

Meeting between British Gas and the AUGE (Engage Consulting)

20th August, 2020

Attendees

British Gas:

- Alan Cookson (Revenue Protection Strategy and Allocation Manager)
- Rhys Kealley (Head of Energy Market Design)
- Kevin Woollard (Senior Regulatory Manager)

Engage Consulting:

- Chris Hill (AUGE Service Delivery and Industry Liaison Lead)
- Jonathan Kiddle (Subject Matter Expert Lead)

Points of discussion

- British Gas emphasised that it had seen comparably higher levels of theft detection resulting from proactive Revenue Protection activities rather than reactive activities, particularly at the domestic level, with the majority being theft from prepayment meters.

British Gas noted that tip-offs from agents are 3 times more effective than data leads in terms of conversion rate, although they actually find more theft through proactive/data leads compared to reactive leads.

- The AUGE asked whether a significant proportion of prepayment meter theft discovered by British Gas was fiscal theft rather than theft contributing to UIG. British Gas was willing to review its internal data to answer this question at a later date.
- British Gas noted that non-domestic sites that have identified theft often change supplier after paying for that theft. Domestic customers are less likely to churn post-detection.
- British Gas noted that there is a greater chance of discovering theft at a site that had previously committed theft than on sites that hadn't.
- The AUGE asked whether British Gas was of the view that installation of a smart / AMR meter was a deterrent to theft, as some stakeholders had previously expressed this view.
- British Gas replied that it did not hold that view, as it had encountered thefts at sites with both smart and AMR meters installed. Increased data volumes will present new opportunities



to detect theft and should result in a reduction in the duration of the theft before detection. This will be offset by a reduction in tip-offs received from physical observation of the meters.

- The AUGE asked whether British Gas believed that legacy customers who committed theft were more likely not to switch in the case that this theft had gone undetected.
- British Gas replied that it believed that customers committing theft were more likely to switch in order to avoid detection, as this was something that it was highly proactive in pursuing.
- The AUGE mentioned that it was considering a separate investigation of theft detected but not reported.

