



1 Hobhouse Court
Suffolk Street
London
SW1Y 4HH

Andrew Wright
Senior Partner, Markets
Ofgem
9 Millbank
London, SW1P 3GE

2 April 2012

Dear Mr Wright,

Electricity top-up PPM fraud

On 24 January 2011, Alistair Phillips-Davies wrote to you on behalf of the six member companies of the Energy Retail Association (ERA) to give commitments to Ofgem on continuing the strong cross-industry initiative to stamp out criminal fraud involving electricity prepayment meters (PPM). The ERA has now merged with AEP and UKBCSE to become Energy UK.

The purpose of this letter is to re-affirm those commitments and to set out the activities which Energy UK and its members will be doing over the next six months.

The industry will continue to meet the commitments it made to Ofgem. These commitments include the following:

- to continue the communications campaign to warn customers away from PPM fraud;
- to treat each customer involved on an individual basis and respond to their circumstances although it is acknowledged that customers are taking part in an illegal transaction; and
- to continue to take reasonable steps to identify and implement a technical solution to help prevent this crime from taking place.

These commitments are now being delivered as part of suppliers "business as usual" activities.

The industry will provide comfort to Ofgem that these commitments are being made by collating and reporting industry-wide Key Performance Indicators (KPIs) and by Energy UK carrying out an independent audit of supplier compliance with these commitments. The KPIs will be collated on a monthly basis and reported to Ofgem at least quarterly. The Energy UK Fraud Group will review the KPIs and escalate any issues in relation to PPM Fraud to the Energy UK Retail Board where appropriate.

The Energy UK Retail Board and its members will consider and adopt relevant recommendations made in the KMPG report on PPM Fraud. The Energy UK audit will include an assessment as to whether suppliers need to implement further actions to comply with the recommendations made in the KPMG report.

The industry had not experienced a fraud of this type before and continues to work with the relevant enforcement agencies to bring those perpetuating this fraud to justice.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'L Slade', written in a cursive style.

Lawrence Slade