RECCo Energy Theft Forum
Meeting Minutes

Forum No.	04
Date	4 December 2024
Location	Teams

1. Welcome and Introductions

1.1. The Chair welcomed attendees to the December 2024 RECCo Energy Theft Forum.

2. Ofgem Update

2.1. A representative from Ofgem attended the forum to provide an update on Ofgem's activities around energy theft. The presentation started with an overview of Ofgem's recent activities, noting that Ofgem:

- Published an open letter in December 2023 highlighting Supplier obligations and performance in relation to theft;
- Acknowledges its role in raising the awareness of the dangers of energy theft and, to this end, has contributed to news items and engaged with media on the topic; and
- Issued a Request for Information (RFI) to market participants on the topic of energy theft.

2.2. A summary of the RFI responses was shared, with points highlighted including:

- Smart Meter Alerts: use of smart data can support in theft lead generation alongside other data sources, however, Suppliers noted to Ofgem that they are yet to find a solid combination of alerts to help identify theft effectively.
- Training and Resource: Suppliers have seen improvements after providing in-depth training and onsite mentoring of staff.
- Challenges: the biggest challenge reported in RFI responses is the spreading of disinformation by criminal groups, teaching people how to avoid and delay detection and bar entry, leading to increased costs, time and resource to address energy theft.

2.3. Attendees were invited to use a whiteboard to share their views with Ofgem. The questions asked and responses provided via the whiteboard are provided in Appendix A. Points raised included:

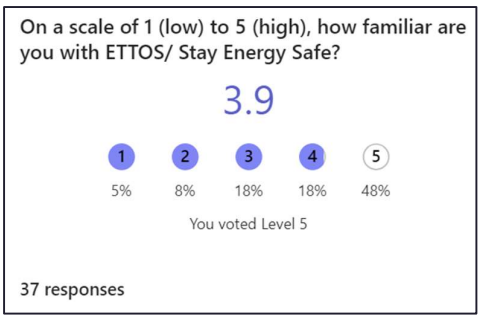
- A significant challenge is police engagement. It was noted that RECCo's exploration of establishing a dedicated police unit has potential to address this area.
- There would be value in ensuring DNOs take photographs of tampered meters prior to making safe, so that there is evidence to confirm the theft.
- Increasing Electric Vehicle (EV) uptake has potential to drive more EV related theft.

2.4. Attendees were thanked for their feedback and encouraged to send further questions or queries directly to Ofgem.

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3. The Energy Theft Tip-Off Service (ETTOS)

3.1. A representative from Crimestoppers presented on the ETTOS. To help guide the level of background information provided, the presentation commenced with a poll seeking attendees level of knowledge on the ETTOS/Stay Energy Safe service. The poll results were as follows:



3.2. The Crimestoppers representative noted the responses to the poll and provided a brief overview of the Energy Theft Tip-Off Service, noting it is also known as "Stay Energy Safe" which is the brand name used for marketing purposes.

Time Critical Process

3.3. The process for dealing with time critical information was then discussed. It was explained that a report is deemed time critical if it includes information that suggests a safety concern that requires a time critical response, with examples including sparking, signs of overheating, melting and smell of gas.

3.4. Where a time critical tip-off is received, there is a two pronged process, firstly the DNO emergency number or gas emergency number will be called immediately, so that the Distributor / Gas Transporter can be advised of the address where the meter is and take action to ensure the meter is safe. Secondly, the full energy theft report will also be sent to the relevant Supplier via email as standard, this will generally be within an hour or two or receiving the information.

Disclosure

3.5. The Crimestoppers representative then discussed disclosure of information received via the ETTOS. It was stressed that following the disclosure rules is important with regards to protecting Crimestoppers charity and those who provide them with tip-offs. Information received from Crimestoppers is for use by the recipient and anyone who works with them (e.g. employees and volunteers). However, the reports, their contents and their source (i.e. Crimestoppers) should never be shared with anyone not involved in the identification of energy theft.

3.6. An example was given of an incident where a report (which had also been shared with the police directly) was forwarded on to the police seeking their support and naming Crimestoppers as the source. It was highlighted to attendees that they should never share the source of the tip-off including with the police, and even in cases where they know the police have received the same tip-off. An example email that could be used to seek police support, that makes no reference to Crimestoppers, was shared on screen.

3.7. Attendees were also reminded that where required to make a disclosure by law, they should notify Crimestoppers. This is to ensure Crimestoppers can work with them to ensure that the charity and the person who contacted Crimestoppers are not put at risk.

Two-Way Communication

3.8. The next topic presented on was two-way communication. It was explained that in August a new look Stay Energy Safe website was launched. As part of this functionality from the

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Crimestoppers online form was replicated on the Stay Energy Safe form. This enables those submitting tip-offs to receive a login reference number which they can use to log in to the Stay Energy Safe confidentially and receive further questions from the recipient of the report.

3.9. It was explained to attendees that for reports where you see 'Online Two-way', it means you can ask the person who contacted Crimestoppers or Stay Energy Safe (ETTOS) further questions to help with your investigation. It was noted that it is recommended that questions be asked as soon as possible to give the best chance of receiving a reply, as it is reliant on the person logging back in.

3.10. The process for asking questions was explained, noting that questions should be sent to a specific email address with the Information Source Reference (ISR) quoted. It was cautioned that the original report should not be attached.

4. Q&A Session

4.1. Attendees were invited raise any questions they may have. The following points were discussed:

- One attendee queried whether when a Crimestoppers report is received that indicates other crimes (such as energy theft has been reported and the address is known to be drug dealing and known to have weapons) would that information be passed to the police? In response, it was confirmed that it would be dual disseminated to the police and this gives opportunity to approach the police and (without naming Crimestoppers as the source) seeking to work with them. The person who raised the query noted that they are finding that when they do reach out to the police, the police do not have a record of the tip-off and queried whether the police reference number could be shared. In response, it was noted that as reports are dual disseminated, there would not be a reference number to share at the point of passing on the report.
- It was noted that the two-way communication tool has been popular, with high uptake from those making reports.
- An attendee queried whether there could be a way to share when a case is closed, explaining that they hear from organisations, such as landlords and housing associations, that when they make a report they don't know when it has been closed and thus, they can go back to the property. If there could be a way to say this is now closed, that would benefit them. In response it was noted that new technology being explored to enable direct communication between informants which would facilitate telling them that the matter is closed, then the end user would know that the matter has been dealt with.
- Another attendee explained that they had received direct contact from somebody who had made a tip-off via ETTOS. Due to making direct contact, the person is no longer anonymous and they have provided more information each time they have made contact. In response, the Crimestoppers representative noted that some people are coy or nervous about sharing initially and call centre agents can find that the more you get a rapport with someone the more likely they are to share, and the better they understand what the recipient of the tip-off needs to know. Hopefully the two-way tool will help in this area.

5. Theft Issues Group

5.1. An overview was provided on the work of the Theft Issues Group (TIG), noting that the TIG was formed in April and has approximately 30 to 40 attendees each month. The purpose of the group is to refine solutions to matters related to theft taking forward items raised initially under the Energy Theft Reduction Expert Group (ETREG). It was explained that TIG attendees are asked to actively provide feedback and input into the issues raised at the meetings.

5.2. It was highlighted that anyone can raise an issue for the group to assess and develop. It was also flagged that for those not able to directly attend the meetings, they can keep track of activities via the Theft Issues Group Meeting documentation on the REC Portal.

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5.3. An overview was provided of the issues under consideration by the group, namely:

- **R0163 - Theft Detection Incentive Scheme (TDIS) Reporting Periods:** currently out for Consultation, closing on 18 December. This REC CP seeks to amend the TDIS reporting periods to quarterly (they are currently annual).
- **R0173 - Improvements to the Theft Detection Incentive Scheme (TDIS):** approved by Change Panel and due to be issued to the authority for final determination. This REC CP seeks to provide an incentive payment for investigations completed (currently incentive payments are limited to confirmed thefts).
- **I0174 - Mandating Energy Theft Tip-Off Service (ETTOS) Follow Up:** currently on hold awaiting on the R0173 outcome. This issue looks to require that for every ETTOS lead that is passed out to Suppliers, there would be a corresponding item in the TDIS file stating that it had been investigated.
- **I0175 - Introducing a Reasonable Endeavours Scheme within the REC:** currently at the Assessment stage looking at the scope. The scheme will be designed to complement the existing TDIS by targeting complex or high-cost energy theft investigations that are inadequately compensated under the TDIS framework.
- **I0176 - Creation of an Energy Theft Detection and Resolution Body:** currently under Assessment. This issue aims to create a new energy theft service provider to ensure consistent standards of investigation and good quality of data across GB.
- **I0187 - Schedule 8 Review and Best Practice Guidance Development Scope:** currently within the definition phase. The issue aims to review Schedule 8 (Unbilled Energy Code of Practice). Forum attendees were invited to share their feedback and any difficulties they experience with Schedule 8 or suggestions for improvements via enquiries@recmanager.co.uk.
- **I0212 - Protecting Crimestoppers and their Contacts**: currently in Assessment. This issue has been raised with the aim of adding clarity around how the ETTOS information is shared with Energy Suppliers, DNOs, GNOs, Transporters and their RPS Agents to ensure the anonymity of source is maintained.
- **I0225 - Clarification on TDIS portfolio transfers on sale:** currently in Assessment**.** This issue aims to add clarity around the transfer of theft targets on portfolio sale in Schedule 7 (Energy Theft Reduction).

5.4. The details for energy theft contacts within the Code manager were shared on screen, should attendees wish to reach out regarding any theft related Changes or Issues. It was also noted that should attendees wish to be added to TIG distribution list, they can email committees@recmanager.co.uk.

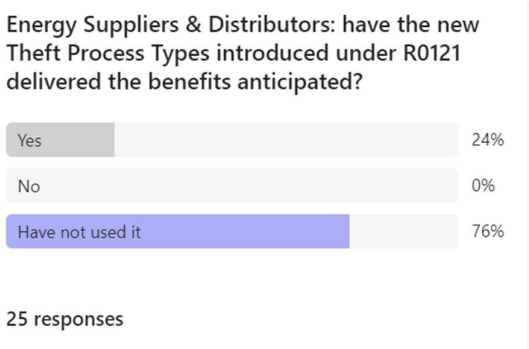
6. Secure Data Exchange Portal (SDEP)

6.1. It was explained that the SDEP enables energy Suppliers and electricity Networks to exchange consumer personal data securely, to facilitate resolving specific queries. In August 2024, R0121 (SDEP Review Improvements – Process Types) was implemented and this introduced a number of new use cases, including for theft. Energy Suppliers and DNOs may now raise SDEP queries in relation to energy theft via the SDEP using Market Messages PT0075 Theft General Query (Elec) and PT0076 Theft General Query (Gas).

6.2. It was highlighted that currently Gas Networks do not have access to SDEP. R0162 has been raised to facilitate access. This is currently on hold due to the impact of the MHHS change freeze.

6.3. Supplier and Distributor attendees were invited to complete a poll on R0121, as follows:

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6.4. Attendees were invited to share if there is anything further they would like REC to do to support theft communications between REC Parties. No comments were received.

7. Police Partnership

7.1. A representative from RECCo presented on the outline business case to establish a funded police unit, noting that whilst the proposal references City of London Police, the proposal would be GB wide, with City of London Police having national coverage.

7.2. It was highlighted that a driver of the proposal is the cost of theft to GB consumers, with the Theft Estimation Methodology (TEM) estimating energy theft to be £457 - £760 million per year, or £27 per bill-paying consumer (adjusted for Q4 2024 prices).

7.3. It was noted that there is a systemic and organised element to energy theft and industry efforts to prevent and investigate theft are being hindered by difficulty engaging police and securing their support for prosecutions, with limited police resources and competing priorities.

7.4. It was explained that through its Energy Theft Reduction Strategy, RECCo is aiming to tackle theft from three directions, namely prevent, detect and respond. It was suggested that, at present, the risks of being caught and the perceived consequences are low, giving a poor deterrent.

7.5. A summary was provided of the proposal noting that a dedicated police unit would be funded, similar to the approach taken by the insurance industry. The scheme would be for a three-year period to see how effective it proves to be. There would then be industry consultation to determine what happens at the end of that three-year period. The cost of funding the police unit is about £1.6 million per annum.

7.6. In order to give the energy theft unit the best possible chance of success, it is proposed that a small team be set up in RECCo to support the industry in optimising the referrals to the police force; pull in data to add value to the referrals; and ensure that they are of a high quality to maximise chance of success. This might, for example, include standardising online data capture and triaging referrals so that the police have a manageable number of referrals which are selected based on a prioritisation criteria agreed with industry. It is anticipated that this unit will be staffed with three to four people, with a budget of £300,000 per year for staff and systems.

7.7. Attendees were encouraged to respond to a survey on the outline business case, sharing their views on it. It was noted that the closing date was 6 December 2024. The results of the survey will feed into the RECCo 25/26 budget planning. Subject to industry support, the intent is to raise a REC CP that will set out the provisions for the unit and referral service.

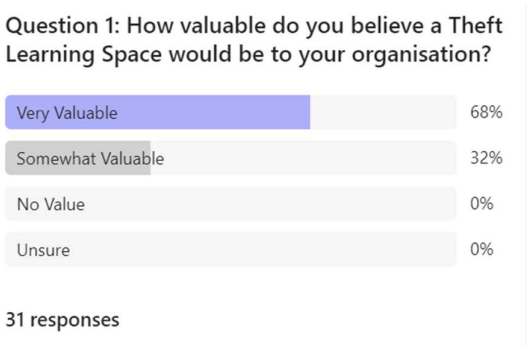
8. Theft Learning Space

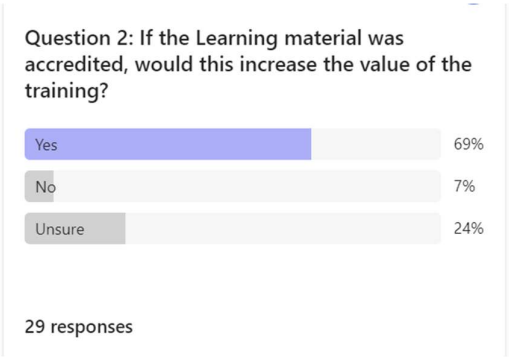
8.1. It was explained that RECCo has been running a number of confidential 1-2-1s with market participants to support them with their theft processes. Following on from this, RECCo is exploring the idea of providing a Theft Learning Space. This would help address potential knowledge gaps,

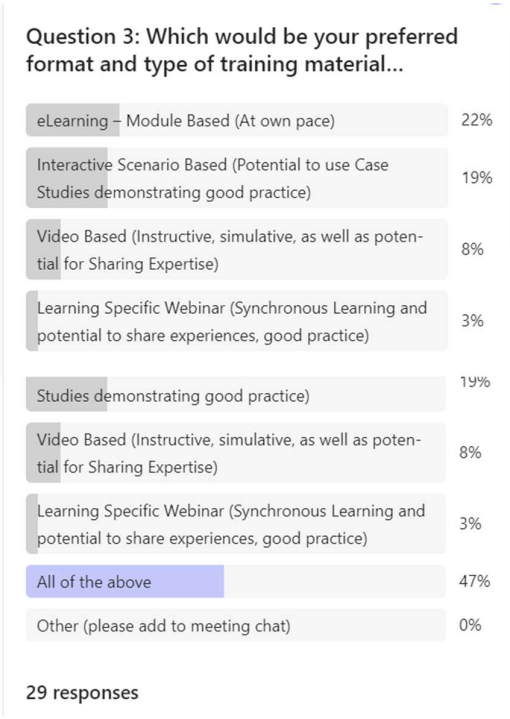
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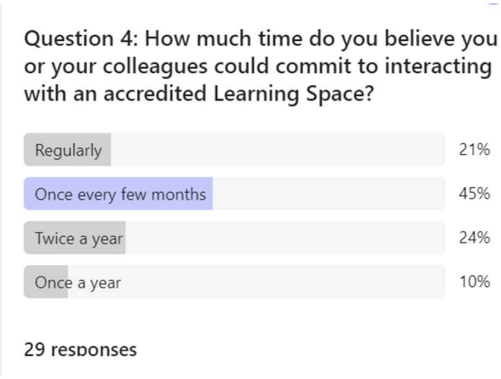
such as for new market participants and focus on common topics that have come up via the 1-2-1 sessions.

8.2. Attendees were invited to complete a series of polls on the potential for RECCo to provide a Theft Learning Space. The questions asked, and the responses received, were follows:









8.3. Attendees were thanked for sharing their feedback and it was noted this will feed into the next steps for the Theft Learning Space proposal.

9. Theft Data Portal (Detertech)

9.1. It was explained that RECCo has been working with DeterTech to deliver a Theft Data Portal. The portal contains data inputs from TDIS, ETTOS and PaySites. Exploration is underway on potential to add additional data items in such as Theft in Conveyance, crime data and Theft percentage by population.

9.2. The key benefits of the portal are the heatmaps, the trend analysis and the potential to use the insight for targeted safety campaign marketing. For the funded police unit and referral service, the portal could become a mechanism to support analysis and evidence gathering.

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9.3. It was noted that a number of industry participants have been given access to the portal to trial and provide valuable feedback and insights to improve functionality and benefits. Attendees were invited to contact Theft@retailenergycode.co.uk if they too would like access to trial the Theft Portal.

10. Theft Detection Incentive Scheme (TDIS) Update

10.1. An update was provided on the TDIS by the REC Code Manager, with the following topics discussed.

23/24 Outturn

10.2. Charts showing the number of confirmed thefts over previous scheme years were shared with attendees. It was highlighted that by far the highest number of thefts reported were for electricity domestic premises. There has been an upward trend in thefts detected over the previous three years and in 2023/24, 53% of the target was achieved.

24/25 Update

10.3. It was noted that we are about half-way through the 24/25 TDIS scheme year. Charts were shared with attendees showing current confirmed theft levels. It was noted that a big change for the current scheme year is that the domestic pot has been split between smart and non-smart meters. In terms of confirmed thefts in both electricity and gas, there are more thefts being reported for non-smart meters than for smart meters. Investigation data suggests that non-smart meters are more likely to be investigated. It was flagged that this is a live year, so the numbers may move around as the year progresses.

10.4. Engagement with the scheme was then considered, with a chart showing that just under half of Parties have submitted a confirmed theft and a further 22% have submitted investigations. It was also flagged that number of Parties are attempting to submit data but their numbers are not included due to data submission issues, which are currently being worked through.

10.5. Attendees were reminded to make sure to include the data in the 1341 theft format, as some files are still being received using the older format that doesn't include the new "segment" field. It was highlighted that the TDIS dashboard provides details on thefts processed for the year, including those that have been accepted and rejected. For example, ones with the date range outside of the current year will be rejected, as they cannot be accepted in the current scheme year.

Domestic Premises Indicator (DPI) Derogation

10.6. It was noted that an adjustment was required to last year's TDIS market share data, due to known issues in the Domestic Premises Indicator data in the Central Switching Service (CSS). The issues are still outstanding, as such as similar derogation will be applied this year. Supplier Parties can let the REC Manager know if they believe there is an error in their portfolio split based on the DPI. In terms of how this will work:

- The Code Manager will share the market share data extracted from CSS (targeted by 8 January 2025);
- Parties who believe an adjustment is required because the data is not an accurate reflection of their portfolio will have an opportunity to flag this by 7 February. This should be accompanied by a declaration regarding the accuracy of the data provided.

10.7. It was noted that responses should ideally be provided by MPID and must be provided at a Party level if MPID splits are not possible. In addition, the submission can only adjust the number of meters split between domestic / non-domestic, no change in the overall number of registered meters can be made.

10.8. It was highlighted that there is no need to take action if you only hold one Licence not both Domestic and Non-Domestic, as the portfolio is assumed to be in line with the Licence.

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R0173 (Improvements to the Theft Detection Incentive Scheme)

10.9. An overview was given of the impacts of R0173, noting that under the change (if approved by Ofgem) there will be an update to the file submission format, with a new field added for the ETTOS reference, theft investigation type and fuel type, plus removal of unnecessary fields.

10.10. The new reporting will apply for April 2025, and the TDIS dashboards will be updated accordingly.

10.11. It was flagged that increased performance assurance is anticipated over the 2025/2026 year. For instance, sample testing under which the pack that is retained evidencing the confirmed theft will be requested.

Theft Target Methodology (TTM)

10.12. It was explained that there is a requirement to review the TTM each year. A call for evidence closed in November and analysis is now underway, which will feed in proposed updated TTMs for Category 3 consultation.

10.13. The consultation is expected to be issued following the 16 December Performance Assurance Board (PAB) meeting, with a response deadline of 24 January 2025.

10.14. It was highlighted that the changes are expected to be relatively limited, and include:

- Some adjustments to the Theft Detection Value (TDV), based on information from call for evidence and consideration of inflation; and
- Adjustment to Smart/Non-Smart target split based on current market data.

11. REC Portal User Experience Updates

11.1. It was explained that changes have been made to the REC Portal based on feedback, to make it more user friendly. A demonstration was given of the updated REC Portal, focusing on the theft elements, including:

- It was highlighted that the news section of the home page is now more frequently updated and can include theft related updates.
- The Change Proposal section has been updated to improve search results, making it quicker and easier to search for, for instance, theft related changes.
- It was explained how to navigate to the Theft Reduction Hub. It was noted that access to the hub must be approved by the REC Code Manager and, if forum attendees do not have access to the hub, then they can reach out to the REC Service Desk to request access.
- Finally, it was highlighted that the performance assurance area has been updated to make the styling simpler and highlight the organisations each portal user is associated with. It was noted that where you see padlocks (e.g. on the SLA Dashboard) this means that you do not have access to these areas. It was explained that attendees can discuss what they should and should not have access to with their Operational Account Manager (OAM) and the REC Service Desk team can update access levels where required.

11.2. The demonstration concluded by noting that all feedback on the REC Portal is welcome. There is a feedback form on the portal itself or feedback can be sent to the REC Service Desk (enquiries@recmanager.co.uk).

12. Successes and Challenges

12.1. Attendees were invited to share their successes and challenges, with the points raised as follows.

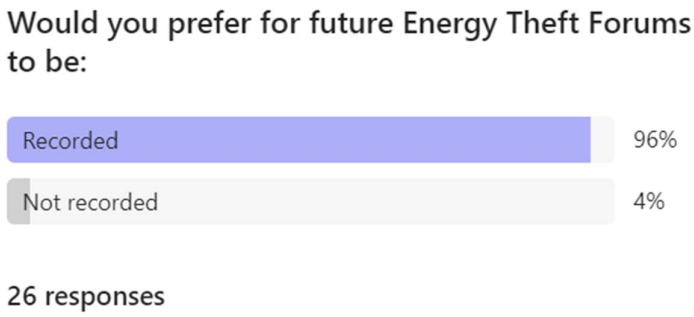
- TDIS engagement has been positive, which leads to more detections and premises made safe.

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- RECCo has had positive engagement with the City of London Police and positive engagement from industry on the outline business case for a funded police unit.
- It was noted that the smart meter data testing is moving well, with quality data received. RECCo is now ready to move towards back testing of this data against confirmed thefts.
- An attendee queried where to find how the performance related charges made to Suppliers in relation to theft cases are applied. In response, it was noted that the TDIS debits and credits are set out in the REC Energy Theft Reduction Schedule, which sets out how the TDIS works. It was noted that if anyone has specific questions and would like to have a direct conversation, this can be set up via the REC Service Desk.
- Another attendee highlighted that they had had a 50% conversion rate (400 completed leads) on terminal cover removed smart alerts followed by zero consumption. They are now working on reduced consumption rather than zero.

13. AOB

13.1. Attendees were invited to complete a poll on whether they had a preference for Theft Forums to be recorded and shared online or not recorded. The results of the poll were as follows, with a strong preference for recorded:



13.2. An attendee suggested that if there was the ability to submit questions anonymously that may help those uncomfortable with being recorded. It was noted that confidential 1-2-1 theft SME sessions are currently being organised by RECCo, should anyone wish to discuss a theft related matter outside of the forum.

13.3. A follow up question was raised as to whether recordings should be in the public domain or limited to those approved to access the recordings. Respondents agreed that the preferred location would be on a webpage where access is limited to those with appropriate approval.

14. Close

14.1. The Chair thanked attendees for joining the meeting.

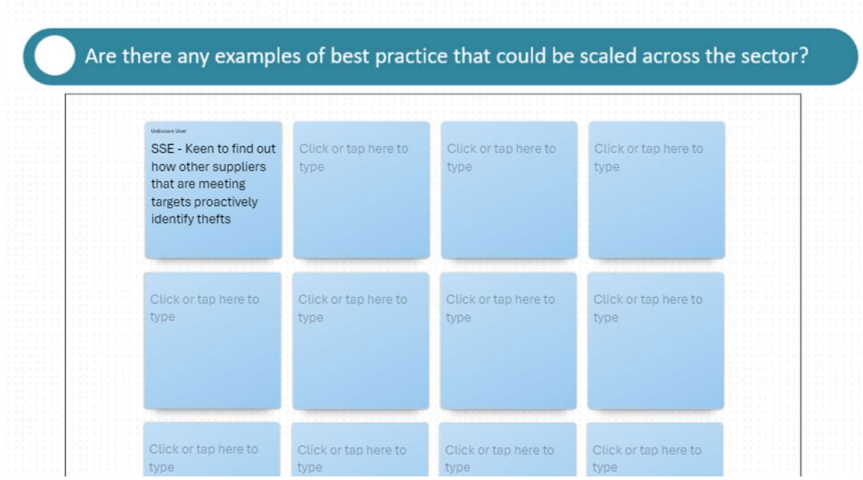
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Appendix A – Ofgem White Board Exercise





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