RECCo Energy Theft Forum
Meeting Minutes

Forum No.	02
Date	29 November 2023
Location	Teams

1. Welcome and Introductions

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

2. Stay Energy Safe Partner Material

2.1. A brief overview of Crimestoppers was provided, explaining that Crimestoppers are an independent charity that guarantees 100% anonymity to anyone who contacts them with tip-offs of suspected crime. It was explained that Crimestoppers provides the Energy Theft Tip-Off Service (ETTOS) through which suspicions of energy theft can be reported. The consumer facing brand of the ETTOS is Stay Energy Safe.

2.2. It was noted that the ETTOS Partner Portal on the Stay Energy Safe website (www.stayenergysafe.co.uk) has recently been refreshed with a new look. This portal is a one stop shop that gives industry marketing participants access to assets, at no extra cost, to help them promote Stay Energy Safe tip-off service (0800 023 2777), and also to highlight the dangers of energy theft. It was explained that to obtain access to the partner material, energy market participants can email theft@retailenergycode.co.uk to request log in details.

2.3. The importance of working together to promote the Stay Energy Safe service was highlighted to attendees. It was noted that by creating an energy theft page on their own organisations' websites, it is a great way to educate and deter energy theft. Copy which can be pasted on to market participants' websites can be obtained from the Stay Energy Safe Partner Portal.

2.4. A summary of the number of reports of suspected thefts received via energy sector websites was provided, highlighting the success of these sites in driving tip-offs.

2.5. Attendees were encouraged to utilise the material made available via the Partner Portal.

2.6. In response to a question, it was noted that there is not currently any material available that is email signature friendly. An action was taken to prepare this.

Action 02/01: ETTOS Service Provider to add email friendly material to the Stay Energy Safe Partner Portal.

2.7. At the end of the presentation, attendees were invited to complete the following poll on use of the ETTOS partner material:

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3. Energy Theft Portal

3.1. A representative from DeterTech presented on their crime intelligence unit, explaining that the unit analyses crime data and provides threat data, intelligence alerts and threat assessments.

3.2. It was noted that DeterTech will be starting to provide intelligence alerts associated with energy theft, developing an Energy Theft Portal on behalf of RECCo. Some examples of non-energy theft dashboards were shared, and it was explained that work is underway to develop similar look dashboards for data on energy theft which will be provided via the Energy Theft Portal. Theft investigation and other relevant data from RECCo will be supplemented with DeterTech held data, to derive the energy theft insight that will be made available via the new portal.

3.3. It was explained that criminals tend not to focus on just one crime type. By pulling data together, it is possible to gain insight on the types of theft occurring, including organised crime, and linkage to energy theft.

3.4. It was noted that DeterTech is in the early stages of working with RECCo to develop the Energy Theft Portal. Once ready, the portal will be available for use to identify hotspots and drill into regions and identify where the largest risk is. Reports will be provided alongside the portal, providing additional insight.

4. Theft End to End Process Maps

4.1. It was explained that as part of its Energy Theft Strategy, RECCo initiated a project to map end to end processes that may have an impact on theft. In addition to mapping the existing processes, the project identified gaps in processes and obligations and set out its findings and recommendations in a report.

4.2. It was explained that the maps are available via the Energy Theft Reduction Hub. The maps are available as resource for parties within the industry to aid in understanding their obligations and core processes, plus how these fit within the wider industry theft processes.

4.3. It was noted that the gaps identified during the mapping process broadly fell into three categories:

- Awareness/Incentives
- Monitoring/Reporting
- Obligations/Responsibilities

4.4. The conclusions from the project reconfirmed how complex energy theft is and found that there is no individual gap that likely contributes to a significant volume of energy theft.

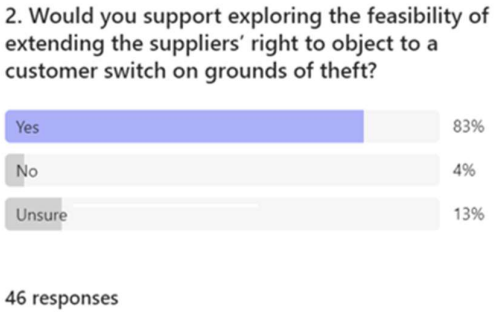
4.5. In response to recommendations set out in the end to end process mapping report, it was explained that RECCo will be publishing a detailed follow up providing a view on how each of the 22 recommendations set out in the report will be taken forward.

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4.6. It was highlighted that some of the recommendations are outside the remit of REC, for example, around settlement, and thus discussions will need to be held with other industry bodies to take action in relation to these.

4.7. It was explained that another of the recommendations was around objections to customer switches. Concern was expressed that customers can switch to another supplier if they come under suspicion of theft, which makes it difficult to pursue an investigation to completion. It was noted that Ofgem previously consulted on permitting objections to switching, which saw some concerns established, such as how the objection could be made timebound.

4.8. It was explained that RECCo will be meeting with Ofgem shortly where this topic will be discussed. To aid in this discussion, attendees were invited to complete a poll sharing their views. The results were as follows:



5. Energy Theft Reduction Hub

5.1. Attendees were encouraged to visit the Energy Theft Reduction Hub on the REC Portal, where material associated with energy theft can be found.

5.2. It was noted that to access the page users will need to set up a REC Portal account and request access to the hub via the REC Service Desk (enquiries@recmanager.co.uk).

6. Q&A Session

6.1. Attendees were invited to raise any questions they may have. The following points were discussed.

6.2. One attendee asked where they could report knowledge of a gang offering meter tampers, querying whether DeterTech would be the appropriate organisation. In response, another attendee explained that they had experienced a similar instance and reported it to the police via the UKRPA. The police advised that they needed a victim before they could support, as people talking about committing a crime is not sufficient.

6.3. It was suggested that the supplier could potentially search through their portfolio to find examples of theft associated with the gang (e.g. drops in consumption). It was noted in response, that all that can be seen is names on a web forum, there is no way to identify the associated addresses. It was noted that this is clearly an illegal business, and a process needs to be developed to enable situations such as this to be addressed.

6.4. Another attendee explained that they too had dealings with the same group, and they too were told that unless there was a victim there was nothing the police could do. The police put them in touch with Action Fraud, but victims do need to be found.

6.5. The raising attendees were asked to reach out to RECCo after the meeting to share more information on the case.

Action 02/02: Forum participants to share information with RECCo on the illegal business offering meter tampers that were raised during the forum.

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6.6. Another attendee questioned whether the Theft Portal would be available just for suppliers, or distributors too. In response, it was explained that there is no volume restriction on the number of accounts that can be provided, and distributors will be able to utilise the portal too. It was confirmed that the Portal is expected to capture and track instances of theft in conveyance, as well as at the supply point.

7. RECCo Theft Reduction Programme Update

7.1. An overview was provided on the activities being undertaken via the RECCo Theft Reduction Programme, noting that many of the initiatives being undertaken through the programme were identified during the Theft Accelerated Solutions Event (ASE) held in November 2022. It was highlighted that activities delivered thus far included:

- Creation of the Energy Theft Hub on the REC portal
- Changes to the Energy Theft Detection Incentive scheme (TDIS)
- Creation of the Energy theft Reduction Expert Group (ETREG) and the REC Theft Forum
- Review of the end to end theft processes

7.2. Details were provided of the activities in flight, noting that activities have been grouped under five workstreams, namely, Industry Collaboration; Awareness; Data; Incentive Schemes; and Enforcement.

7.3. The programme plan was shared on screen. It was noted that underway at present is the procurement of the ETTOS marketing provider, and Theft Target methodology changes.

7.4. It was explained that there are a number of ways to stay informed on progress of the Strategy, namely:

- ETREG papers are available via the ETREG page on the REC portal
- Key documents are made available on the Energy Theft Reduction Hub
- Initiative updates are also shared via a number of routes, such as the REC weekly bulletins, the RECCo website, RECCo newsletters and LinkedIn.

7.5. Attendees were encouraged to sign up to the REC bulletins and RECCo newsletter to receive updates on bigger items, such as when projects complete. For more regular updates, see the ETREG papers.

8. Theft Intelligence Reporting

8.1. It was explained a pilot has commenced monitoring social media posts for intelligence on energy theft, known as the "Theft Monitoring Service". The aim is that the service will aid in collaboration across the industry.

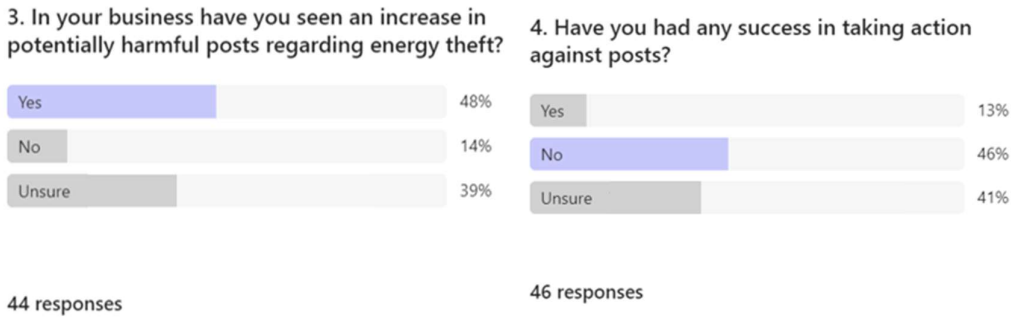
8.2. It was noted that the service is delivered via weekly reports, on findings from intelligence gathered from multiple platforms, including blogs, the dark web and social media. The reports are being shared with, and will be developed in collaboration with, the Energy Theft Reduction Expert Group.

8.3. The benefits to the intelligence include understanding new ways in which people may start tampering; protecting reputations and enabling the delivery of counter narratives to combat mis-information.

8.4. An overview of trends observed within the data was shared, showing intelligence breakdown by source. This showed which mediums were more active in energy theft activities.

8.5. Attendees were invited to complete the following polls:

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8.6. Attendees who have had success in getting harmful web content removed were encouraged to share their learnings with RECCo via theft@retailenergycode.co.uk, so that RECCo can socialise the learning.

Action 02/03: Attendees who have had success in getting harmful web content removed to share learnings with RECCo via theft@retailenergycode.co.uk, so that RECCo can share these learnings with industry.

9. Online Safety Bill

9.1. It was noted that the Online Safety Bill came into effect on 26 October 2023 and gives new powers around tackling illegal content online. There is the potential that the Act could be helpful in combating illegal content associated with energy theft, such as that highlighted by the Theft Monitoring Service.

9.2. It was explained that RECCo is engaging with lawyers to establish whether instances of harmful content (such as people trying to sell meter bypasses, or encouraging people not to pay their bill due to reasons such as the magna carter) could be classed as illegal content, and whether the Online Safety Act would provide new powers to take down such posts.

9.3. Attendees were invited to complete the following poll:



9.4. Following the poll, attendees were invited to share responses to the following questions:

- Question 1: What else would you like to see RECCo do in relation to this act (e.g. guidance, training material, further legal advice, etc...)?
- Question 2: Do you believe that there is merit in exploring a central body taking responsibility for seeking to have posts promoting energy theft removed?

9.5. In relation to question 1, no answers were received. With regards to question 2, the following points were raised:

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- A representative from the UKPRA noted that the organisation would be pleased to work with RECCo in getting these types of posts removed.
- Another attendee suggested that it would be useful if there was a template script that could be used to report posts. One ideally signed off from a legal perspective, that industry can simply copy and paste when reporting illegal content.
- Another attendee noted that addressing posts on an individual basis has limited reach, however, having a wider view of all the posts and the scale and impact of these would bring value.

10. Theft Awareness Project

10.1. A summary was provided by Frog (part of Capgemini Invent), of a recently completed project on the levels of energy theft awareness within industry and the public. The project brief was to drive a systemic change to driving down energy theft, by raising awareness and action. The project gathered both quantitative and qualitative insight from industry and energy consumers, using this to derive insight on energy theft.

10.2. Examples of the insights gained through the data gathered during the project, included:

- Apathy: while people might be aware of a theft, they don't want to report it where they don't see it as their problem. This potentially means they're not willing to invest the time and effort in reporting crime. The challenge is how that mindset can be changed.
- Personal Danger: while people might be aware and want to report theft, they are fearful of repercussions from those they perceive as threatening, like intimidating neighbours.
- Empathy: some are reluctant to take action against the vulnerable and those they care for. They see those people as the victims of the industry and the cost of living crisis.
- Judgement: despite the care for the vulnerable, consumers are still outraged and angry by those committing energy theft, and are willing to tip off the theft 'spreaders', those paid to tamper with meters and those who teach energy theft, as well as small businesses who are stealing.

10.3. In terms of next steps, using the insights gathered through the project, a strategy is being developed that is a response to the challenges within the insights.

11. Use of Smart Meter Data

11.1. A representative from the DCC presented on the role of smart meter data in detecting energy theft. It was noted that there are a number of ways that data from smart meters can aid in detecting energy theft, namely:

- Reconciliation: the granular level consumption data from smart meters allows for a thorough comparison between actual consumption and expected patterns. Such a comparison can pinpoint unusual usage that could suggest theft.
- Irregular patters: irregular and anomalous consumption patterns that might indicate tampering can be detected.
- Remote Monitoring and Alerts: suppliers can receive alerts of potential tampering or unusual activity without the need for on-site meter readings.
- Improved Accuracy: the high accuracy of smart meters can aid in identifying billing errors and rule out theft.

11.2. It was noted that a key element in utilising smart meter data is to ensure compliance with all relevant legal and data protection requirements. Another important aspect is consumer consent and transparency.

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11.3. It was noted that preparation is underway for a proof-of-concept project to investigate the link between historical smart meter tamper alerts and proven theft events, using machine learning. It was highlighted that all the data that will be used during the proof of concept will be anonymised.

12. Theft Detection Incentive Scheme

12.1. The REC Code Manager presented on the Theft Detection Incentive Scheme (TDIS) explaining that the key goal is to counter the inherent disincentive for suppliers to investigate and report energy theft.

12.2. An overview was provided of the TDIS process, noting that theft targets are provided to Suppliers ahead of the start of each scheme year, following the close of the scheme year, debits and credit payments will be made based on performance against the targets.

12.3. The theft reporting timelines, were presented, noting that targets are assigned in February, with the reporting year starting in April and ending the following March. The final submissions of confirmed thefts for the period should be submitted by May, with debits and credits then calculated in June.

12.4. A recap was provided on how the debits and credits are calculated, noting that a Supplier's debit/credit performance is dependent on the performance of others in the same pot. Each incentive pot has its own total and operates independently of the other pots.

13. Ofgem Update on Energy Theft

13.1. A representative from Ofgem explained that Ofgem recently issued an open letter on energy theft and industry's performance against existing obligations. There is a concern around the cost of energy theft to consumers and Ofgem would like to see a downwards trend here.

13.2. It was explained that Ofgem has also been engaging with individual suppliers to understand what they are doing in regard to energy theft. Furthermore, Ofgem is in the early stages of shaping resource to monitor this area on an ongoing basis.

14. Energy Theft Warrants Update

14.1. A representative from the City of London Police joined the forum to give an update on advice provided at the June 2023 Energy Theft Forum on use of warrants.

14.2. It was explained that following a letter received from Cadent Gas highlighting the issue of energy theft, all chief constables were written to, explaining the challenges of energy theft from the perspectives of threat, harm and risk.

14.3. The City of London police has also been seeking legal advice on use of warrants. It was noted that this advice suggests that police cannot force entry under warrants granted to energy companies. There are other provisions under which they can force entry, namely:

- where there is risk to life - the advice in relation to this is that risk to life needs to be imminent, i.e., there is a high threshold for forcing entry under this provision.
- breach of the peace - police do have power of entry to prevent a breach of the peace, for example, they could force entry to prevent a resident threatening harm to an energy worker who has already entered in the property.

14.4. It was noted that if police are called to an address where the resident is obstructing the energy company from entry, that is a summary only offence, which does not give police power of entry.

14.5. Guidance is being produced to help police forces to overcome challenges in this area. However, it was observed that the legislation is relatively old, and is unique to each situation. Potentially changes to legislation are needed to enable the energy industry and police to better address issues.

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15. Q&A Session

15.1. Attendees were given the opportunity to ask questions of the presenters. The following points were raised:

- In response to a question as to how accurate the smart alerts are, it was noted that it depends on the codes themselves, for example, a strong magnetic field code is more likely to indicate theft than a cover lifted warning.
- It was queried who the smart meter data is being shared with for the proof-of-concept work. In response, it was noted that it is in the planning stage to share the data, with the intent to share it with RECCo.
- It was asked if the DCC can track energy consumption that does not pass through the meter? In response, it was confirmed that the DCC cannot, in addition, the DCC cannot see the energy consumption as this goes directly to the supplier.
- It was questioned whether we are nearer to solving smart meter communication issues. In response, it was noted that work is underway towards resolving these issues, with updates to the firm ware coming through.
- It queried why high usage anomalies in smart meter consumption would be useful to know about from a theft perspective. In response, it was explained that a spike in energy usage could indicate somebody experiencing theft against them or a potential billing issue.
- An attendee noted that when they had raised theft investigations off the back of smart alerts they had not had success in finding energy theft, due to the over sensitivity of the alarms. In response, the representative from the DCC explained that this area is being looked at and discussions are being held with meter manufacturers about the sensitivity of the alerts.
- In relation to the TDIS, it was questioned how the domestic meter split is calculated. By way of explanation, the following example calculation was given:
    - If there were targets of 1500 Smart, 1000 non Smart, the normal total would be 2500 =(1500+1000). Normal splits would be 54% smart, 46% non-smart
    - If we apply a reduced weighting to smart. Smart weighting is 60% and non-Smart is 100%. That means every 1 smart target is worth 0.6.
    - To apply this via a formula we need to find a new weighted total. This would be 1900 = (1500*0.6) + 1000, instead of 2500
    - Then recalculate the split % against the new weighted total. Smart 47.37% = (1500*0.6) / 1900 and Non smart 52.63% = (1000 *1) / 1900
    - Apply the new weighted splits to the original total. Smart 1184 = 47.37% * 2500 and Non smart 1316 = 52.63% * 2500
    - Now smart has a new target of 1184 rather than 1500. And non smart is 1316 rather than 1000. So smart has reduced and non smart has increased.
- It was queried whether there is any guidance on what information can and cannot be shared across industry parties in regards to energy theft. As an example, it was noted that earlier in the forum, there had been a discussion around customers under suspicion of theft moving before an investigation could be completed. If we are not at the stage of proven theft, is there any guidance around what information suppliers are legally allowed to share? In response, it was noted that this is not available at present but an action was taken by RECCo to look at whether this can be put in place.

Action 02/04: RECCo to explore whether guidance can be put in place around what information suppliers are legally allowed to share. For example, where a customer under suspicion of theft changes Supplier before the stage of proven theft, can this be shared with the new Supplier.

- The City of London Police Representative was asked their view on what might be a future issue surrounding energy theft that we aren't currently experiencing and/or discussing. In response, it was noted that there is a question as to whether energy theft might be expected to continue at current levels, or might energy prices and, consequently levels of theft, potentially drop back down.

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If it is expected to continue, then potentially the current approach to addressing theft needs to be amended to give industry parties better ability to deal with matters themselves. For example, providing some police powers to organisations, so that they can deal with their own issues rather than needing to call the police.

- Another attendee flagged that they have experienced challenges where there have been multiple offences of energy theft, with breaches of peace. They have found, at times, that requesting police assistance is quite difficult but as a supplier they are stuck at stalemate as the field officers won't attend on personal safety grounds unless they get police support to prevent any possible issue (given the known history). However, the police have said they won't go out unless a breach of peace has been committed. In response, it was noted that there will always be situations where there will be a need for police support.

16. Close

16.1. The Chair thanked attendees for joining the event. A request was made for discussion topics for the next energy theft forum to be sent to technicalenquiries@recmanager.co.uk.

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