

SCHEDULE XX – REVENUE PROTECTION CODE OF PRACTICE

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1 INTERPRETING THIS DOCUMENT

- 1.1 This Code of Practice is a Schedule to the Distribution Connection and Use of System Agreement (the **DCUSA**) established under the licences of the Distributors.
- 1.2 The Distributors and the Suppliers are obliged (by Clause 32 of the DCUSA) to either:
- (a) comply with the respective obligations of Distributors and Suppliers under this Code of Practice; or
 - (b) procure that external Revenue Protection Agents comply with their respective obligations as Distributors and Suppliers under this Code of Practice.
- 1.3 A Distributor may act as a Supplier's external Revenue Protection Agent pursuant to Clause 32.3 of the DCUSA, in which case the Distributor's obligation (in its capacity as the Supplier's Revenue Protection Agent) is to meet the obligations of the Supplier under this Code of Practice (and to otherwise perform the role of the Supplier's Revenue Protection Agent under this Code of Practice).
- 1.4 A Party may contract with an external Revenue Protection Agent outside of the DCUSA. Such a Party may do so by referring (or otherwise given effect) to the obligations of such Party under this Code of Practice. In such circumstances, the external Revenue Protection Agent's obligation is to meet the obligations of the Party (whether as Distributor or Supplier) under this Code of Practice (and to otherwise perform the role of that Party's Revenue Protection Agent under this Code of Practice).
- 1.5 This document is generally divided into sections headed "**OBLIGATIONS**", "**BEST PRACTICE**" and "**REFERENCES**", which are to be interpreted as follows:
- (a) sections marked "**OBLIGATIONS**" detail actions which must be taken by the relevant Party. Failure to take these actions constitutes a breach of this Code of Practice (and therefore of the DCUSA or of the other agreement by which this Code of Practice is given effect);
 - (b) sections marked "**BEST PRACTICE**" set out a suggested course of action for

achieving the Obligations. They confer no obligation, and Parties may choose whether they follow the course of action set out or another course of action entirely. They are therefore provided for information only and denote one way in which the Obligations may be achieved; and

- (c) sections marked “**REFERENCES**” provide information on requirements outside of this Code of Practice that are relevant to its subject matter. Failure to adhere to any of the requirements described is not a breach of this Code of Practice itself, but may lead to a Party being in breach of their obligations elsewhere. They are provided for information only. All of the appendices to this Code of Practice are intended as “References”.

1.6 Some sections of this Code of Practice are not marked as “Obligations”, “Best Practice” or “References”. These sections do not confer any obligation on the Parties, but are included so as to support and provide context to the Obligations (and the Obligations should be read accordingly).

1.7 Any reference to days, months, years throughout this document should be interpreted as calendar days, calendar months and calendar years unless otherwise stated.

2 DEFINITIONS

2.1 In this Code of Practice, and without prejudice to the provisions of paragraph 2.2, the following words or expressions shall have the meanings set out opposite them.

Disconnect	means to disconnect a premises as referred to in the Electricity Act, and includes ‘De-energisation’ (as defined in Clause 1 of the DCUSA).
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Distributor	means a holder of a distribution licence under the Electricity Act (and, in respect of Theft in Conveyance from a Premises, is the owner and/or operator of the Distribution System to which such Premises are connected).
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Electricity Act	means the Electricity Act 1989.
Party	means the Distributor or the Supplier.
Perpetrator	means the person who has committed the Theft of Electricity.
Premises	includes any land, building or structure.
Relevant Costs	has the meaning given to that expression in Clause 3.3(b).
Revenue Protection Agent	means a person undertaking any of the revenue protection activities described in this Code of Practice on behalf of a Party (whether as an internal or external provider)
Supplier	means a holder of a supply licence under the Electricity Act (and, in respect of Theft of Electricity for use at a Premises, is the electricity supplier Registered for the Metering Point or Metering System relating to the supply of electricity to those Premises).
Theft in Conveyance	means the abstraction of electricity (regardless of where such abstraction takes place) for use otherwise than at a Premises for which there is a Metering Point or Metering System that is Registered by a Supplier.
Theft of Electricity	includes (but is not limited to) Theft in Conveyance, the circumstances described in paragraph 4 of schedule 6 to the Electricity Act, and the circumstances described in paragraph 11 of schedule 7 to the Electricity Act.
Value	means, in respect of stolen electricity, the amount which could reasonably be expected to have been payable for the electricity had it been supplied under a deemed supply contract.
Vulnerable Customer	means a Customer who is (or who lives at the Premises with another occupant who is) of Pensionable Age (as defined in the Supply Licences) or disabled or

chronically sick.

- 2.2 Any other words or expressions used in this Code of Practice (excluding headings or any parts thereof) which bear initial capital letters are to be interpreted in accordance with Clause 1 of the DCUSA.

3 INTRODUCTION

Objectives of the Code

- 3.1 This Code of Practice outlines the relationships between Distributors and Suppliers in respect of Theft of Electricity. It sets out the minimum service standards that Distributors and Suppliers require from their Revenue Protection Agents. It documents how Parties should communicate with one another where Theft of Electricity is suspected and/or identified. It also specifies how unrecorded units of electricity arising as a result of Theft of Electricity are to be assessed and how they should be recorded. The Code describes how Parties shall deal with Customers who are suspected of, or are identified as having undertaken, Theft of Electricity in order to ensure consistency of treatment between Parties and their appointed agents.
- 3.2 This Code of Practice does not deal with:
- (a) theft or fraud other than Theft of Electricity;
 - (b) the recovery of bad debts;
 - (c) the abstraction of electricity beyond the point at which it is recorded for Settlement purposes under the BSC (either from networks that are not owned and/or operated by Distributors or from a Customer Installation), and such abstraction shall not constitute Theft of Electricity.

High Level Principles

3.3 Working within the statutory and regulatory framework, the following principles have been identified:

- (a) **Make safe.** Where any activities are undertaken in accordance with this Code of Practice safety is paramount.
- (b) **Costs should be borne by those that steal.** Parties should use reasonable endeavours to pursue the Perpetrator, and to recover from the Perpetrator (or other beneficiary) the Value of the electricity stolen, the costs of repairing or replacing any equipment as a result of the Theft of Electricity (including any equipment installed to prevent Theft of Electricity) and the costs of any associated investigation (such Value and costs together being the “**Relevant Costs**”).
- (c) **Seek to identify and prevent theft.** Parties should ensure that effective measures are in place to prevent and deter Theft of Electricity.
- (d) **Collect and report trend data.** Trend data and management information relating to types of Theft of Electricity should be shared throughout the industry in a standard format.
- (e) **Collect and report data associated to the Theft of Electricity.** Data relating to the Theft of Electricity should be shared throughout the industry in a standard format. Once data is collected, it is important that it is then collated in to usable reports and provided back to the industry.
- (f) **Enable theft reporting.** Parties should have mechanisms in place to enable any third party to report suspected Theft of Electricity.
- (g) **Ensure that Customers are treated in an appropriate manner.** It is recommended that Parties should adopt industry best practice for the management of Customer relationships, and in particular the needs of Vulnerable Customers.
- (h) **Investigation by competent individuals.** Theft of Electricity should only be

investigated by a person possessing appropriate skill, experience and authorisation.

- (i) **Standardisation.** Minimum standards should be established for the delivery of a Revenue Protection Service and create a common approach to the treatment of Customers and of Perpetrators.

4 RESPONSIBILITIES OF PARTIES

OBLIGATION

The Distributor shall investigate and resolve all cases of Theft in Conveyance. Where such theft is identified, the Distributor shall seek to recover the Relevant Costs from the Perpetrator.

The Supplier shall investigate and resolve all cases of Theft of Electricity other than Theft in Conveyance. Where theft is identified, the Supplier shall seek to recover the Relevant Costs from the Perpetrator, and shall (to the extent possible under the BSC) arrange for the stolen electricity to be entered into Settlement.

Where there is Theft of Electricity and the Customer Installation is unsafe, the Supplier or its agent shall notify the Distributor in a prompt and appropriate manner, of the unsafe situation and any actions taken.

Suppliers and Distributors shall (and shall ensure that their agents shall) act on reports made to them regarding Theft of Electricity for which they have responsibility in accordance with this Code of Practice, and take the appropriate steps required of them in respect of such Theft of Electricity (whether required of them under this Code of Practice, the Relevant Instruments or general laws).

BEST PRACTICE

Distributor

The Distributor should cooperate with Suppliers to identify and prevent Theft of Electricity.

The Distributor should aim to educate the public, staff and the community about the dangers of interference with meters and electrical equipment, and the need to report any suspected or damaged equipment to the responsible Party.

Supplier

The Supplier should cooperate with Distributor to identify and prevent Theft of Electricity.

The Supplier should aim to educate the public, staff and the community about the dangers of interference with meters and electrical equipment, and the need to report any suspected or damaged equipment to the responsible Party.

The Supplier's approach to making a police complaint (or not) in respect of Theft of Electricity, shall be detailed in the Supplier's revenue protection policy.

The Supplier's right (whether statutory or contractual) to Disconnect a Premises at which Theft of Electricity has occurred is at the discretion of the Supplier, and the Supplier's approach should be detailed in the Supplier's revenue protection policy.

The Supplier should keep the Perpetrator and the Customer for the relevant Premises informed as to whether the Relevant Costs shall be recovered.

REFERENCE

The Distributor has the right to Disconnect a Premises under paragraph 5 or 6(2) of schedule 6 to the Electricity Act.

The Supplier has the right to Disconnect a Premises under paragraph 5 or 6(3) of schedule 6 to the Electricity Act, or paragraph 11 of schedule 7 to the Electricity Act.

The Electricity Safety, Quality and Continuity Regulations 2002 (including regulation 29), the Connection Agreement for the Connected Installation, and Clauses 25 and 41 of the DCUSA set out the rights and obligations of Distributors in respect of Disconnections (including Clause 25.9.2 in situations where safety is at risk and Clause 25.9.4 where an accident or emergency threatens personal

injury or damage to property).

See Appendices 1 and 2 to this Code of Practice for further information.

5 INFORMATION SOURCES

OBLIGATION

Parties shall have an appropriate reporting process in place to enable individuals to inform them of suspected interference. This should include a telephone number for reporting such information, which should be widely publicised.

BEST PRACTICE

Suppliers should monitor Customer data and identify trends in Customer behaviour which enable them to proactively investigate and prevent Theft of Electricity.

Each Party should instruct its Revenue Protection Agents to proactively undertake cold calls on such Party's behalf as a means of deterring Theft of Electricity for which such Party is responsible.

6 INFORMATION EXCHANGE BETWEEN PARTIES

6.1 Provision of Information from Distributors to Suppliers

OBLIGATION

Where the Distributor is providing information to the Supplier (or other equipment owner) in accordance with standard licence condition 27.3 of the Distribution Licence, the Distributor shall provide such information not later than the next Working Day after becoming aware of the same.

When the Distributor carries out Disconnection on the grounds of safety due to damage or interference arising as a result of Theft of Electricity, the Distributor shall inform the Supplier of such Disconnection as soon as reasonably practicable (especially where Vulnerable Customers are affected),

and in all cases not later than the next Working Day following such Disconnection.

If the Distributor (or its Revenue Protection Agent) becomes aware of any suspected or actual incidence of Theft of Electricity which is not Theft in Conveyance, the Distributor shall ensure that the Supplier is notified of such incidence and provided with all relevant information known to the Distributor (or its Revenue Protection Agent) promptly and in all cases not later than the next Working Day after becoming aware of the same. Neither the Distributor (nor its Revenue Protection Agent) shall undertake any future visits or attempt to remedy the situation unless requested and authorised by the Supplier.

REFERENCE

Standard licence condition 27.3 of the Distribution Licence obliges Distributors to notify the Supplier (or relevant equipment owner) where the Distributor has reason to believe that there has been damage to any electrical plant or electric line or damage to or interference with any metering equipment belonging to such person.

Clause 25.10 of the DCUSA obliges the Distributor to notify the Supplier as soon as is reasonably practicable (and no later than the end of the next Working Day when MPAS is available) when the Metering Point or Metering System has been De-Energised if any of the circumstances specified in clause 25.9 apply (which include safety, security and interference issues amongst others).

Clause 30.12 of the DCUSA obliges the Distributor to notify the Supplier in a prompt and appropriate manner where the Distributor carries out any remedial work in relation to damage or interference.

6.2 Provision of information by Suppliers to Distributors

OBLIGATION

Where the Supplier is providing information to the Distributor under Clause 30.5 and/or 30.9 of the DCUSA in respect of incidents arising as a result of Theft of Electricity, the Supplier shall provide such

information not later than the next Working Day after becoming aware of the same.

REFERENCE

Clause 30.5 of the DCUSA obliges the Supplier to notify the Distributor of an incident that is likely to cause danger or require urgent attention in relation to the distribution of electricity, or to affect the security, availability and quality of service of the Distributor's Distribution System.

Clause 30.9 of the DCUSA obliges the Supplier to notify the Distributor of incidents of damage or interference.

Clause 30.11 of the DCUSA obliges the Supplier to notify the Distributor of its policy relating to damage or interference, which may include substitution of alternative meters, the provision of prepayment meters or De-energisation Works.

6.3 Provision of Information by the Supplier to its Revenue Protection Agent

OBLIGATION

The Supplier shall provide its Revenue Protection Agent with the relevant information required for investigation of a case (where known), including: Customer name; address; MPAN, reason for suspicion; any known or suspected vulnerability status; or any known or suspected potential hazards.

BEST PRACTICE

Category A issues should be notified by telephone followed by the DTC Data Flow D0238.

Category B and C issues should be notified by the DTC Data Flow D0238.

Where the investigation is initiated by telephone this should be followed up by the DTC Data Flow D0238.

Section 7.2 of this Code of Practice defines Category A, B and C issues, and sets out the timescales

applicable to each.

6.4 Provision of information by a Revenue Protection Agent to the Supplier

OBLIGATION

Provision of Information regarding Theft of Electricity (other than Theft in Conveyance) to a Supplier to whom the Revenue Protection Agent does not provide a service

The Supplier by whom the Revenue Protection Agent was appointed shall ensure that any safety issues that have been identified are appropriately dealt with, and that the Revenue Protection Agent informs the relevant Supplier of the situation as soon as is reasonably practical (and not later than the next Working Day after becoming aware of the same). The Supplier shall then evaluate the situation and initiate the appropriate action, which may be instructing its own Revenue Protection Agent to investigate the matter in accordance with section 7.2 below (Priorities and Timescales).

Provision of Information regarding Theft of Electricity (other than Theft in Conveyance) to a Supplier to whom the Revenue Protection Agent is providing a service

The Revenue Protection Agent shall prepare (on behalf of the Supplier) a report regarding the incident and send it to the Supplier giving relevant information as soon as is reasonably practical and not later than the next Working Day after the investigation is completed. Where the Supplier's Revenue Protection Agent has carried out a Disconnection, the Revenue Protection Agent shall notify the Supplier immediately and advise the method of Disconnection, and whether the Customer is a Vulnerable Customer.

BEST PRACTICE

Appendix 5 contains a list of the information items which a Revenue Protection Agent should provide to the Supplier.

6.5 Provision of information by a Revenue Protection Agent to the Distributor

OBLIGATION

Provision of Information regarding Theft in Conveyance to a Distributor to whom the Revenue Protection Agent does not provide a service

The Distributor by whom the Revenue Protection Agent was appointed shall ensure that any safety issues that have been identified are appropriately dealt with, and that the Revenue Protection Agent informs the relevant Distributor of the incident as soon as is reasonably practical (and not later than the next Working Day after becoming aware of the same).

Provision of Information regarding Theft in Conveyance to a Distributor to whom the Revenue Protection Agent is providing a service

The Revenue Protection Agent shall prepare (on behalf of the Distributor) a report regarding the incident and send it to the Distributor giving relevant information as soon as is reasonably practical and not later than the next Working Day after the investigation is completed.

6.6 Provision of Information by the Distributor to its Revenue Protection Agent

OBLIGATION

A Distributor shall provide its Revenue Protection Agent with the relevant information required for investigation of a case (where known), including: Customer name; address; MPAN, reason for suspicion; any known vulnerability status; or any known potential hazards.

The Distributor shall also ensure that the Revenue Protection Agent is provided with up-to-date contact details that can be given to the Customer during a site visit.

[REFERENCE]

An instruction to investigate the matter from the Distributor to its Revenue Protection Agent will be given in accordance with section 7.2 below (Priorities and Timescales).

The Distributor may Disconnect on safety grounds in accordance with section 17 of the Electricity Act 1989 and/or The Electricity Safety, Quality and Continuity Regulations 2002.]

6.7 Exchange of information between Suppliers

BEST PRACTICE

In the event of a change of Supplier part way through a live Theft of Electricity investigation, the outgoing Supplier should endeavour to provide the incoming Supplier with information relevant to that investigation.

6.8 Data Protection Requirements

BEST PRACTICE

Any information transfer pursuant to this Code Of Practice should be made in compliance with relevant data protection legislation, and the relevant Party's data protection policies and procedures. Guidance on a list of data items which Parties can potentially transfer between themselves is set out in section 1.1.1 of the Privacy Impact Assessment produced in respect of this Code Of Practice and available via www.dcusa.co.uk.

7 PROCEDURES FOR INVESTIGATION

7.1 Process to be followed

A diagram showing the process to be followed is attached at Appendix 8.

7.2 Priorities and Timescales

OBLIGATION

Category	On receipt of information Parties must assess whether or not there is a serious
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Determination	safety concern.		
	Category A	Category B	Category C
Description	Serious safety concern.	Evidence of Theft of Electricity, but no particular safety concern.	Information giving cause for suspicion that Theft of Electricity is taking (or has taken) place.
Likely source of information	Employees and third parties who have gained access to the Premises.	Employees and third parties who have gained access to the Premises.	Employees and third parties who have not gained access to the Premises.
Action to be taken	<p>Distributor to be notified by Supplier if there is a dangerous situation the Distributor needs to rectify.</p> <p>Supplier to notify its Revenue Protection Agent on the day the issue is brought to Supplier's attention.</p> <p>Where possible, Supplier's Revenue Protection Agent to attend the Premises at same time as Distributor (where applicable).</p>	<p>Supplier to screen the information received and, where further action is needed, refer case to its Revenue Protection Agent as soon as reasonably practical.</p>	<p>Supplier to screen the information received and, where further action is needed, refer case to its Revenue Protection Agent as soon as reasonably practical.</p>
Response Times	Supplier's Revenue Protection Agent to use reasonable endeavours to visit the Premises at the same time as the	Supplier's Revenue Protection Agent to visit the Premises within 20 Working Days, and resolve within 40	Supplier's Revenue Protection Agent to visit the Premises within 30 Working Days, and to resolve within 90

	Distributor (where applicable) and in any event within 8 hours, and resolve within 20 Working Days.	Working Days.	Working Days.
Examples	Bridge in place. Consumer Tails removed from Meter and inserted into cut out. Meter smashed, inner workings exposed. <i>In all the above, the supply would need still to be on for it to be a serious safety concern.</i>	Silver paper around meter (gas lighter used). Hole in meter casing. Burn marks on wall behind meter.	Discrepancies and data anomalies. Low payments. Low consumption. Comments made by Customer that give rise to suspicion.

In the absence of allocation of priority by the Supplier, or where the information is not through the normal notification procedure, the Revenue Protection Agent shall allocate priority in discussion with the Supplier. The Revenue Protection Agent may suggest a re-allocation of the priority but this must be confirmed with the Supplier.

For the purposes of this section 7.2:

- “visit” means use reasonable endeavours to gain access to the Premises; and
- “resolve” means gain access to the Premises, investigate and take action in appropriate timescales, but does not include assessment of unrecorded units (which shall be carried out as soon as reasonably practicable) nor the provision of any optional services.

The time periods shall commence once the Revenue Protection Agent has received instruction to visit. It is acknowledged that longer timescales shall have to apply where access to a Premises is delayed by circumstances outside of the Supplier’s control (including where a warrant is needed to obtain access).

REFERENCE

The rights and obligations of Distributors in respect of Disconnections are set out in the “Reference” section of section 4 above.

Sections 9 and 10 of this Code of Practice provide further information regarding visits and investigations.

8 QUALIFICATION OF STAFF

OBLIGATION

Each Party shall ensure that its Revenue Protection Agents employ individuals possessing skill, experience, qualification and authorisation appropriate to the task they are undertaking.

REFERENCE

Condition 13 of the Supply Licence sets out the requirements for a Supplier’s representative to possess the skills necessary to perform the required function.

Condition 9 of the Distribution Licence sets out the requirements for a Distributor’s representative to possess the skills necessary to perform the required function.

Clause 25 of the DCUSA requires individuals undertaking De-energisation or Re-energisation to be approved and competent in accordance with Schedule 5 to the DCUSA.

The Parties have obligations with respect to compliance with the Meter Operator Code of Practice under Clause 27 of the DCUSA.

9 VISIT PROCEDURE/GAINING ENTRY

BEST PRACTICE

Investigative visits

Each Party should (where required to investigate) ensure that its Revenue Protection Agent visits the Premises without prior notification, provides appropriate identification for themselves and states on whose behalf they are calling, and requests entry to inspect the Premises. Circumstances, as determined by the nature of the report and/or known local factors, should determine how many staff are involved and whether police accompaniment may be requested (for instance if a breach of the peace is considered likely).

Care should be taken when recording what is said by the Customer or others present at the Premises, especially where a Vulnerable Customer has been identified. In particular:

- Care should be taken in the treatment of people who have a visual impairment, hearing impairment, physical or learning disabilities, a mental health condition or are under 18 years of age. Such persons should not be interviewed alone - if necessary an 'appropriate adult' should be present.
- Where, as part of any contact with the Customer, it is identified that the Customer has difficulty (or claims to have difficulty) in understanding English, an interpreter may be required. Parties should establish policy guidance for staff for such situations and ensure that they are aware of this guidance. Where it is identified that the Customer is a user of British Sign Language, Parties should make all reasonable efforts to communicate with the Customer through the use of sign language, or alternatively in writing.

On leaving a Premises, when contact with the Customer has been made, the Revenue Protection Agent should leave a letter at the Premises as set out in section 14 below.

Need for a Warrant

Where access to the Premises has not been gained after reasonable attempts have been made, the Party

should seek to obtain a warrant to enter the Premises.

REFERENCE

Warrants to enter Premises are granted under the Rights of Entry (Gas and Electricity Boards) Act 1954 and pursuant to schedule 6 of the Electricity Act (see paragraphs 8 and 10).

10 VISIT PREPARATION

BEST PRACTICE

Parties and their agents should gather and consider all the relevant information required for the investigation prior to attending a Premises.

The nature of the information obtained may indicate that a warrant should be obtained in advance to facilitate access to the Premises.

Where all relevant information is not available to a Party in advance of a visit, it shall be the responsibility of the Party to attempt to obtain such information during or subsequent to the visit.

11 CONDUCT OF INVESTIGATIONS

OBLIGATION

In this section “Relevant Offence” means Theft of Electricity that amounts to an offence under schedule 6 or schedule 7 to the Electricity Act, and “Statutory Powers” means a Party’s powers under schedule 6 or schedule 7 to the Electricity Act to Disconnect and/or remove a meter as a result of a Relevant Offence.

Each Party shall ensure that:

- its Statutory Powers are only exercised where it (or its Revenue Protection Agent) reasonably

believes that there is sufficient evidence to prove (on the balance of probabilities) that a Relevant Offence has been committed;

- its Statutory Powers are only exercised where it (or its Revenue Protection Agent) reasonably believes that there is sufficient evidence to prove (on the balance of probabilities) that the Relevant Offence was committed by the current occupier (or owner) of the Premises; and
- neither it (nor its Revenue Protection Agent) misleads Customers about the scope of the Party's Statutory Powers.

12 COLLECTION AND RETENTION OF EVIDENCE (TO INCLUDE HANDLING OF CASE MATERIALS)

OBLIGATION

Where a Distributor (or its Revenue Protection Agent) suspects that Theft in Conveyance has occurred, that Party (or such agent) shall collect and retain such evidence as it reasonably considers necessary to demonstrate that Theft in Conveyance has occurred.

Where a Supplier (or its Revenue Protection Agent) suspects that that Theft of Electricity (other than Theft in Conveyance) has occurred, that Party (or such agent) shall collect and retain such evidence as it reasonably considers necessary to demonstrate that such Theft of Electricity has occurred.

Each Party shall clearly explain to the Customer the reason why evidence is being collected and the basis on which the Party is acting.

BEST PRACTICE

No inference should be made that the Customer is the Perpetrator.

Best practice for the collection and retention of evidence is further described in Appendix 3.

REFERENCE

Section 14 of this Code of Practice sets out the information which should be left with the Customer during a visit to a Premises.

Schedule 6 paragraph 6, and schedule 7 paragraph 11 of the Electricity Act set out the authorisations that need to be sought before disposing of or destroying meters that have been removed on suspicion of Theft of Electricity.

Condition 12 of the Supply Licences obliges the Supplier to take all reasonable steps to inspect meters every 2 years.

The standard of proof for criminal prosecution is proof beyond reasonable doubt. However, a lower standard (on the balance of probabilities) is sufficient for the responsible Party to bring civil proceedings to recover the Relevant Costs.

13 TREATMENT OF VULNERABLE CUSTOMERS

OBLIGATION

Each Party shall use reasonable endeavours to safeguard the personal welfare of Vulnerable Customers in respect of the activities set out in this Code of Practice.

If a Customer account is flagged as being on the 'Priority Services Register', this shall be notified to the Revenue Protection Agents so that (if Theft of Electricity is suspected or confirmed) appropriate actions are taken. Any additional 'vulnerable person flags' shall be notified to the Revenue Protection Agents and the Revenue Protection Agents shall have regard to the Supplier's Revenue Protection Policy when investigating Theft of Electricity.

Each Party shall take reasonable steps to ascertain who in the household might be a Vulnerable Customer, and then make a judgement regarding the action that needs to be taken in the light of this information.

BEST PRACTICE

In many cases, a prepayment meter may need to be installed and in some cases alternative means of collecting charges may be considered by the Supplier.

If there is repeated Theft of Electricity, there may be no alternative other than to Disconnect the supply.

REFERENCE

Condition 10 of the Distribution Licences and Condition 26 of the Supply Licences oblige Distributors and Suppliers (respectively) to have regard to the interests of individuals who are blind partially sighted, deaf or hearing impaired, disabled, chronically sick or of pensionable age. This includes establishing and maintaining a 'Priority Services Register'.

In addition, most Suppliers have 'vulnerable person flags' on customer accounts.

14 INFORMATION TO CUSTOMERS

OBLIGATION

On arrival at the Premises, the Revenue Protection Agent shall inform the Customer of the Party which the Revenue Protection Agent is representing, and act in accordance with that Party's policy on site attendance.

On leaving the Premises, the Revenue Protection Agent shall leave the following information for the Customer:

- the contact details for the Party which the Revenue Protection Agent is representing;
- the outcome of the visit (e.g. sufficient evidence of Theft of Electricity has occurred, and whether or not there has been a Disconnection);
- a statement explaining the statutory basis for any action taken (i.e. specific reference to legislation);
- who the Customer needs to contact in order to get their supply re-instated (where relevant);
- what the Customer can expect next / what they should do (e.g. contact the Supplier/Distributor, await to hear from the Supplier/Distributor etc);
- what the Customer should do if they are unhappy with the outcome (e.g. contact the Supplier/Distributor in the first instance, and other options available under the Supplier's/Distributor's normal redress processes);
- informing the Customer that if they are not able to resolve the issue with the Supplier/Distributor in 8 weeks they can contact the energy ombudsman scheme; and
- contact details for further independent sources of help and advice (e.g. Consumer Focus; Consumer Direct; Citizen's Advice Bureau; Social Services).
- Parties shall ensure that the responsible Party is informed as appropriate as to the Relevant

Costs to be recovered from the Perpetrator in relation to Theft of Electricity; and

- Customers are informed, following a make safe, Disconnection of who to contact in order to find out how to get the supply reinstated.

Where a Customer is not present at the Premises, written documentation shall be left at the Premises in a sealed and addressed envelope.

Where it is not possible for a Party or its agent to leave the written information, as described above, with the Customer on leaving the Premises, this must be done so as soon as possible thereafter.

15 OUTCOME OF INVESTIGATION

15.1 Theft of Electricity suspected but not confirmed

BEST PRACTICE

Following an investigation, where Theft of Electricity is suspected but cannot be confirmed, there are a number of actions which may be taken. These include:

- exchange of the meter;
- fitting of security measures e.g. anti tamper labels;
- revisits; and
- consumption monitoring.

Where investigation has recovered no evidence of Theft of Electricity, and Theft of Electricity is no longer suspected, the investigation should be closed and no further action should be taken.

15.2 Theft of Electricity Confirmed

OBLIGATION

Where Theft of Electricity is confirmed, Parties shall seek to identify the Perpetrator. In most cases the Customer shall be the Perpetrator, but this may not be the case.

Where Theft of Electricity is confirmed, appropriate steps shall be undertaken to stop the Theft of Electricity continuing.

BEST PRACTICE

Where Theft of Electricity has been confirmed, appropriate steps undertaken to remedy the situation may include one or more of the following:

- Disconnection;
- exchange of meter;
- assessment of Value of unrecorded units, and of Relevant Costs;
- assessment of the ability of the Perpetrator (or other beneficiary) to pay the Relevant Costs;
- using reasonable efforts to receive the Relevant Costs from the Perpetrator (or other beneficiary);
- prosecution of the Perpetrator; and
- request of a security deposit against future supply.

Where the meter installation has been physically tampered with and rectification work is necessary, this should be undertaken as soon as reasonable practicable. It may be necessary to temporarily de-energise supply pending the completion of remedial works.

Parties should make reasonable efforts to identify the person against whom charges should be levied. Wherever possible the assessment of charges should be completed on site with the aim of agreeing the

assessment with the Customer or their representative. The aim should be to secure payments on site. Where this is not possible, an interim assessment of unrecorded units and charges should be completed and the final assessment completed and issued to the Perpetrator (or other beneficiary).

15.3 Assessment of Unrecorded Units

OBLIGATION

Each Party must ensure that the assessment of unrecorded units, following confirmation of Theft of Electricity, is carried out in a systematic, reasonable, consistent and transparent way.

BEST PRACTICE

No one single method is necessarily appropriate in all cases, but it is recommended that Parties follow the order as set out in Appendix 7 to this Code of Practice.

15.4 Remediating the matter

BEST PRACTICE

Providing it is safe to do so, each Party (and its Revenue Protection Agent) should consider all available options for the maintenance of supply, including fitting a prepayment meter and payment by instalments.

In determining the Relevant Costs, Parties should only seek to recover their direct and reasonably foreseeable costs associated with a particular incident. Such costs should not be a penalty but could, for example include the specific investigation costs associated with determining that a Theft of Electricity has taken place or a genuine pre-estimate of the loss incurred by the Party.

REFERENCE

Following Disconnection of a Premises pursuant to paragraph 6 of schedule 6 to the Electricity Act, the Distributor or Supplier (as applicable) is only obliged to restore the supply where the Perpetrator is no longer in occupation or the Theft of Electricity has been remedied.

Appendix 2 provides commentary on the interpretation of when the Consumer has remedied the matter.

15.5 Negotiation of Payment: Determining the Relevant Costs

BEST PRACTICE

Relevant Costs may include the Value of electricity taken, the cost of remedial work, the cost of damage to equipment and the cost of investigation. Invoices should take into account statutory requirements in regards to VAT, Climate Change Levy and bill presentation.

REFERENCE

Distributors have the ability (in accordance with Schedule 6, paragraph 4 of the Act) to bill the consumer for the Value of electricity taken.

15.6 Demand for Payment of Relevant Costs

BEST PRACTICE

Where a Supplier or Distributor has the process to safely take payment at a Premises and the Perpetrator (or other beneficiary) is in agreement, then monies can be taken and receipted on site. Where this is not possible, taking into account Consumers' ability to pay, Parties should seek to agree terms for payment arrangements at the earliest opportunity.

This information should allow the Party to complete the assessment and come to an agreement with the

Perpetrator (or other beneficiary) as to the best method of recovering any outstanding Relevant Costs.

15.7 Assess ability to pay and agree payment arrangements

OBLIGATION

Parties shall ensure that where a debt in respect of Relevant Costs arises, the following shall apply:

- they have appropriate credit management policies and guidelines, including clear guidance and training for staff;
- they allow for debtors to be dealt with on a case-by-case basis; and
- they put in place appropriate controls to ensure that staff incentives do not drive inappropriate behaviour.

BEST PRACTICE

Parties should:

- make it easy for debtors to raise concerns;
- proactively explore payment amount and appropriate payment methods;
- set repayment rates taking into account ability to pay;
- ensure all available information is obtained and taken into consideration, including the Perpetrator's (or other beneficiary's) circumstances identified on the visit;
- ensure the debtor understands the arrangement which shall include: how much they are repaying each week; when the debt shall be repaid; and what to do if they experience difficulties;(for pre-payment meter Customers) explain how the debt shall be recovered e.g. regardless of usage for time based debt recovery; and

- monitor arrangements after they have been set up (e.g. broken or failed arrangements to understand whether inappropriate rates are being set).

The OFT has also issued guidance for debt collectors on how to deal fairly with debtors. It is expected that Parties shall take due note of the OFT guidance as part of their contractual or policy arrangements (or both) with debt collection agencies.

REFERENCE

Suppliers are obliged under Condition 27 of the Supply Licences to take all reasonable steps to ascertain the Customer's ability to pay and to take this into account when calculating instalments.

15.8 Disconnection for safety reasons

BEST PRACTICE

A Party should not (and should ensure that its Revenue Protection Agents do not) Disconnect a Premises where to do so would Disconnect other Premises that are not associated with the Theft of Electricity incident unless there is a serious safety concern.

Where a Party Disconnects a Premises, it should be clear and record on what authority it is exercising its powers.

REFERENCE

See section 11 of this Code of Practice in respect of Disconnections made in reliance on statutory powers relating directly to an offence under the Electricity Act.

In addition, however, a Party (particularly a Distributor) may have wider powers to Disconnect Premises that arise as an indirect result of Theft of Electricity – particularly on the grounds of safety (under the Electricity Safety, Quality and Continuity Regulations 2002, the Connection Agreement for

the Connected Installation, and/or Clause 25 of the DCUSA).

Ultimately it will be a matter for a Party to decide what action may legally be taken in the event of safety concerns. Where a Party Disconnects a premises it must ensure that it has a clear legal basis for doing so (and therefore must satisfy all the relevant conditions which apply to the use of powers to Disconnect the supply).

15.9 Maintenance of records

OBLIGATION

Each Party shall maintain appropriate records in relation to its activities in relation to Theft of Electricity in accordance with the requirements set out in Appendix 4.

BEST PRACTICE

Notes of visits to Premises should be written up within 1 Working Day of the visit. It is recommended that Parties develop processes to keep records of a standard which are aligned with a criminal prosecution. This is because where repeated incidents occur it may be appropriate to report all incidents to the police, particularly where safety or large volumes of electricity theft has or have been a significant factor.

15.10 Prosecution

BEST PRACTICE

Where there is sufficient evidence, a Party should consider pursuing criminal prosecution and/or civil proceedings.

In the following cases, criminal procedures and/or civil proceedings are strongly recommended: repeat offenders; electrical contractors; employees of an organisation involved in the electricity distribution or

supply market; commercial Customers, cases involving extensive theft, and cases involving damage or endangerment to life or property.

The presentation of evidence, especially oral presentation, should be covered by appropriate training of staff.

The Party should provide its staff to attend court and act as witnesses as appropriate.

15.11 Re-visits

BEST PRACTICE

Parties may wish to undertake revisits in certain circumstances. These include:

- High risk Premises (i.e. where there has been previous history of interference or suspected interference. However, this should be at Suppliers' discretion, as information may be held which indicates that a re-visit is not needed. The Revenue Protection Agent shall report the result of the revisit as soon as reasonably practicable and not later than 5 Working Days).
- Where the supply at a Premises has been Disconnected and not Reconnected during the same visit.
- Where the supply at a Premises has been Disconnected and Reconnection has not occurred or is not planned.
- Where the Party is responsible for detecting theft, and has evidence that re-offending may have occurred or where other information is held that indicates this may be the case, then the Party shall arrange for further visits to properties.

15.12 Reports

OBLIGATION

The Supplier shall provide a monthly report to each Distributor setting out each of the cases of Theft of

Electricity investigated, identifying those where Theft of Electricity was confirmed and the volume of units associated with each such case.

BEST PRACTICE

The information set out in Appendix 6 should be collated by Suppliers, as the Authority may request such information.

16 RESOLVING DISPUTES

- 16.1 Where a Party has evidence of another Party being non-compliant with this Code of Practice, the escalation procedure detailed in Clause 58 of the DCUSA shall apply.