you think the term Revenue Protection is perceived outside of the industry, is it helpful when dealing with customers and other organisations or is it problematic? Do you think this is an accurate term for Energy Theft activities, if not, what do you think is a better term?	• There are some negative connotations with the name. • This term makes it sound like the company is looking after their interests • Some organisations do believe the revenue protection is more to do with debt and theft. But this term has now been used for a number of years, changing it wouldn't do anything. Its more about the explanation and knowing what audience we are talking too to describe the term as Energy theft rather than Revenue Protection. • Energy theft is a better term for industry. • The term Revenue Protection is mature and well known across internal and external stakeholders. c.60% of all	

		investigations result in a "supply ok" outcome so to change the name to reflect more of theft theme would have a detrimental impact during the customer interaction. Therefore, if it were to change it would need to be generic e.g. Energy Investigation. • It is problematic to a consumer, we would support research into consumer insights should help inform future terminology. • Problematic, Revenue Protection means different things in different sectors, causing confusion. • Yes it helps, more could be done to create awareness	
64	Is there a different approach that can be taken to increase levels of Energy Theft detection in the industry?	• Share data, hot spots, common addresses, repeat offenders, known landlords, • The use of data flows and smart alerts could increase the level of Energy detection level, instead of basing it on the person living at the property. Sharing best practise between supplier which we have lost when moving over to REC. • Best practice forums need to continue. A register of repeat offenders should also be considered. • Already stated, better visibility of how we're all performing, consequences through enforcement activity for non-participation and a reintroduction of forums to discuss key issues • Greater use of Smart metering, and better sharing of theft investigation data between market participants. • Yes it helps, more could be done to create awareness and more lobbying needs to be	

		done to stop energy suppliers being used as a political scapegoat and vilified on Main Stream Media where false reports and claims can be challenged with a legal basis. In order to improve image and relationship with the public and our customers. So they willingly report energy theft.	
65	Would you like to be notified of any future Energy Theft workshops - if so please provide your name and contact details	8 people stated yes and provided contact details	

Appendix 2 – Table of Potential Changes

Theft Targets	• Theft Target methodology is changed to base the target for each sector based on historic scheme performance. • Theft Target methodology is changed to use the TEM as a baseline for the available theft to detect and the target set as a proportion of this. • Publish Theft Target stating what proportion of the Theft Estimate it represents. • Clearer and more detailed requirements on Network Operators and MEMs to report and document theft.
Segmentation	• Non-Domestic Sector is further segmented into SME and I&C with weighted Theft Targets set per segment based on Suppliers market share of that segment and on historic industry performance. • Domestic Sector is further segmented based on significant customer categories and meter types with weighted Theft Targets set per segment based on Suppliers market share of that segment and on historic industry performance.
Incentive Values	• Update the TDV for the existing Sectors and any new Segments if introduced to reflect current costs incurred for investigating and detecting theft in that Sector/Segment including costs of analytics, desktop reviews and all theft field investigations. This would require detailed analysis of costs. • Add Targets and incentive value for theft field investigations regardless of outcome – lower incentive value for non-theft outcomes but recognition for effort and resource investment. • Define the criteria for a valid Theft Field Investigation.

Qualification for Incentive	• Add a minimum performance requirement before a Supplier is eligible for some or all of their calculated incentive payment. • Review and update the criteria for Confirmed Theft regarding conditions for the requirement of a photograph. • Explore feasibility of monthly Theft Outcome files data being used to report all energy thefts to the police and any change in data requirements that may be necessary to facilitate this. • Exclusion of repeat offenders (would have to establish if there were any benefit to this) • Create category 3 guidance documents informing on types of tampers/interference
Operations	• Change to Schedule 7 to add detail regarding the payments and payment defaults in line with level of detail in Schedule 22 • Additional information and guidance on reporting requirements, including the availability of monthly performance assurance reporting, to be made available either in Schedule 7, Performance Assurance Report Catalogue or as a category 3 document and be easy to find on the REC Portal. • Introduction of a handshake and validation confirmation from Performance Assurance to Supplier on receipt of monthly Theft submission file following successful upload. • Additional data item requirements added to Theft submission file, following a review of the requirement of potential data items facilitated by a workshop/Theft Expert group. • Use of Theft submission file for settlement and network reporting. • Update Schedule 7 to transfer the previous defined 2 month submission window for Confirmed Thefts to be submitted and accepted into the Scheme from date the investigation is closed.
General	• Removal of a minimum target requirement of 1 before scheme participation mandatory so TDIS become mandatory for all Suppliers regardless of size. • Ensure reporting mechanism, file validation and feedback on quality and acceptance of theft files is robust, clear and fit for purpose. • Create a suitable escalation path for non/low participation of scheme or failure to submit valid theft files. • Review of potential changes to process for settlement of assessed stolen energy to ensure consistency across Suppliers and to remove financial disincentives. • Centralised funding for innovative projects for Energy Theft prevention and detection subject to an agreed acceptance criteria. • Creation of a National Revenue Protection Service (Optional/Mandatory?) • Create a Change of Supplier objection reason for ongoing theft investigation. • Create a Theft Detection Incentive Scheme for Network Operators • Commission consumer research into the term “Revenue Protection” and alternative terminology to determine how to refer to Energy Theft detection and prevention activity in a consumer centric way. • Review of Energy Theft data currently provided by Suppliers to understand what is needed to meet current requirements and for development and support of future initiatives – including how this data may be collated, stored, shared and used. • Creation of a suitable Energy Theft Group/Forum to share challenges, solutions, best practice and progress change.