RETAIL ENERGY CODE

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01	Proposal Plan
02	Impact Assessment
03	**Consultation**
04	Final Recommendation

CHANGE REPORT

R0253 – THEFT - DNO/NETWORKS NOT PROVIDING PHOTOS

DOCUMENT VERSION	V1.0
PROPOSED IMPLEMENTATION DATE	06 November 2026
IMPLEMENTATION APPROACH	Big Bang

RESPONSIBLE COMMITTEE	Change Panel	**CHANGE PATH**	Self-Governance
PRIORITY STATUS	Low	**URGENCY**	Standard
IMPACTED STAKEHOLDERS	Network Parties: Distribution Network Operators & Gas Transporters		

LEAD ANALYST (SOLUTION LEAD)	TECHNICAL LEAD	ASSURANCE LEAD	SUBJECT MATTER EXPERT
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OVERVIEW

This Issue seeks to introduce an obligation for a Network Party attending Sites with suspected or actual Energy Theft to take photographs of the tampered Metering Asset, to be made available to the Energy Supplier upon request.

CODE MANAGER RECOMMENDATION

The Code Manager recommends that the REC Change Panel:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 06 November 2026.

RETAIL ENERGY CODE

CONTENTS

1 Summary 3
2 Problem Statement 3
3 Impacts 3
4 Cross-Code Impacts 4
5 Proposal plan 4
6 Stakeholder Engagement 4
7 Priority Status and Urgency 6
8 Summary of Analysis Undertaken 7
9 Proposed Solution 7
10 Draft Legal Text 9
11 Summary of Impact Assessment Activity 10
12 Risks, Assumptions, Issues and Dependencies 11
13 Business Case Assessment 11
14 Case for Change 13
15 Appendix 13
16 Glossary 14

RETAIL ENERGY CODE

BACKGROUND

1 SUMMARY

Under the Theft Detection Incentive Scheme (TDIS), Parties who wish to Qualify for rewards under the scheme must support their claim of Energy Theft with documentary evidence. An Energy Supplier has identified an issue relating to the provision of supporting evidence for TDIS. Where Gas Transporters (GTs) and Distribution Network Operators (DNOs) attend a property to investigate Energy Theft, they are required to make the Metering Asset safe, which may involve changes or modifications to the Metering Asset.

This presents an issue; modifications to the Metering Asset made by the attending Network Party are essential for safety, but in doing so, they will remove the evidence of tampering (i.e., the evidence of Energy Theft) that necessitated their visit in the first place. As a result, when the Supplier attends following the visit by the Network Party, the evidence of Energy Theft that they would use to claim under the TDIS scheme will have been removed already by the Network Party. This will therefore affect their ability to claim under the scheme.

2 PROBLEM STATEMENT

Where a Network Party attends a Site where Energy Theft has taken place, the Metering Asset may have been tampered with, and may therefore be unsafe. The Network Party, in the process of making the Metering Asset safe, will by necessity resolve any tampering. The removal of evidence of tampering is an issue for Energy Suppliers, who need this evidence to make claims under the TDIS.

3 IMPACTS

CONSUMERS
None

REC SERVICE PROVIDERS
None

RECCO / REC CODE MANAGER
REC Performance Assurance

REC PARTIES AND SERVICE USERS
Gas Transporters
Distribution Network Operators

REC DOCUMENTS / PRODUCTS
Schedule 8 – Unbilled Energy Code of Practice

MHHS
None

GTs and DNOs have been identified as impacted Parties as the proposed solution will introduce new obligations for them. The proposed solution will require Network Parties operational practices to be compliant with enhanced evidentiary standards requirements in respect of Site attendance for Confirmed Energy Theft.

REC Performance Assurance have nominally been identified; whilst there is no impact on them directly, any change to the processes underpinning the TDIS will be of interest to them.

No direct Consumer impact has been identified.

4 CROSS-CODE IMPACTS

No cross-code impacts have been identified.

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		01 Jun 25	23 Nov 25
	Solution Analysis	June	August
	Solution Development	August	October
	Legal Drafting	October	October
	Impact Assessment	October	November
Change Proposal		24 Nov 25	02 Mar 26
	Business Case Assessment	November	November
	Solution Refinement	November	December
	Consultation	January	February
	Final Determination	March	March
Voting		03 Mar 26	03 Mar 26
	Appeal Window	March	March

6 STAKEHOLDER ENGAGEMENT

The Code Manager has engaged with the REC Theft Issues Group (TIG) on three occasions: June 2025, October 2025 and November 2025. The discussions are summarised below:

6.1 JUNE 2025

The Code Manager engaged with TIG Members to establish the scope of the proposed solution and test the underpinning assumptions of the Issue. The Code Manager heard from TIG Supplier Members about problems they experience when making claims against the TDIS, and Network Parties identified problems they experience as Parties who attend Sites with Confirmed or Suspected Energy Theft.

TIG Members highlighted difficulties accessing the Secure Data Exchange Platform (SDEP) for Gas Transporters, and the Code Manager confirmed that this would be considered during the progression of the Issue. TIG Members also highlighted safety concerns to the Code Manager,

indicating that sometimes in the pursuance of a Site Visit with Confirmed or Suspected Energy Theft, operatives may be at risk from occupants of the premises. The Code Manager again confirmed that this would be considered as part of the solution development process.

6.2 OCTOBER 2025

The Code Manager outlined the proposed solution to TIG Members – This was the first time that the intent of the solution and the supporting legal drafting was publicly discussed with industry members. The Code Manager explained the rationale behind the proposed solution to TIG Members, as well as explaining how the legal drafting would deliver the changes needed to address the problem statement.

TIG Network Party Members voiced concerns about the proposed solution; specifically, about the requirement to produce a sketch in lieu of a photograph. Some TIG Network Party Members told the Code Manager that taking photographs is not practical during a Site Visit, due to safety concerns and time constraints. The Code Manager responded by indicating that these constraints are known, and that the in-lieu sketch requirement was included specifically to address scenarios where a photo is not possible. However, TIG Network Party Members indicated that a sketch is still impractical as:

- Operatives may not properly remember Site details and therefore these details would be missing from a sketch;
- Operatives may lack the artistic ability to render Site details in sketch form, thereby distorting their meaning;
- Operatives may be so distressed as a result of Site Visits where a threat to personal safety is encountered that it would not be appropriate for them to complete a sketch; or
- Time constraints on operatives (i.e., requirements to quickly progress to subsequent jobs) mean that either a sketch cannot be completed immediately (thus risking a reduction in quality where delays between visit and sketch result in operatives forgetting details), or not completed at all.

The Code Manager acknowledged these concerns and encouraged Network Party Members to capture these during the Party impact assessment. Similarly, the Code Manager encouraged Supplier Members of the TIG to respond to the Party impact assessment in order to fully capture their perceived anticipated benefits. The Code Manager told TIG Members that respondents should quantify costs and benefits as much as possible in order to make the assessment of the cost-benefit case as robust as possible.

6.3 NOVEMBER 2025

The Code Manager provided TIG Members with an overview of the responses to the Party impact assessment (which is summarised more fully in section 11 of this report). The Code Manager advised TIG Members that the Party impact assessment responses indicated that the proposed solution would incur costs to Network Parties, create operational difficulties for Network Parties, and identified an intangible benefits case for Supplier respondents (no quantifiable benefits were identified, however). As a result, the Code Manager indicated to TIG Members that on that basis its provisional position is that the business case for R0253 has not been met, and that the proposed solution in its current state cannot be recommended for approval.

TIG Network Party Members re-iterated concerns raised in the October 2025 meeting regarding the difficulties they expected to face as a result of the proposed solution. The Code Manager acknowledged these concerns and told TIG Members that their feedback has helped shape the provisional minded-to position for rejection of the proposed solution.

TIG Network Party Members told the Code Manager that they would support a revision of the draft legal text to change the obligation from a mandatory one to an "all reasonable endeavours" obligation. This would allow Network Parties to take neither a photograph nor record a sketch where circumstances do not permit. The Code Manager asked TIG Members for their view on whether this would weaken the obligation to such an extent as to render it ineffective. When asked in a in-meeting poll, however, TIG Members indicated that altering the proposed solution as described would be preferable to an outright rejection of the Change Proposal, however.

TIG Members also indicated that they would support the introduction of a new Issue to explore a review of the TDIS evidentiary standards that require the submission of photographic or sketch evidence to support a claim. TIG Members indicated that they would support this action regardless of the outcome of R0253 in respect of both it's solution option and its approval.

7 PRIORITY STATUS AND URGENCY

PRIORITISATION MATRIX

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Indirect	0	27	0
	Retail Markets Impact	Innovation and Market Arrangements	1	17	17
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	1	7	7
		Legal and Regulatory Compliance	1	14	14
Resource	Complexity / Effort / Duration		2	9	18
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		1	17	8
	Contribution to/ Alignment with RECCo's Forward Work Plan		1		8
Urgency *(The need to progress a change to meet a targeted date)*		Other Planned Activity	1	10	10
				Overall Priority Score (rounded)	83

Priority Status	LOW
Change Proposal Type	STANDARD

This Issue has a priority status of Low, based on a score of 83. This score has been calculated as follows:

- Complexity/Effort/Duration has been given a score of two, indicating moderate complexity. This is reflective of the challenges associated drafting legal text that is applicable to both electricity and gas Network Parties, in respect of their different operational processes relating to Energy Theft, and their data sharing approaches.
- All other metrics have been given a score of zero or one, as appropriate.

RETAIL ENERGY CODE

SOLUTION

8 SUMMARY OF ANALYSIS UNDERTAKEN

The Code Manager has worked with interested stakeholders in order to determine the scope of the Issue, as well as an appropriate solution. The Code Manager had two core goals to address in order to fully address the problem statement:

1. Ensuring that Network Parties recorded visual evidence of Energy Theft; and
2. Establishing a means by which the visual evidence may be sent to Energy Suppliers.

In order to address the first point, the Code Manager consulted with relevant industry stakeholders via the REC TIG. The Code Manager presented this Issue at the July TIG meeting, and took feedback from members that informed the solution development approach. The key feedback was as follows:

- GTs have different file sharing arrangements to DNOs, which will need to be taken into consideration in respect of sharing the evidence of Energy Theft with Suppliers;
- There is a lack of clarity in the Code regarding evidentiary requirements; and
- Network Parties need to consider the safety of the Metering Asset as their foremost priority.

These key points have been taken into account when considering the drafting of the proposed solution.

8.1 UPDATE TO PROPOSED SOLUTION

Following both the October and November meetings of the REC TIG, and feedback garnered during the Party impact assessment, the Code Manager has updated the proposed solution. The Code Manager has aimed to be responsive of feedback; the approach has been to reach a compromise between Network Party concerns and anticipated Supplier benefits.

9 PROPOSED SOLUTION

9.1 SOLUTION V1.0

The Code Manager is proposing changes to REC Schedule 8 – Unbilled Energy Code of Practice; specifically, to propose the following addition to Section 6: Information exchange between Parties:

> *6.5 Where Paragraph 6.4 applies, the Network Party shall take reasonable steps to record photographic evidence of the actual or suspected Energy Theft (provided that it is safe to do so). If is not possible to record such photographic evidence, the Network Party shall produce a sketch (or similar visual representation) of the actual or suspected Energy Theft. The Network Party shall make such photographic evidence or visual representation available to the relevant Energy Supplier upon request. Unless another appropriate means of exchange is agreed (in compliance with Paragraph 6.6), the Network Party shall send this via the Secure Data Exchange Platform.*

The Code Manager's expectation for this drafting is that it will compel Network Parties attending Sites where there is actual or suspected Energy Theft to record photographic evidence of the

Energy Theft, i.e., the tampering done to the Metering Asset, or any of it's associated components or parts. The Code Manager acknowledges that it will not always be possible to take a photo; where a Network Party attends a Site where there is a material risk to safety as a result of tampering, their first responsibility is to make the Site safe. In some cases, the risks presented will be so great that it is not possible to take a photo. As a result, the proposed solution makes an allowance for this, and permits for a Network Party to submit a sketch (or similar) of the Metering Asset where they were not able to take a photo prior to making the Site safe.

The proposed solution also prescribes how the evidence of the Energy Theft (either the photo or the sketch) is passed to the Energy Supplier. The Network Party should submit the evidence via the Secure Data Exchange Platform (SDEP) in the first instance, but where they are not able to, they may agree with the Energy Supplier an acceptable means of doing so, in a GDPR compliant manner. The Code Manager expects that this makes suitable allowances for GTs, who do not engage with SDEP as a DNO might.

9.2 SOLUTION V2.0

Following discussion at the November meeting of the REC TIG, the Code Manager has updated the proposed solution to the following (differences from V1.0 in **bold**).

> *6.5 Where Paragraph 6.4 applies, the Network Party shall make all reasonable endeavours to record photographic evidence of the actual or suspected Energy Theft (provided that it is safe to do so). If is not possible to record such photographic evidence, the Network Party shall **make all reasonable endeavours to** produce a sketch (or similar visual representation) of the actual or suspected Energy Theft. The Network Party shall make such photographic evidence or visual representation available to the relevant Energy Supplier upon request. Unless another appropriate means of exchange is agreed (in compliance with Paragraph 6.6), the Network Party shall send this via the Secure Data Exchange Platform.*

This change will turn this obligation from mandatory to an "all reasonable endeavours" basis. This will address feedback from Network Parties that mandating sketches in lieu of photographic evidence is likely to be both unworkable and costly.

9.3 HOUSEKEEPING UPDATE

In addition to the primary drafting changes to support the solution for this Issue, the Code Manager (in conjunction with our legal counsel) identified minor, unrelated clarificatory changes to Schedule 8 – Unbilled Energy Code of Practice that can be made at the same time as the primary drafting changes. These changes are as follows:

Section	Change	Rationale
6.22	Introduction of new section heading for Paragraph 6.22.	This provision does not relate specifically to the Theft Contact Register (the previous section),

Section	Change	Rationale
		and has so been placed in it's own section for greater clarity.
6.22	Changed refences of "DNOs" to "Network Parties".	As the provisions in 6.22 relate to both electricity and gas (PT0075 and PT0076 respectively), the reference to "DNOs" only excluded gas Network Parties, and so has been broadened as a result.

10 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0253 can be found here.

PRELIMINARY ASSESSMENT

11 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

11.1 SERVICE PROVIDER IMPACT ASSESSMENTS

A Service Provider impact assessment was not conducted as no impact to any REC Service Provider was identified as arising from the proposed solution.

11.2 REC PARTY IMPACT ASSESSMENTS

A Party impact assessment was conducted from 16 October 2025 to 07 November 2025. In total 15 responses were received from Network Parties & Suppliers. The non-confidential responses have been published here.

ENERGY SUPPLIERS	• Energy Suppliers were overall positive in respect of the proposed solution. • Suppliers felt that the requirement for Network Parties to submit photographic evidence to them will allow them to more readily make successful claims against the TDIS. • Suppliers did not identify any significant costs arising from the proposed solution. ○ One Supplier did indicate a cost of £1-£9,999 – The Code Manager queried this as it was felt that Suppliers were unlikely to accrue costs as a result of receiving a photo, and that this result was likely to have been given in error. The respondent did not reply to the Code Manager at the time of publication. • Suppliers did not indicate that they would need any time to implement the proposed solution.

NETWORK PARTIES	• Network Parties were overall against the proposed solution.
	• A number of issues were identified:
	  ○ Requiring Network Party operatives to take photos may endanger them where they are attending Sites where a risk to life may be present, either in the form of unsafe Metering Equipment, or belligerent Consumers.
	  ○ A sketch requirement would be impractical for operatives as they are frequently in situations where they have very little time for individual jobs, and as such cannot complete sketches on Site. Requiring these sketches to be made from memory may impair their accuracy.
	  ○ Introducing the training necessary to enable operatives to capture and record photographic evidence would be costly and impractical for their organisations.

	• Overall, Network Parties indicated that the operational barriers referred to above would be significant enough to make implementation of the proposed solution highly impractical for their organisation. • Network Parties indicated that there would be a cost associated with delivery of the proposed solution, which is detailed in Section 13 of this report. • Network Parties indicated that a 6 month lead time would be required to implement the proposed solution.

Nine out of the fifteen total respondents supported reviewing the TDIS evidentiary requirements to remove the photographic evidence requirement that has made this Change necessarily in the first instance. The Code Manager has recommended that this be considered within the scope of another REC Issue, and as such, will not be considered within R0253.

NB - This impact assessment was conducted in respect of the original proposed solution.

12 RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

No risks, assumptions, issues or dependencies have been identified.

13 BUSINESS CASE ASSESSMENT

13.1 COSTS

COSTS	£0	£1-£9,999	+£10,000
NETWORK PARTIES	6	3	0

No central system costs will be incurred were the proposed solution to be implemented. All costs associated with the proposed solution would arise from operational costs incurred by Network Parties as they make changes needed to accommodate the proposed solution.

Of the responding Network Parties, three indicated a cost in the region of £1-£9,999, and 6 did not indicate any cost. These costs were given in respect of the original proposed solution which introduced a mandatory obligation, and as such, is indicative of the operational impacts that adapting to this obligation would entail.

The Code Manager did not conduct a second impact assessment in respect of the updated proposed solution which changed the obligation from mandatory to an “all reasonable endeavours” basis, as the Code Manager felt that the solution had not changed materially enough to justify another assessment. However, the Code Manager did follow up with the three respondents who indicated cost in the first impact assessment to find out if they expected their costs to change as a result of the updated solution. Only one of these respondents replied to the Code Manager, and indicated that they would still expect to incur some cost, and this cost will fall within the £1-£9,999 bracket, but that they expect the cost to be closer to £1 than to £9,999.

13.2 BENEFITS

The Code Manager asked Suppliers to provide a quantification of the benefits that they expected based on the proposed solution. Unfortunately, no Supplier respondents were able to quantify their benefits. This is partially anticipated, however, as TDIS dividends paid to Suppliers come from a finite "pot" – more Confirmed Energy Theft does not necessarily translate into more TDIS reward as the total amount is split amongst all claimants.

Supplier respondents instead identified intangible benefits that they felt would result from the proposed solution:

- **Easier evidencing TDIS claims:** By requiring Network Parties to provide photographic evidence where they are able to do so, more Supplier's will have the necessary evidence to support their TDIS claims, resulting in more successful claims.
- **Improved cost recovery for theft investigation:** On a consequential basis, more successful TDIS claims will result in greater recovery of costs spent on theft investigations, resulting in more investigations.
- **Incentivisation of TDIS as a whole:** By making it easier to evidence a TDIS claim, the scheme will present fewer perceived barriers to entry for industry participants.

Taken together, the benefits can be summarised as more efficient engagement with the TDIS scheme for Suppliers, which will have a positive consequential impact on theft investigation across the market as a whole.

13.3 COST BENEFIT ANALYSIS

The Code Manager concluded that the original proposed solution, wherein Network Parties were compelled to provide either a photo or a sketch, was not likely to meet a cost-benefit test. This is because of the high costs that Network Parties indicated they would incur as a result of a mandatory obligation, coupled with the operational challenges that they indicated that this would present. Combined with a lack of quantifiable benefits indicated by Supplier Parties who supported the proposed solution, the Code Manager did not feel that on balance the benefits could outweigh the identified costs.

Responding to feedback from participants at the REC Theft Issues Group (TIG), the Code Manager modified the proposed solution to change the obligation from a mandatory one, to an obligation made on an "all reasonable endeavours" basis. Network Party participants at the REC TIG indicated that this change in obligation would significantly ameliorate their concerns and would reduce the impact on their organisation arising from the proposed solution.

Consequently, the Code Manager is satisfied that a proposed solution where the core obligation is predicated on an "all reasonable endeavours" basis would meet the cost-benefit test. This solution has fewer of the financial and operational barriers presented by the original proposed solution, whilst retaining some of the anticipated benefit for Suppliers.

14 CASE FOR CHANGE

SELF GOVERNANCE

The Code Manager considers that there is a case for change to implement this solution, on the basis that it:

- Is both viable and implementable, and it appropriately resolves the problem statement; and
- Is cost effective and proportionate to the anticipated benefit.

15 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link
CONSOLIDATED PARTY IMPACT ASSESSMENT RESPONSES	Link

RETAIL ENERGY CODE

16 GLOSSARY

TERM	DEFINITION
Confirmed Energy Theft	means that the holder of an Energy Licence (or person acting on their behalf) reasonably determines that, on the balance of probabilities and taking into account all of the evidence then available, one or more instances of Energy Theft has occurred. Such a determination may not be made unless sufficient evidence is held to substantiate the occurrence of Energy Theft, including (as a minimum): (a) an indication of theft via a desktop review of consumption levels; and (b) a report of a site visit where access was successful; and (c) photographic (or sketch) evidence of the theft, including illegal connection/bypass or meter tampering.
Distribution Network Operator	means a person holding an Electricity Distribution Licence.
Energy Theft	Includes: (a) circumstances described in Paragraphs 5(1) (Restoration of connection without consent) and 6(1)(a) (Damage to electrical plant etc) of schedule 6 to the Electricity Act (in so far as they relate to an electricity supplier; (b) circumstances described in Paragraph 6(1)(b) (Damage to electrical plant etc) of schedule 6 to the Electricity Act; (c) circumstances described in Paragraph 11(1) (Interference with meters) of schedule 7 to the Electricity Act; (d) circumstances described in Paragraphs 10(1)(a) and 11(2) of schedule 2B to the Gas Act (in so far as they relate to a gas supplier); and (e) circumstances described in Paragraphs 10(1)(b) and 10(1)(c) of schedule 2B to the Gas Act.
Gas Transporter	means a person holding a Gas Transporter Licence which requires that person to become a Party to this Code.
Metering Asset	shall have the same meaning as Metering Equipment.
Network party	means a Party which is either a Distribution Network Operator or a Gas Transporter.
Secure Data Exchange Platform	means the portal of that name which forms part of the Secure Data Exchange Service.
Theft Detection Incentive Scheme	is described in Annex 3 of the Energy Theft Reduction Schedule.