



GROSVENOR
SERVICES GROUP LTD
part of Echo Managed Services



ENERGY THEFT

A FOCUS ON CONSUMER
AWARENESS & ATTITUDES

Research by Echo Managed Services/Grosvenor Services Group 2018



Foreword

Energy theft, otherwise known as “meter cheating”, is a serious issue for the UK energy sector, with experts estimating that more than £400 million worth of electricity and gas is stolen each year through meter tampering.

This issue does not just affect energy suppliers. It’s also having a detrimental effect on cash-strapped consumers, as offences can add £20 annually to the average household bill.

What’s more, meter tampering also poses a serious threat to public safety, leaving consumers with unsafe gas and electrical supplies, which in turn can put them at risk of electric shocks, fires, and even explosions in extreme cases.

Energy companies have a licence obligation to Ofgem to do as much as they can to alleviate the problem. Part of the solution needs to be a continued priority on careful and proactive detection and investigation, including having highly-trained field teams.

Also critical to success is understanding public perceptions. Any effective strategy will be greatly increased by building public awareness and support. Not only can this help prevent incidents of energy theft occurring in the first place, it can also help increase the chances of successful detection.

To examine this aspect more fully, Echo Managed Services and its wholly owned subsidiary Grosvenor Services Group have undertaken a major study of 2,000 households across the UK. The report explores current attitudes, as well as investigating which strategies will be most successful at winning over the public’s support in the battle against energy theft.



Lloyd Birkhead
Managing Director, Grosvenor Services Group



The UKRPA is offering new Revenue Protection Training Seminars.
Turn to page 23 to find out more

Key findings

 The public are overwhelmingly in favour of action against energy theft and would approve of more action being taken.

+£20 The fact that energy theft adds £20 annually to every bill is not widely known but is a very powerful motivator that increases public anger with the practice.

 Those sympathetic to energy theft see it as a victimless crime and one that is justified by 'unfair' energy costs.

 39% of people are unaware of the safety risks posed by energy theft.

 Anonymity is the key factor in encouraging greater reporting of energy theft.

 Guaranteeing confidentiality and raising awareness of reporting lines could tackle 63% of all non-reporting.

 75% of consumers don't currently know how to spot signs that energy theft is taking place.

 14% of people remember seeing media coverage about energy theft in the last year.

Consumers united against energy theft

Energy companies can be reassured that consumers are fully behind their efforts to tackle energy theft.

The **overwhelming majority** (92%) believe that energy theft is wrong and should be stopped.

When asked why, the most common response is that energy theft (as with any criminal behaviour) is wrong because such practice is deemed criminal (35%) or because it is seen as being morally wrong and unfair to other energy users (23%).

These views are true across all age groups, although the **strength of belief** that energy theft is wrong **hardens as age increases**. For example, while 84% of 18 to 24 year-olds believe it is wrong, this increases to 98% amongst consumers over the age of 55.

The research does indicate that there is scope to increase awareness of other important reasons why energy theft should be stopped.

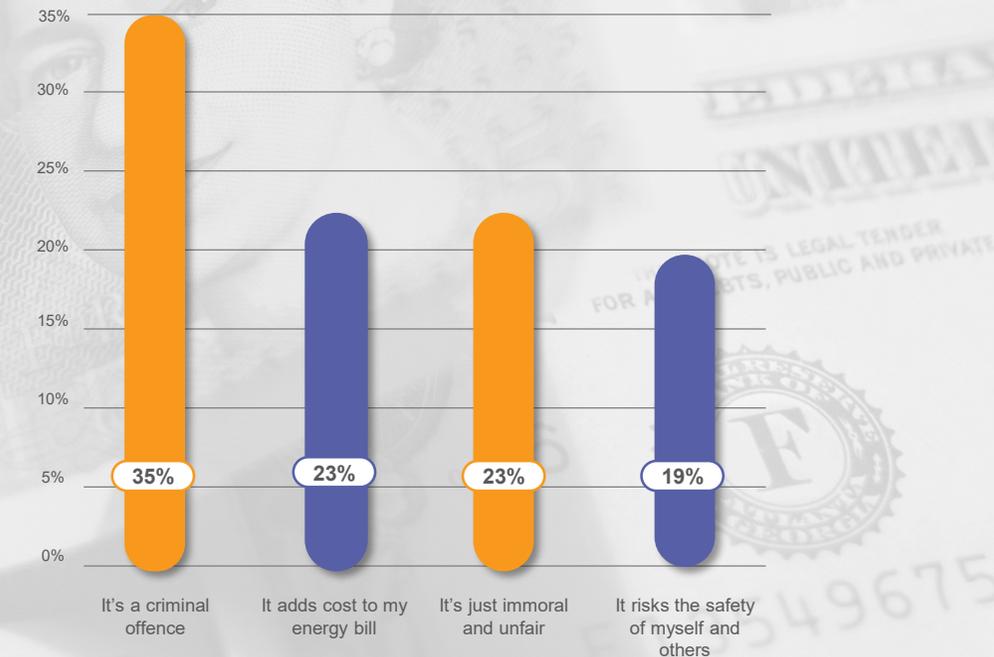
Less than a quarter of people chose the fact that energy theft **adds to the costs of bills** for legitimate energy users (23%) as their prime reason why it's wrong and only 19% **placed safety risks** as the prominent reason. As we'll see later, these are key motivators for people to take action in reporting suspicions and the energy sector should consequently aim to increase public awareness and understanding.

	18-24	25-34	35-44	45-54	55+
YES	84%	88%	89%	93%	98%
NO	4%	7%	4%	2%	1%
I'M NOT SURE	12%	5%	7%	5%	1%

? Do you think that energy theft is wrong?



? What is the main reason for your view? (select one)



How do some people justify energy theft?

Of the minority of consumers that don't see energy theft as inherently wrong, how do they **justify this view**?

Understanding these beliefs is important for tackling the problem; both to **challenge the perceptions** of potential criminals, as well as **reducing** the numbers of people who may **support or turn a blind eye** to their actions.

The most common justification for this view is that energy **prices are seen to be unfair** and too high (39% of this group). Therefore, tackling this perception, as well as showing how energy theft simply increases costs further for most of us, is likely to have most impact.

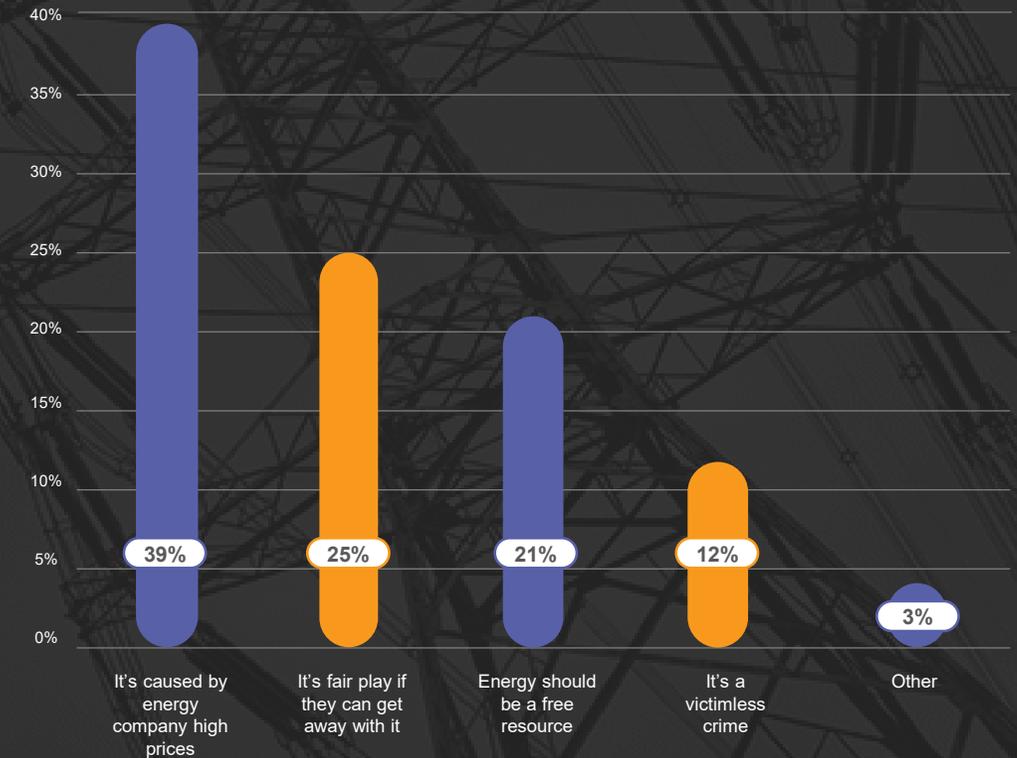
The results also suggest that if energy companies are seen to be acting 'unfairly', incidents of energy theft may well increase. Therefore, for energy companies, working to **build trust with customers** should also help to tackle criminal behaviour.

Other results also show a need for **better education**. For example, 12% of this group see energy theft as a 'victimless' crime. Highlighting not just the financial issues, but also the safety risks for individuals and communities should therefore continue to be a high priority for the sector.

? Do you think that energy theft is wrong?



? What is the main reason for your view? (select one)



Energy theft motivators: need vs. greed

For the majority, energy theft isn't perceived to be caused in the main by other criminal behaviours (for example, linked to cultivation of cannabis plants).

Instead, the public see those stealing energy as falling mainly into one of two camps:

- Those that **won't pay** (50% of people)
- Those that **can't pay** (32% of people)

Interestingly, for **younger people** (18-34), **bill affordability** is perceived as the top reason for energy theft. In **older age groups** (35-55+), this flips with respondents believing simply **not wanting to pay** the bill (despite being able to) is the main motivator behind the crime. With both groups, actions need to be focused in two ways. Firstly, reaching out to potential criminals directly to help to prevent theft. Secondly, communicating with those who are aware of theft, but turn a blind eye, to challenge assumptions and help undermine support and sympathy.

Won't Pay

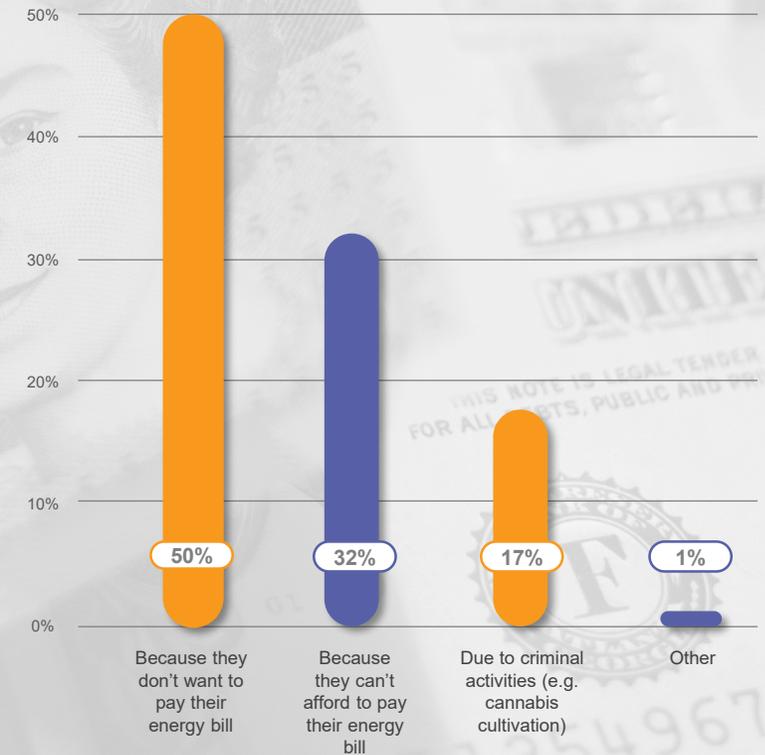
This group 'can' pay, but feel **justified in trying to 'beat the system'**. Addressing issues of fairness and trust are key to challenging this stance. Highlighting the safety risks and implications of being caught can also help. Showing that such criminal behaviour is not always linked to poverty is important. Energy theft could be supporting those able to afford heated pools and electric gates, for example, while the rest of us pay the price.

Can't Pay

For those with affordability concerns, **making a compelling case why theft isn't the answer is vital**. Raising awareness of affordability and payment support schemes is crucial, especially (as shown by our other reports) as awareness of such schemes among the general public is currently low. At the same time, working to proactively identify and engage with customers struggling with payments should help prevent criminal behaviour before it begins.

	18-24	25-34	35-44	45-54	55+
Because they can't afford to pay their energy bill	49%	48%	34%	25%	19%
Because they don't want to pay their energy bill	41%	41%	50%	51%	58%

? In your opinion, why would people tamper with their energy meters? (pick one)

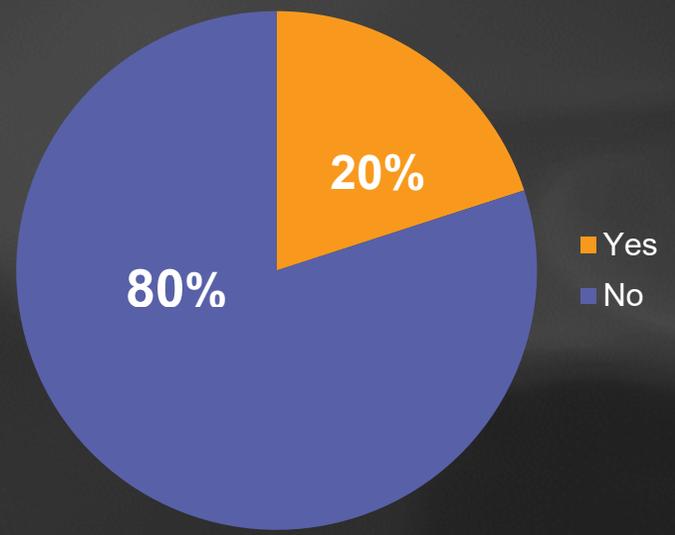


The impact on consumer bills

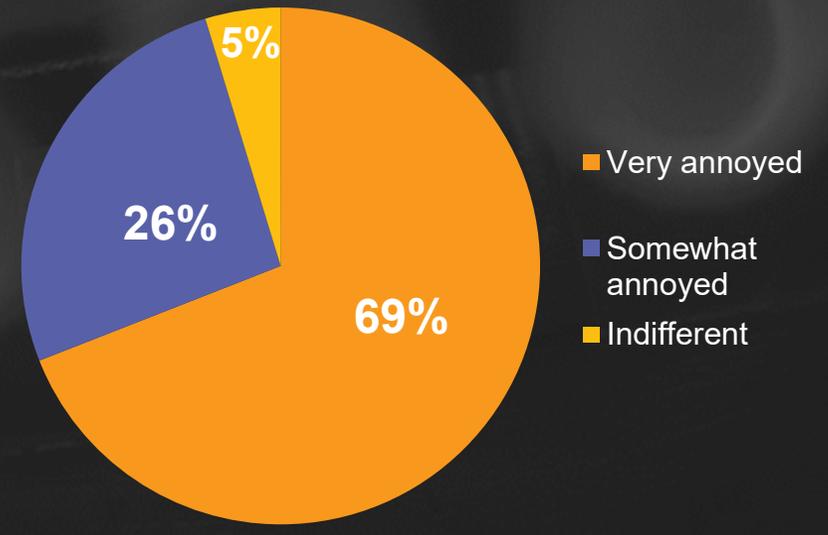
Our study suggests that raising awareness of the financial implications of energy theft could have a positive effect on tackling the problem. For example, there is currently **low awareness of the true financial impact**. 80% of people surveyed were unaware that £20 is added to every annual customer bill as a result of energy theft. In the insurance sector, as a contrast, it is a much more well known fact that uninsured drivers drive up insurance premiums for the rest of the population.

When informed of the financial impact on their energy bills, **95% of people said they were now annoyed** about this behaviour. This indicates that showing people how criminal behaviour directly affects the money in their pocket may help prevent and remove some sympathy for energy theft. Using **communication touchpoints such as customer bills** to more openly share the size of the problem and the impact of it may help both create greater awareness as well as encourage more tip-offs from the customer base.

? Did you know that, in the UK, energy theft adds an estimated £20 to every customer bill?



? How does paying £20 more because of energy theft make you feel?



Awareness of safety risks

Although public appreciation of the **safety risks** caused by energy theft is **higher** than awareness of the financial implications (61% vs. 20%), just under 40% of people were **totally unaware** that energy theft can put peoples' **safety at risk**.

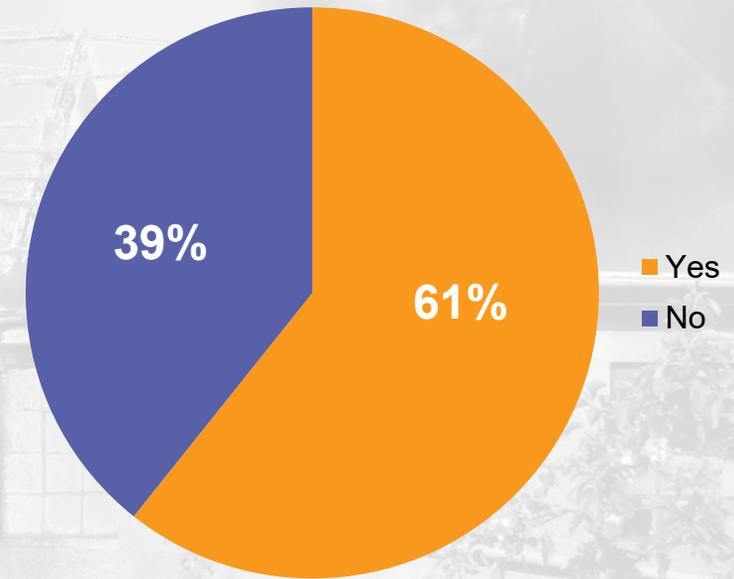
Given that the consequences of energy theft can be **potentially life threatening**, it's concerning that such a large proportion of the Nation have no comprehension of the dangers they may face.

And, amongst the 60% who were aware of the potential threats, questions remain around the **level of understanding**. For example, are people aware that such behaviour can actually put lives at risk? And what's more, that it's not just the lives of the criminals themselves, but also their families and neighbours who are at risk.

Awareness of potential dangers was **particularly low in the 18-24 age band**, the only age category that contained more people unaware than aware of the dangers. Awareness amongst females (54%) was also markedly lower than males (68%).

Understanding awareness levels across different demographics and targeting specific safety messaging to reach those segments where awareness is at its lowest could without a doubt benefit overall awareness levels.

? Are you aware that energy theft causes potential threats to public safety?



	18-24	25-34	35-44	45-54	55+
YES	47%	66%	56%	61%	65%
NO	53%	34%	44%	39%	35%

	MALE	FEMALE
YES	68%	54%
NO	32%	46%



Awareness levels are mixed

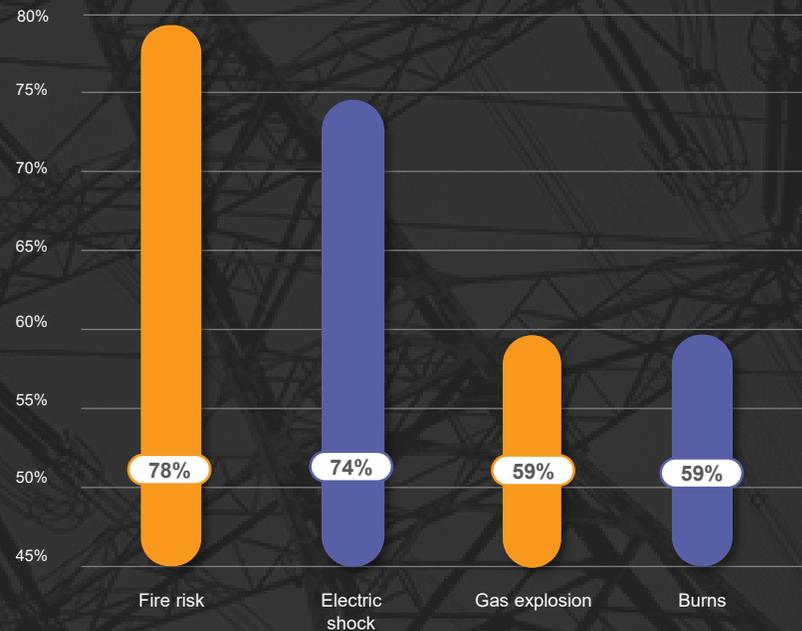
When examining the awareness of specific safety risks, some of the major concerns are clearly **not universally understood**.

Significant numbers of people are not aware that energy theft can lead to fires (22%) or electric shocks (26%). Even more worryingly, **over 40% of people don't appreciate the risks of gas explosions or burns**. Awareness of the danger of a gas explosion was markedly low in younger age bands (39% for 18-24, and just 28% for 25-34).

In addition, it's entirely possible that even those aware of these risks, **do not consider harm to be very likely or probable**. Exacerbating this view may be the fact that reporting of the most serious safety consequences of real incidences of energy theft is relatively low. Gas explosions, for example, are not always reported as being as a result of a tampered meter, although highly suspected, unless 100% proven.

Earlier in this report, we saw that safety concerns are a relatively low primary reason for believing energy theft is wrong (just 19% of people cited this reason). Therefore, doing more to **explain the real dangers involved** and how they can (and do) cause serious harm on a regular basis, could have a big impact on tackling public perceptions.

? Which dangers are you aware of? (select all that apply)



Would people turn a blind eye?

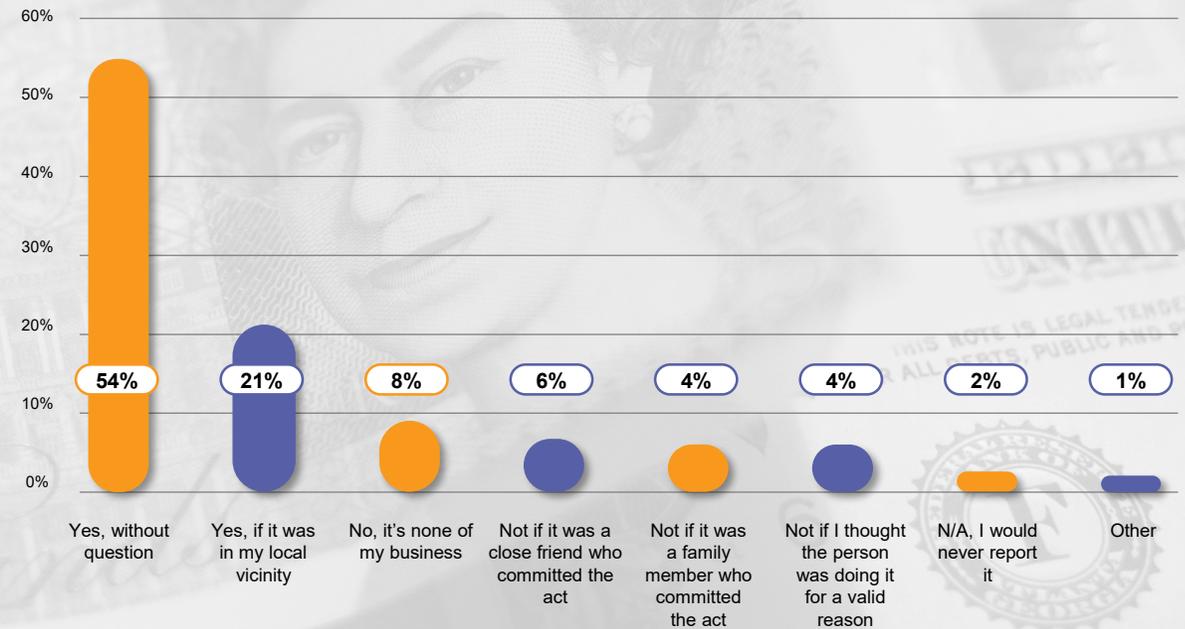
Just over half of the people we asked said they would **report** an instance of energy theft they were aware of **without question**. However, we must consider how time pressures, confidence in spotting a tamper, unclear reporting routes and the general pressures of day to day life might in reality prevent them from actually getting round to it.

Worryingly, **1 in 4** who became aware of an instance of meter tampering would **turn a blind eye** – either to all instances of meter tampering or those committed by friends and family. This viewpoint is **stronger amongst younger people** with 33% of 18-24 year olds and 38% of 25-34 year olds preferring not to act on their knowledge in varying circumstances.

The energy sector mustn't therefore assume that the general public will be working with them to reduce the crime – as it stands at least one quarter won't.

And whilst this is a disappointing finding, and one that increased awareness and education could look to reduce, ultimately there will always be people who place family/friendship loyalties as a priority or remain simply unconcerned by the crime.

? If you were aware of an incident of meter tampering, would you report it? (select one)



More clarity needed on where to turn

Tackling awareness and public sympathy is only part of the solution. People also need to be aware of what action they can take and how to take it.

Awareness of reporting lines and the **'tip off' service** are **relatively low**. Instead, the public are most likely to go directly to an energy supplier or the police. Neither of these options is the ideal or most efficient way to deal with the problem. It may in some cases cause actions to be delayed or even for notifications to get lost in the system.

Also, should members of the public feel their enquiry is not being welcomed and acted upon, they may be less likely to alert the authorities in the future or recommend that others do so.

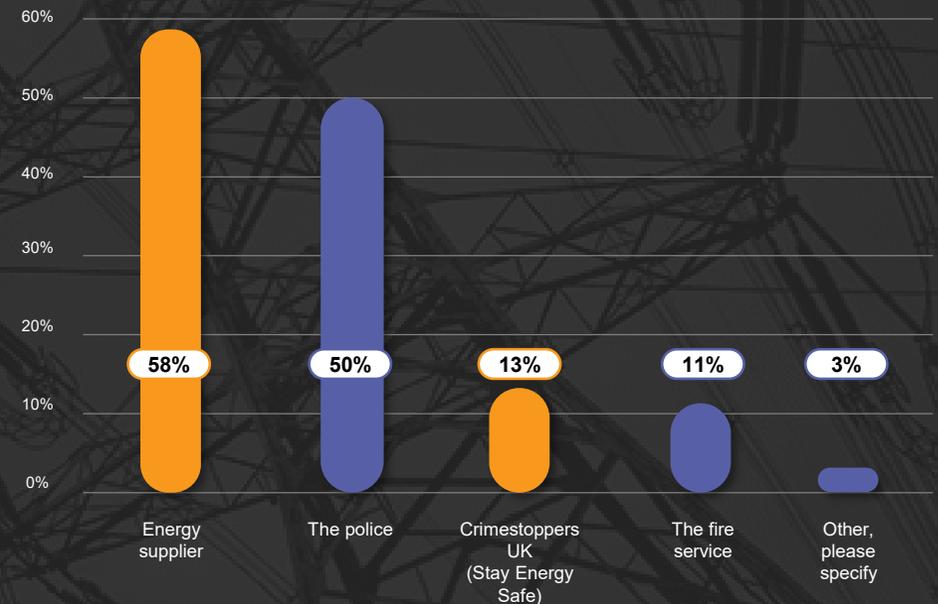
Information about reporting services does exist online for those who investigate the issue, but clearly more can be done proactively to make people aware of the immediate steps to take.

In 2016, the independent charity Crimestoppers partnered with the energy industry to introduce an energy theft reporting service 'Stay Energy Safe', giving people the power to speak up and stop energy theft, 100% anonymously.

"The Stay Energy Safe service has seen some really positive results since we launched back in 2016 and not only is it seeing more energy theft being reported, but it also helps to keep communities safe."

Roger Critchell, Director of Operations, Crimestoppers

? If you were to report energy theft, who would you report it to? (select all that apply)

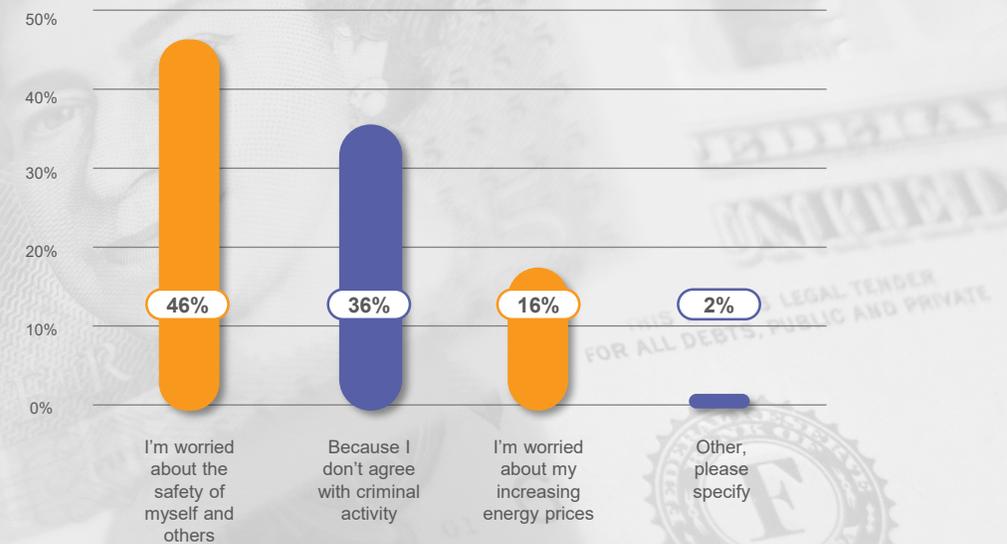


Safety top priority for ‘reporters’

For those people who would report an instance of energy theft that they were aware of, the **safety implications of the crime are the top concern** (46%). This highlights that, whilst safety issues were not the prime reason why many felt that energy theft was wrong (just 19%), its likely that those that did express this view have a **solid understanding of the real risks** and the need to report suspected meter tampering.

Gleaning a clear understanding the attitudes of ‘yes, without question’ reporters and their knowledge of the various implications of energy theft could assist the sector by informing the focus of more **proactive awareness raising programmes**; with the aim of converting more members of the public into certain reporters.

? If you were to report energy theft, please indicate the main reason why? (select one)



Converting the non-reporters

Key to increasing people's willingness to report energy theft is **anonymity**. The most common fear is the potential for personal repercussions. This fear **increases with age**, with over 50% of those aged 55 and above citing this as the reason why they wouldn't report suspected theft.

Therefore, highlighting confidential reporting lines, such as Crimestoppers, is crucial.

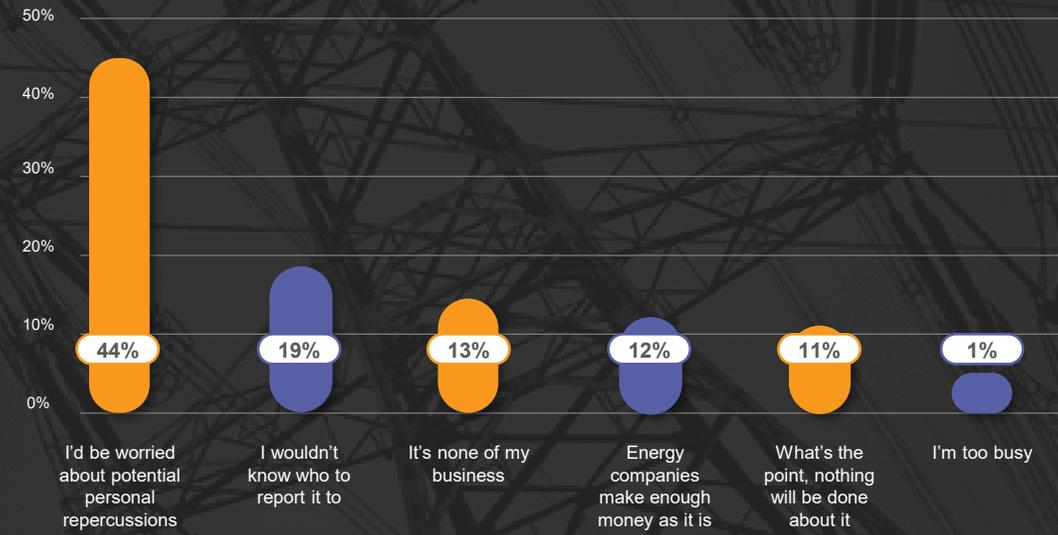
"The Stay Energy Safe service is completely anonymous and much like our main reporting line, the calls are not recorded, we do not have your phone number and no-one will know you ever contacted us."
Roger Critchell, Director of Operations, Crimestoppers

Raising awareness of such schemes would also help the 19% of people unsure of what steps to take, helping to potentially convert a total of 63% of 'non-reporters'.

Demonstrating the **impact of such reporting** is also key – rather than keeping the great work being done to tackle energy theft covert, more could be done to **let the public know** about meter changeovers, arrests and convictions, underlining how this has prevented injuries and will help tackle inflated bills.

At present 11% of people believe there is no point in reporting as nothing will be done about the incident. This could be related to the **potential need for tougher sanctions**. At present, there is no prosecution for a first offence. When considering the potential public dangers involved, should we be challenging this moving forward in order to send a stronger message to the public?

? If you weren't to report energy theft, please indicate the main reason why? (select one)



Confidence in spotting a tamper

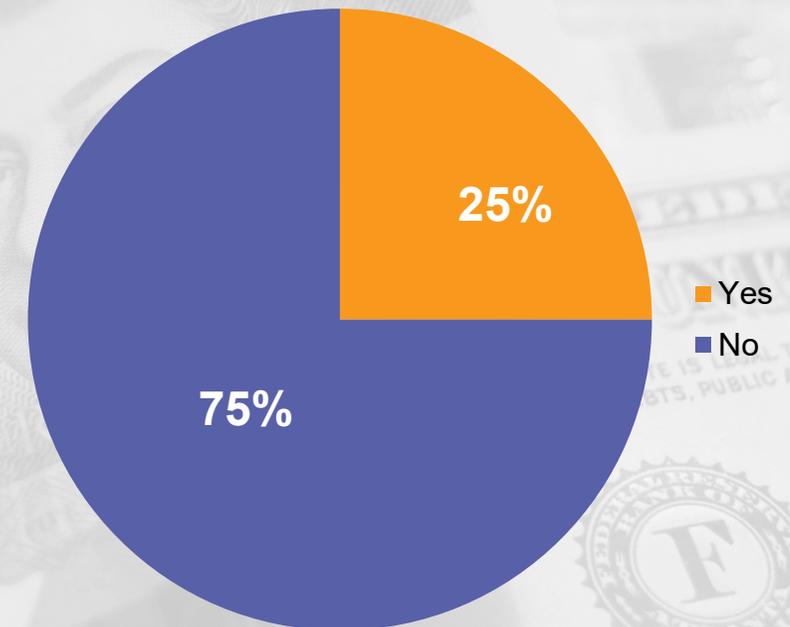
? Would you feel confident in knowing how to spot the signs of an energy meter tamper?

Another way to potentially increase suspected meter tamper reporting is to give people the **knowledge and confidence** they need to spot energy theft when they encounter a meter.

At present, **75% of people don't believe they would know what to look for** or how to spot signs of theft. This percentage **increases with age**, with just 13% of 45-54s and 18% of over 55s expressing a level of confidence. There is also a marked difference between confident male and female respondents (33% vs. 17%).

This could suggest that these demographic groups are less likely to have accessed the current information sources available on spotting a tamper, that they have less interest/desire in learning this knowledge or that the information given isn't universally clear.

Even of the remainder who do feel confident (25%), it may be that their **confidence is, to some extent, misplaced**. The techniques used by criminals to steal energy are not always as obvious as they once were even a few years ago, with examples becoming more covert and harder to spot.



Spotting the signs of energy theft

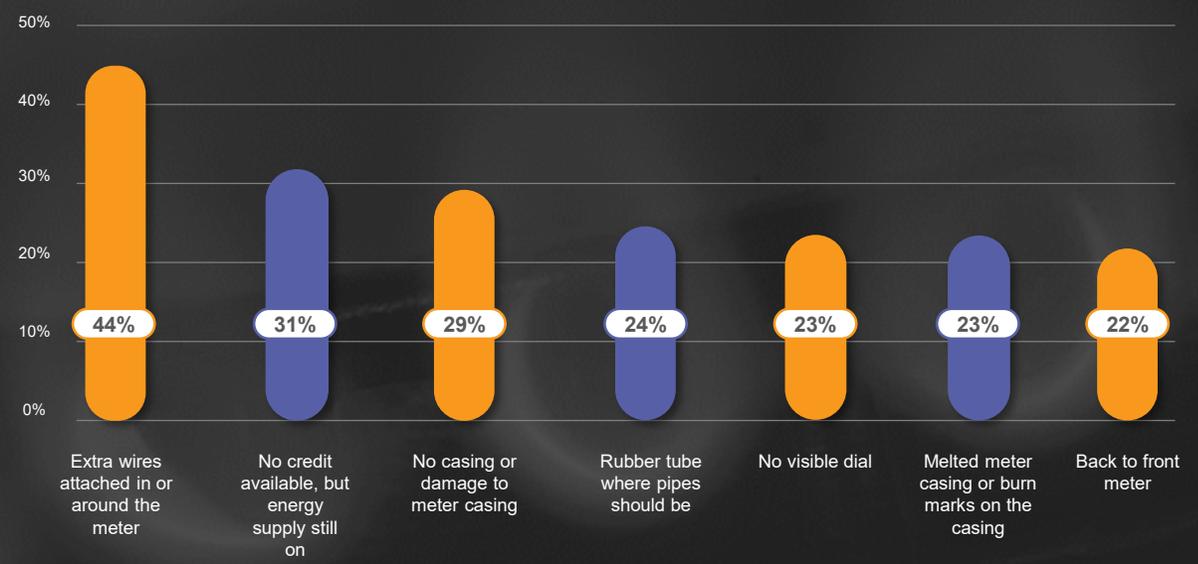
As the study shows, many of the signs of energy theft are less well understood.

This is perhaps understandable given that even professional meter readers sometimes find tampering hard to spot. Our data shows for example that **only 40% of meter reader tip offs are confirmed as an illegal situation.**

In addition, with smart meters becoming commonplace, there is the danger that current volumes of tip offs may decrease further, with there being increasingly less need for meters to be given visual checks. Unless this can be compensated for by increased data analysis, to better identify suspicious energy consumption levels (and separate suspected theft from property voids), public reporting may become even more crucial.

As it stands therefore, many criminals may only be detected via tip offs if they are foolish enough to brag about their actions.

? Which (if any) of the following tamper signs are you aware of?
(select all that apply)

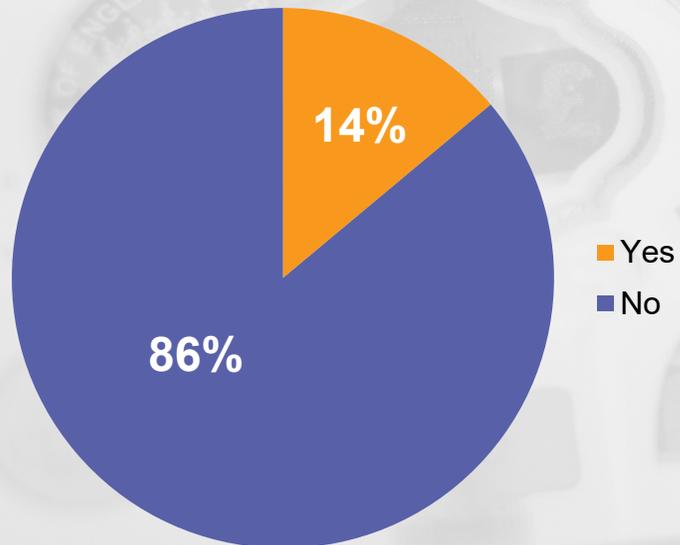


'Spotted' theft is underreported

Our study shows that around 14% of people claim they have seen examples of energy theft and meter tampering.

However, in reality the volume of actual reported incidents is far below this level (if you extrapolate this 14% of people out across the country). Therefore, this would indicate that a significant volume of 'spotted' theft goes unreported.

? Have you ever encountered any of these signs in person?



Energy theft is all around us

Reporting rates could be increased by alerting people to be on the look-out at key moments.

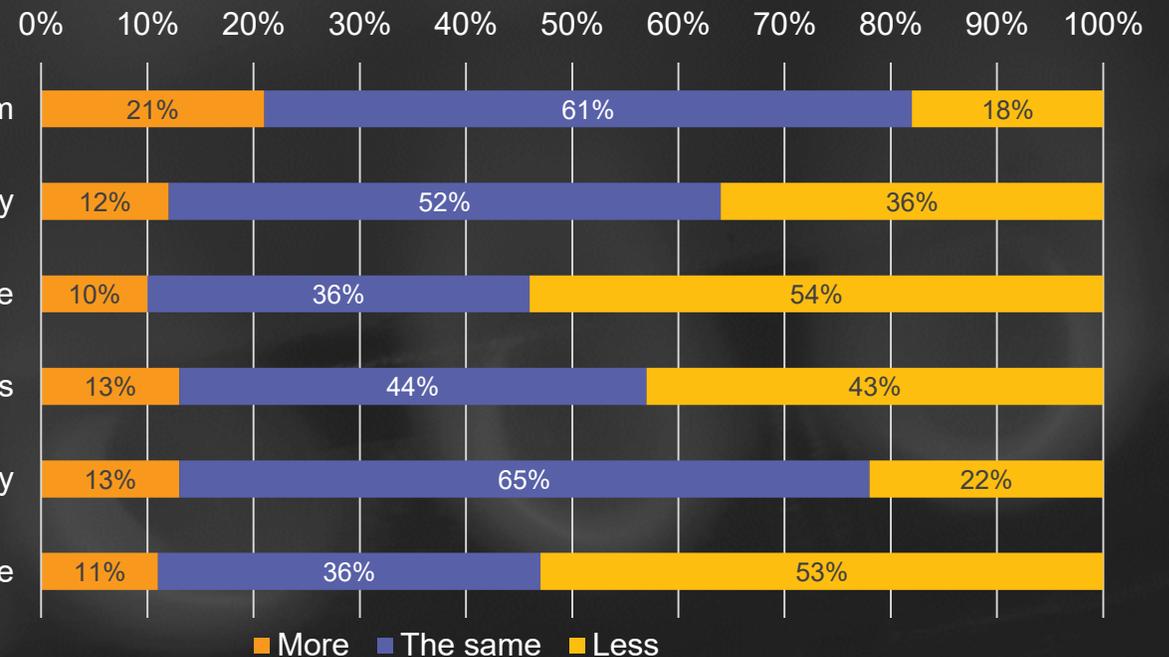
Our study suggests that people are most likely to come across evidence of theft when moving home – either buying a new house or moving into rented accommodation. Giving people who are moving 'spotting guides' could be a very effective tactic to identify theft at a key time to make people aware of how and why to report such incidents.

? When did you encounter this? (select all that apply)



How does energy theft compare to other crimes?

? Do you think tackling energy theft is more or less important than tackling the below crimes?



The need to raise the 'status' of energy theft is also clear by **how the public rate this crime in relation to other issues.**

For example, despite costing every bill payer £20 per annum more and putting innocent people at risk of serious harm, **79% believe it is an equivalent or less serious than cases of vandalism.**

Once again, this highlights the **need for education of the serious implications.** Also, the importance of showing that authorities take this issue seriously and that this is reflected in the measures taken against offenders.



Public support for greater action

The overwhelming sentiment from people responding to our survey is that **energy companies should be doing more** to tackle this problem and that it is their duty to do so.

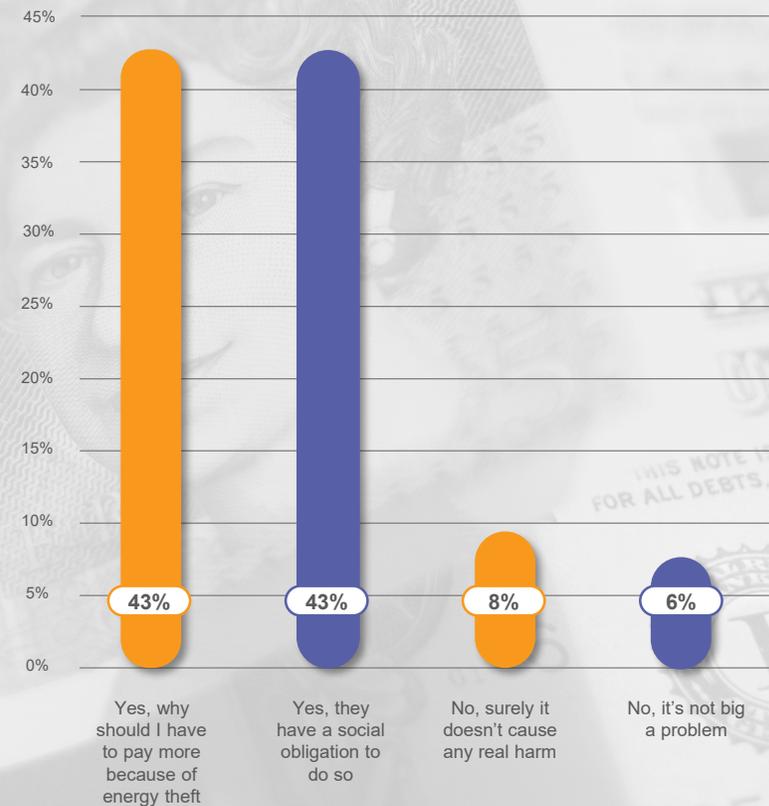
However, this doesn't mean they necessarily understand what these measures are, or appreciate how they need to play their part in spotting and reporting concerns.

Given responses about energy costs elsewhere in this report, it is also highly unlikely that customers would be willing to pay for increased action.

Therefore, **winning public support and educating customers** on what to look out for, is going to be key to making progress. This is one of the most cost-effective ways of increasing detection.

Once again, this suggests that **publicising action and successes** in tackling theft would be applauded and might stimulate **greater interest and understanding** about what role the public can play to support these efforts.

? Should energy companies be doing more to tackle energy theft? (select one)



Media visibility of energy theft

In-roads are definitely being made on this front, with PR and TV programmes helping to make the public more aware.

In the last year, **14% of people remember seeing coverage** on this topic; all of which helps to educate and inform, and potentially increase reporting rates.

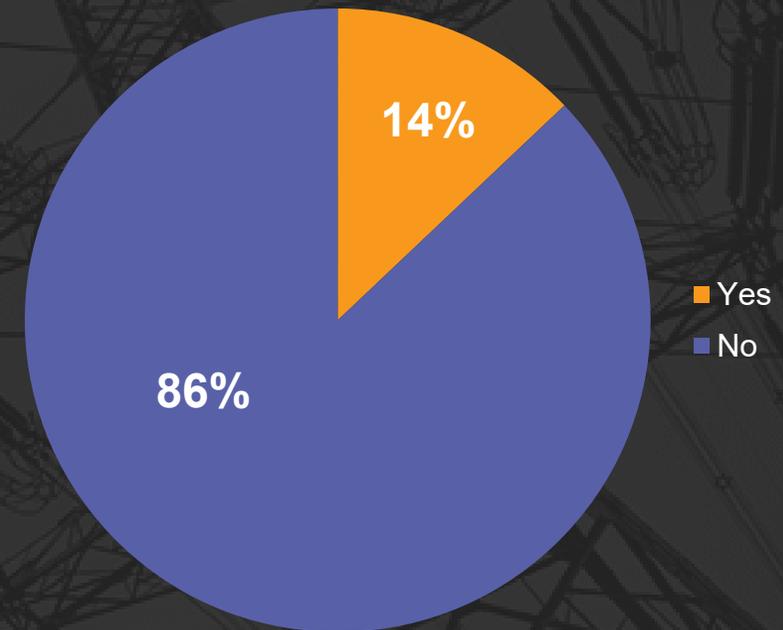
However, there is clearly more that can be done to increase this visibility and make energy theft a **more mainstream crime issue**.

This can be achieved through reactive reporting – e.g. when convictions are secured. But, clearly there is also a need for **proactive public campaigns**. For example, increasing awareness of the financial harm and safety concerns. Also helping increase awareness of confidential reporting lines and the signs that should trigger peoples' suspicions.

Given the seriousness of the potential consequences of meter tampering, and the size of the problem that we need to tackle, we can be hopeful that the media sector would be supportive in assisting the sector in raising public awareness of the issue.



In the last 12 months, do you recall seeing any news coverage in relation to energy theft in general, or a specific incidence of energy theft?



How is the media covering energy theft?

The free field answers given by survey respondents indicate that varying aspects of the issue of energy theft are being highlighted across media channels (see a selection of these verbatim comments to the right).

What's clear is that much of the consumer recall is around a **particular incident of energy theft**, the **size of the problem** or around the **reasons for energy theft** or **consequences** of it.

There was however **no recall of more proactive messaging** from the energy or crime prevention sectors around for example the quantity of instances they are investigating, the number of confirmed illegal instances that have been detected/remedied or advice/signposting for the general public on how to spot tamperers and support reduction of the crime via tip-offs.

We see an opportunity for the sector to address this using more proactive messaging to reach the general public to **raise awareness and change perceptions**.

? Please give a brief description of what you saw/read



Key takeaways

Consumer **awareness is low** and could be increased to help more effectively tackle energy theft.

Showing that energy **theft increases the cost of bills** should be a central message played out to consumers.

The public need to better understand that **their safety is at risk** – and that this can affect any of us.

Increasing the awareness of **confidential reporting lines** could have a major impact on reporting rates.

Work with **housing associations and private landlords** to raise awareness and knowledge to increase tamper reporting.

Key takeaways

Education on the **tell-tale signs of theft** could support increased tip-offs from the general public.

Increasing efforts to **help people struggling to pay** bills could help tackle some of the energy theft that results from an inability to pay.

Targeting people moving to a new house or entering new rented accommodation could be an effective tactic to prompt more reporting.

More should be done to **publicise and champion victories** against energy thieves, helping encourage people to lend their support and showing that action will be taken.

NEW



New revenue protection training seminars

The UKRPA is now taking bookings for its new revenue protection seminar programme, designed to provide revenue protection professionals with a thorough understanding of the obligations and challenges of working within revenue protection.

SEMINAR 1 : ENERGY THEFT INTRODUCTION AND OVERVIEW

- A physical examination of compromised meters and how to spot them
- The role of TRAS and ETTOS
- Dealing with Smart metering alerts
- Health and safety considerations
- Dealing with vulnerable customers
- Dealing with industry change
- Q&A session

FRIDAY 30TH NOVEMBER | GEMSERY OFFICES | LONDON

Contact the UKRPA on **020 7090 1032** to find out more and book a place

Reporting energy theft

If you have a concern that a person or company may be committing energy theft, you can report it to the **StayEnergySafe Line** which is powered by the independent charity Crimestoppers. Information can be given on the phone or online form **100% anonymously**.

You don't need to know the person's energy supplier or how they are stealing the energy – all you need is an address and the report will be sent to the relevant company for further investigation.

To make an anonymous report:

Call: 0800 0232 777 OR Visit: www.stayenergysafe.co.uk



Powered by

Crimestoppers.

To discuss this report further or to find out more about our energy theft investigation services, get in touch:

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Grosvenor Services Group is a member of the UK Revenue Protection Association.