

Press Release

Tuesday 8 January 2013

NEW OBLIGATIONS NOW IN FORCE FOR SUPPLIERS TO TACKLE GAS THEFT

- **New enforceable rules take effect meaning suppliers must take stronger action to stamp out gas theft**
- **Ofgem directs suppliers to work together to set up a new service by March 2014 to improve theft investigations**
- **Ofgem expects suppliers to at least double the amount of gas thefts detected from 3,000 per year to 6,000 per year.**

New Ofgem rules come into force today to ensure energy suppliers do more to detect, prevent and investigate gas theft.

Gas theft puts lives at risk and increases the cost of gas for customers. Research estimates that theft costs £138 million, or around £6 per household per year.

The new regulations Ofgem has set down require gas suppliers to be more proactive in detecting, preventing and investigating gas theft. Suppliers are also required to set up a new body to help improve theft detection by March 2014.

Known as the Theft Risk Assessment Service, this new body will analyse and identify when theft may be happening and pass this information onto suppliers so they can investigate it. Similar bodies already exist in the water, insurance and telecommunications sectors.

Besides the new regulations and theft risk assessment service, Ofgem is also working to strengthen the incentives for gas suppliers to detect theft.

Following Ofgem's drive to improve theft detection, suppliers themselves are also considering a number of other measures to tackle gas theft, including:

- Putting in place a code of practice setting out how theft investigations will be carried out
- A stolen meters register to identify where meters have been illegally switched
- A 24-hour hotline so customers can report suspected theft
- A forum for sharing best practice on tackling theft between suppliers, and promoting better co-ordination with other agencies.

Ofgem's Senior Partner, Andrew Wright, said: "In these difficult economic times it is more important than ever that suppliers do more to crack down on gas theft – which puts lives at risk and increases costs for consumers. We expect the new theft risk assessment service to result in suppliers at least doubling the amount of thefts detected from 3,000 per year to 6,000 per year. We now want to apply similar, or equivalent, reforms to the electricity market."

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Notes to editors:

1. If people suspect gas or electricity theft they are advised to contact their supplier or network operator. If people smell gas they should phone the gas emergency number on 0800 111999 whether they suspect theft or not as safety must always come first.
2. Ofgem, Consumer Focus and the gas industry have worked together to develop a new code of practice on theft investigations. Subject to Ofgem approval, this code will come into force next month. We are also working with the electricity industry to update the existing electricity theft code of practice.
3. Following our consultation on high-level reforms for tackling electricity theft in September 2012, we will publish more detailed proposals for reform in April 2013.
4. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's functions are set out mainly in the Gas Act 1986, the Electricity Act 1989, the Competition Act 1998 and the Utilities Act 2000. In this note, the functions of the Authority under all the relevant Acts are, for simplicity, described as the functions of Ofgem.

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