Energy Theft Reduction Expert Group
Meeting Minutes

Meeting	09
Date	31 January 2024
Location	Remote

Attendees	Organisation	Role
Jon Dixon	RECCo Ltd	Chair
Alan Cookson	British Gas	Committee Member Alternate
Ben Clark	Utilita	Committee Member
Blanka Lemka	UKPN	Committee Member Alternate
Daniel Gibson	SSE Networks	Committee Member Alternate
David Mitchell	SGN	Committee Member Alternate
Gareth Evans	ICOSS	Committee Member
Jane Edge	British Gas	Committee Member
Jennifer Pickering	e.on	Committee Member Alternate
Jordan Hills	SSE	Committee Member Alternate
Lisa Warnock	SGN	Committee Member
Megan Cetera	Octopus Energy	Committee Member
Paul Hart	UKPN	Committee Member
Shamil Udayar	npower	Committee Member
Mark Loveday	RECCo	RECCO Ltd
Lynne Fallon	RECCo Ltd	RECCo Ltd
Rebecca Lowe	RECCo Ltd	RECCo Ltd
Rosalind Timperley	REC Code Manager	Technical Secretary
Apologies		
Ann Perry	RECCo Ltd	RECCo Ltd
Aiyesha Andrade	RECCo Ltd	RECCo Ltd

1. Welcome and Introductions

1.1. Attendees were welcomed to the ninth meeting of the Energy Theft Reduction Expert Group (ETREG).

1.2. The minutes of the previous meeting were approved.

2. Action Updates

2.1. The actions of the previous meeting were reviewed. Updates on all actions can be found in the Actions Log.

2.2. During the discussion of the open actions, it was noted that further changes to the Theft Target Methodology have been proposed by RECCo, namely:

- To introduce an escalator to '*discover*' the appropriate Theft Detection Value, with an initial increment of 20%;
- To change from annual to quarterly Theft Detection Incentive Scheme (TDIS) reporting; and

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- Undertake further work on '*reasonable endeavors'* scheme to complement the TDIS.

2.3. It was explained that RECCo has been looking into the reasonable endeavours scheme operated under the UNC. The scheme was designed to off-set the transportation and investigation costs that Shippers could be exposed to in the event they find theft and are unable to recover the costs from the customer.

2.4. UNC Modification 231, which was raised on the reasonable endeavours scheme in 2010, was shared on screen, showing proposed scheme payments of up to £1,000. It was observed that a £1,000 value in 2010 might suggest the current incentive payments under TDIS should be higher.

2.5. RECCo will be investigating whether the reasonable endeavours scheme could be rebooted under the REC to extend to Suppliers and electricity as well. As part of this, it will be explored how any scheme established under REC can be run alongside the UNC scheme, for example, by aligning on data submissions.

2.6. ETREG members views were sought on the addition of a reasonable endeavours scheme under REC. In response, the following points were raised:

- It was suggested that such a scheme may address some of the challenges of TDIS, such as the incentivisation to focus on 'low hanging fruit'.
- It was observed that the up to £1,000 seems reasonable, although there is opportunity for this to be refined based on feedback.
- It was highlighted that up to 16,000 thefts were reported to TDIS in the previous year. With this volume of theft reported, it wouldn't be feasible to process individual claims and validate the value for each claim. It was suggested that Suppliers could be asked to submit evidence, with sampling or auditing utilised to confirm a random selection.

2.7. ETREG members were encouraged to consider the proposal and provide their feedback to RECCo.

Action 09/01: ETREG members to provide feedback on the proposal to add a theft best endeavours scheme under REC.

2.8. Subject to the responses received, RECCo will seek to raise a Change Proposal to progress the scheme if there is support.

3. Scottish Warrants

3.1. An ETREG member explained that their Revenue Protection (RP) agents had encountered an increase in the number of Scottish Revenue Protection warrants rejected. This is due to confusion with the rules in the Involuntary Prepayment Meter Code of Practice, with the rejections incorrectly citing this Code of Practice.

3.2. It was noted that Scottish Courts act independently, so the rejections for this reason are not consistent across all courts. Examples have been seen in Hamilton and Aberdeen.

3.3. The ETREG discussed the matter, with the following points raised:

- An attendee queried whether "with notice" and "without notice" warrants are equally impacted? In response, it was explained that both are impacted.
- It was noted that the courts are not appreciating the safety aspect of the meter tampering, despite this being explained to them. It was explained that the Justice of the Peace (JPs) are being given advice from their legal advisors, and their legal advisors are

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incorrectly referring to the Code of Practice. When the legal aspects of the warrant and the safety issues are raised these are not being accepted by the courts. The advice can vary from JP to JP.

- It was noted that for Hamilton, rejections have been made with the reason being that not enough contact visit attempts have been made prior to the warrant being sought. It was queried how many visits are being made. In response, it was noted that this varies from case to case, with a minimum of one and maximum of three.
- It was noted that the minimum number of contact attempts for debt warrants is 10. The courts are looking for ten attempts (incorrectly, as the warrant is not for debt) and rejecting the warrants when there is not evidence of this.
- An ETREG member flagged that they have experienced issues with warrants where it was felt by the court that the gap between contact attempts was too large.
- Another ETREG member noted that their organisation has not seen a similar pattern in their applications for Scottish warrants.

3.4. The raising ETREG member noted that they had lodged a complaint with Hamilton Court but received no response. They then escalated this to the higher Scottish Courts level complaints process but have still not yet received a response. As a next step, they have approached UKPRA, looking to explore the issue through that forum too.

3.5. It was observed that potentially the wording of the Code of Practice will need to be refined by Ofgem to reduce the risk of it being misinterpreted.

3.6. An action was taken for ETREG members to flag if they too have experienced similar issues. In addition, come forward with suggestions as to how the issue might be addressed.

Action 09/02: In regard to incorrect rejection of Scottish warrants, ETREG members to flag if they have experienced this, so that this information can be collated. In addition, put forward suggestions as to how the issue could be addressed.

4. Theft Movement in 2024

4.1. It was noted that at its December meeting, ETREG members were asked to share their thoughts on where they would like to see movement in 2024 on energy theft. A Miro board was shared with the points raised by ETREG members at the previous meeting. It was explained that the board can be used as a collaboration tool to gather priorities and ideas, and track outcomes ETREG wish to see driven forward. This will enable conversations to carry on outside the monthly meetings and enhance interactivity.

4.2. An action was taken for ETREG members to review the board and add comments and feedback.

Action 09/03: ETREG members to review the Miro board and add comments and feedback.

5. Forward Work Plan 2024/25

5.1. It was explained that RECCo had recently delivered a webinar on its forward work plan, which is available on the RECCo website should anyone wish to view it. In terms of the theft activities within the forward work plan, it was noted that the Theft Reduction Strategy will continue to focus on preventing, detecting and responding to energy theft. There are five strands within the strategy, namely:

- Engagement
- Awareness

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- Data & Insights
- Incentives
- Enforcement

5.2. No questions were raised by ETREG members.

6. Theft Amnesty

6.1. It was noted that the concept of a theft amnesty has been floated in the past by a number of organisations. In the context of theft being a safety issue, RECCo is seeking to explore how to address those safety risks as quickly as possible through an amnesty. The intention would be to make a genuine promise of an amnesty to consumers, resolve the safety issue and put these customers onto a legitimate path where they pay their bills going forward.

6.2. It was explained that RECCo has initiated an information gathering phase to obtain industry input on the proposal, with a number of questions issued to UKRPA members.

6.3. In response to a question from an ETREG member on what lessons could be learnt from similar schemes, it was noted that previous schemes in other countries, such as South Africa, had been successful in bringing people forward. Thames Water also operated a scheme that was successful in getting people to come forward. However, this did result in negative press, for example, questioning why the company was focusing on people who could not afford to pay their bills over fixing leaks and preventing sewage releases.

6.4. An ETREG member queried what was meant by an amnesty, including would it cover both domestic and commercial? And would there be no recovery of the costs for the remedial work and the stolen energy? In response, it was noted that these are questions that need to be considered but potentially the focus should be on domestic customers. In terms of what is meant by the amnesty it could be removing the fear of prosecution but still billing for the stolen energy and remedial works.

6.5. It was suggested that as part of the amnesty, there should be follow up visits to make sure that the consumer has not tampered with the new meter.

6.6. The suggestion was made that an amnesty should be trialled in a small area, then if it works it could be increased more widely. It was noted that if a trial is taken forward, all Suppliers with customers in the trial region would need to be involved for it to be effective.

6.7. It was questioned whether we could review how Suppliers currently approach theft from a customer treatment perspective (e.g., pursuing prosecution) and how much of a shift the amnesty would be from their usual policy in these areas. It was also queried as to whether costs for Suppliers should be offset.

6.8. An attendee queried how would we communicate the amnesty to only people living in the trial area. In response, it was noted that this is one of the areas that needs to be worked through. It was also noted that resourcing needs careful consideration, as the volume of reports could exceed the capacity of the workforce to address these reports. It was suggested that potentially third-party support might need to be stood up in anticipation of an increase in reports.

6.9. An ETREG member suggested that potentially the amnesty trial could be limited to people who moved into a property within a certain window, say three months. This would then reduce the potential resource implications.

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6.10. It was observed that even if a trial was only delivered for a short period, say six weeks, it would potentially be best taken forward as a REC Change Proposal, to ensure roles, responsibilities and funding is very clear.

6.11. A suggestion was made that if the focus of the amnesty is safety, then applying it only to residential properties may arguably not be the right approach as this would exclude, for example, a block of flats with a take-away underneath with a tampered meter.

6.12. ETREG members were asked to aid RECCo in identifying what areas their business would need to be satisfied with to enable a theft amnesty trial to occur. It was agreed that a new section should be added to the ETREG Miro board to capture these questions about the amnesty.

Action 09/04: In regard to a theft amnesty trial, ETREG members to use the Miro board to share what questions would need to be answered in order for their organisation to fully understand how the amnesty would work in practice.

6.13. It was noted that questions could also be shared in the ETREG meeting chat or with technicalenquiries@recmanager.co.uk to be added to the Miro board.

7. 2024 Meeting Schedule

7.1. Attendees agreed the 2024 meeting schedule, with the March, June, September and December meetings to be held face-to-face. It was noted that morning meetings would be better for the face-to-face meetings.

Action 09/05: Organise face-to-face meetings with a morning start for the March, June, September and December ETREG meetings.

8. Energy Theft Forum Planning

8.1. It was suggested that the next Energy Theft Forum could be split into two sections, the first part providing updates on theft reduction activities and the second part giving an opportunity for attendees to share best practice.

8.2. ETREG members were invited to put forward topics for discussion, with the following points raised:

- It was suggested that the theft amnesty could be discussed. In response, it was cautioned that it may be best to withhold presenting on this until it is known if it will go ahead, as we may not wish it to reach the general public ahead of this being known.
- It was queried whether questions should be set to help facilitate attendees in sharing best practice.
- A review of the incentive scheme recommendations was suggested.
- An ETREG member flagged that their organisation had received push back from a couple of network parties with blanket statement that they will not attend RP investigations without police presence, irrespective of whether there has been any aggression on site. These organisations are looking to safeguard their employees. It was suggested that the forum could look at ways of working and how industry parties can collaborate with each other to minimise pulling on the stretched resources of the police.

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- It was suggested that the topic of warrants issues, discussed earlier in the meeting, could be raised at the forum, looking at it from the perspective or whether there could be more insight and guidance on this area.

8.3. It was flagged to ETREG members that presenters can be invited from outside the energy industry if the relevant knowledge is held elsewhere. For example, seeking a legal steer on the impact of new online safety legislation on tackling social media posts on energy theft.

8.4. It was agreed that a new section should be added to the ETREG Miro board to capture any additional topic suggestions for the Energy Theft Forum.

Action 09/06: In regard to the next Energy Theft Forum, ETREG members to use the Miro board to share suggested agenda topics.

9. Forward Agenda

9.1. Proposed topics for future meetings of the ETREG were displayed on screen and attendees were invited to suggest topics for future ETREG meetings. No comments were raised.

10. AOB

10.1. It was explained that the Stay Energy Safe Website is being upgraded to improve the functionality. ETREG members were advised that a link to an online survey on the upgrade would be circulated after the meeting, with responses sought by 6 February 2024. Attendees were encouraged to respond.

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