

CONSUMER HARM REPORT 2018-19



FOREWORD

The key roles of National Trading Standards (NTS) are to **protect consumers** and **safeguard legitimate businesses by tackling criminal activity**. The 2019 Consumer Harm Report highlights the many successes of NTS teams in preventing more than £130 million of losses to consumers and business, while securing the convictions of 47 criminals with prison sentences totalling almost 65 years.

Pursuing ruthless criminals

As a result of our work, more fraudsters are behind bars, more criminal assets have been seized and more consumers have received compensation. Of course there is more to do – our work is far from done. Our teams are currently investigating another 97 cases of serious consumer and business detriment.

Changing trends and emerging threats

However, as we and local Trading Standards colleagues close in on fraudulent and criminal activity, criminals are forced to adapt and often resort to new, more sophisticated techniques. Officers are seeing scams and fraud become more high-level; in many cases being operated by organised criminal gangs. These gangs frequently target vulnerable young men from deprived areas – such as those with alcohol and drug dependencies, people who are unemployed, homeless people and immigrants – to carry out substandard house 'improvements' and unnecessary repairs on people's properties. Victims of the scams are often in vulnerable situations themselves – doorstep criminals tend to target residents living alone, with an illness or a disability.

So we need to be alive to old scams wrapped in 21st century packaging. We also need to continue our focus on new and emerging entry points that criminals can use to target and defraud victims. This includes the increasing use of connected devices in households across the country. Whether it's your new smart speakers or your connected TVs, more devices are connected to the internet by default, increasing exposure to exploitation by criminals.

Consumer awareness

As well as disrupting these criminal activities, we also focus on equipping consumers with awareness and advice to avoid scams. **Friends Against Scams** aims to protect UK consumers from mass marketing fraud by empowering potential victims and communities to take a stand against scammers. Online training improves awareness and resilience and helps consumers identify a potential scam and avoid falling prey to it.

Friends Against Scams also provides early alerts of new scams to NTS teams, which enables early interception and intelligence to help track down those behind these pernicious schemes. We already have over 300,000 trained participants and the scheme continues to grow.

This initiative is being complemented by a new partnership with utility companies. Communications, water and energy companies employ staff who routinely have face-to-face contact with customers and visit their homes for planned and unplanned works. This puts them in a unique position to help spot, stop and prevent scams as they interact with local neighbourhoods and communities.

That's why **Friends Against Scams** has worked closely with utility companies to set up 'Utilities Against Scams', which will train staff to support customers and colleagues. The new initiative will help utility companies make a positive difference to the people they serve.

Effective performance despite constrained resources

National Trading Standards, alongside our Trading Standards partners at local authorities across England and Wales, continues to clamp down on criminals and generate value for the taxpayer. Funding for Trading Standards and consumer protection work has been halved in the last decade, resulting in a similar reduction in the number of Trading Standards Officers. The average spend per head of population in 2017 was £1.69 per year – that's the equivalent of ½ a cup of coffee in a

London coffee shop or three own brand toilet rolls! For this budget, local trading standards operations are collectively tackling over £15 billion in consumer and business detriment, supporting legitimate local businesses from being undercut by dodgy dealers and con artists, and protecting the most vulnerable in our communities from scams and exploitation by criminals.

Funding invested in Trading Standards produces consistent results. For our own organisation, every pound received by National Trading Standards has delivered around £12 of benefit, including preventing over £800 million in consumer detriment since our establishment six years ago. As acknowledged by the National Audit Office, the model of national commissioning from local authority based teams delivers results. For us to continue to disrupt, investigate, prosecute and keep people safe, all parts of the system need to be adequately resourced.

A report such as this can only provide a glimpse of our work and achievements over the past year. Nevertheless, I hope you will find it useful and informative. If anything you read or something you experience, see or hear makes you think you or someone you know could be a victim of crime, please call the Citizens Advice consumer helpline on 03454 040506.



Lord Toby Harris
Chair of National Trading Standards

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WHAT DO WE DO?

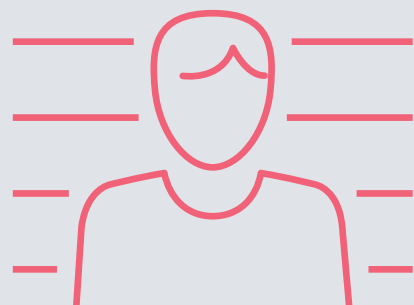
TACKLING CRIMINAL ACTIVITY

Tackling criminal activity and ensuring those responsible are brought to justice is at the heart of NTS work.

Specialist NTS teams work to combat criminal activity across a range of priority areas. Our investigations are often complex and include bringing criminals to justice, disrupting mass marketing mail scams and shutting down online fraud.

Our teams are highly skilled and our expertise is recognised both nationally and internationally. We share expertise with local authorities across the country and work on joint initiatives and investigations with law enforcement agencies around the world.

TACKLING CRIMINAL ACTIVITY THE FACTS



In 2018/19, National Trading Standards Teams:

- secured convictions for 47 criminals and prison sentences totalling 64 years and 11 months
- are currently investigating 97 cases of serious consumer and business detriment
- investigations led to £30,000 of fines that were issued

PROTECTING CONSUMERS

The cornerstone of our work is protecting consumers from harm. Criminals often target people who find themselves in vulnerable situations, cruelly exploiting them for their own benefit. NTS protects consumers by raising awareness of issues that could affect them,

directly intervening with and supporting victims, disrupting criminal activity at source and pursuing legal action that returns money to consumers that has been taken from them illegally.

PROTECTING CONSUMERS THE FACTS



In 2018/19, National Trading Standards Teams:

- saved consumers and businesses the equivalent of £131.1 million
- secured more than £400,000 in compensation for victims
- recruited 172,760 Friends Against Scams who train and empower communities to take a stand against scams. This has taken the total to more than 300,000 participants

SAFEGUARDING LEGITIMATE BUSINESSES

Legitimate businesses should be protected from illegal and unfair trading. NTS teams across the country witness unfair trading in many forms – from direct infringement of a business's copyright or intellectual property to indirect damage, when businesses receive less custom than they should because they are undercut by competitors trading illegally.

Businesses are often victims of scams that our teams investigate. Examples include:

- Small businesses losing out to energy scams, where criminals mislead consumers to offer fraudulent home improvement and energy efficiency measures

- Responsible pubs, bars and clubs showing satellite TV – and satellite TV providers themselves – who are among a number of business victims that have lost trade as a result of criminals selling illegal satellite TV boxes
- Responsible estate and letting agents, who risk losing business as a result of criminal operators.

SUPPORTING SUPPLY CHAIN INTEGRITY

Buying and shipping goods across the world is now easier than ever. Although making a purchase simply by clicking a button has its advantages, it also makes it easier for businesses to sell faulty or unsafe goods and for consumers to inadvertently purchase them. This creates real challenges in maintaining the integrity of the supply chain.

Our teams work to provide a “safety net” to identify and tackle the importation of unsafe consumer goods entering the UK through key points of entry.

Separately, NTS teams ensure the animal feed chain is safe, through a programme of checks on feed importers and producers. This helps keep the food chain safe and avoids a repeat of problems like the BSE crisis and helps ensure that UK farmers can export their meat.

SUPPLY CHAIN INTEGRITY THE FACTS



- In 2018/19, National Trading Standards Teams:**
- prohibited 600,000+ unsafe and 2.2 million+ non-compliant items entering the UK supply chain
 - saved more than £92 million in costs to society and prevented an estimated 2,002 serious injuries and 1,716 fires, and 6 lives were saved
 - continued our work to ensure the integrity of the animal feed chain and to protect food safety and UK meat exports
 - delivered 7,539 activities including ports checks, sampling, visits to farms and inland inspections.

HOW DO WE DO IT?

We deliver our work by supporting teams of trading standards professionals who specialise in our core priorities.

THE SPECIALIST TEAMS WE SUPPORT COVER:



Scams



eCrime



Intelligence



Estate & Letting
Agency



Safety at Ports
& Borders



Regional
Investigations

Criminal fraudsters operate across the country, employing a range of illegal tactics including doorstep crime, preying on vulnerable communities, counterfeiting and misleading consumers and businesses.



REGIONAL INVESTIGATIONS AND SUPPORTING LOCAL TRADING STANDARDS

Criminal fraudsters operate across the country, employing a range of illegal tactics including doorstep crime, preying on vulnerable communities, counterfeiting and misleading consumers and businesses. The bulk of Trading Standards enforcement action against these criminals is led by local authorities.

In specific cases, our eight **NTS Regional Investigations Teams** are tasked with taking on these types of investigations, particularly to tackle high priority regional issues and serious or complex cases that require enforcement beyond local authority boundaries.

The number of cases undertaken this year has risen. The Teams started the year with 86 open investigations and now have 97 live cases. Of these 52 are ongoing, nine are awaiting a decision, 23 are awaiting trial, three are Proceeds of Crime cases and ten are pending.

IN 2018/19, THE TEAMS' SUCCESSFUL EFFORTS LED TO:

30

custodial sentences totalling 49 years

19

suspended sentences totalling 16 years 3 months

£437,933

compensation awards to victims

11

company directors' bans, which amount to 91 years

5

Rehabilitation Activity Requirements

108

days of community service

CLAMPING DOWN ON DOORSTEP CRIMINALS

The fraudulent activity brought to an end this year by the **NTS Regional Investigation Teams** includes a doorstep criminal who targeted vulnerable consumers to offer property "repairs" such as roof cleaning, tarmac and driveway resurfacing, which are then poorly carried out but victims are forced to hand over large amounts of money.

Other cold callers offered "energy efficient" work/products; and some aggressively sold orthopaedic beds and chairs to vulnerable and elderly customers.

Other cases include a "meet and greet car parking services" scam operating at Gatwick airport, IPTV frauds and IP and trade mark offences.

OPERATION CASSOCK

Rogue traders: John Dodds and Jason Richards

Sentence: Combined total of 9 years in prison

NTS provided support for an investigation instigated by the Premier League and the Federation Against Copyright Theft. Two criminals, Mr John Dodds and Mr Jason Richards, sold hundreds of devices that enabled their customers to view Premier League football via unauthorised access to channels, defrauding the Premier League, Sky and BT. Many devices did not work properly. Mr Dodds and Mr Richards both attempted to conceal evidence in a deep freezer. This led to a further conviction for attempting to pervert the course of justice.

Their criminal activity led to the pair earning at least £1.5m through the sale of the devices and other equipment. This will be subject to confiscation proceedings. They were found guilty of conspiracy to defraud and each was sentenced to 4½ years.

Several long running investigations came to trial with successful outcomes. Anthony Rees, from the Wales Investigation Team received a Judge's commendation for his work on Operation Slick.

OPERATION SLICK

Rogue traders: Allan John Coutts

Sentence: 5 year 6 months in prison

The rogue trader, Mr Allan John Coutts, ran a tarmac repair business between February 2015 and August 2016 across England and Wales, trading under several names to avoid detection. He used a lorry specifically designed to resemble an 'official' vehicle to cold call customers to obtain driveway repair work. He would select secluded properties in remote areas with longer driveways to maximise profit and minimise the chances of being caught.

The work was consistently of an extremely poor standard, with just loose stone chippings applied to existing driveways with no solution used to hold them in place. Customers would later discover the work they had paid for with a 'five-year guarantee' was worthless. Victims were charged between £500 to £7,000, usually in cash. Some customers were taken to local banks to withdraw money.

The investigation uncovered £600,000 cash and card payments in just over a year. The rogue trader was found guilty of breaches of the Fraud Act 2006 and sentenced to 5 years 6 months in prison.



As a result of investigations led by the NTS Regional Investigations Teams £16m has been avoided in consumer and business detriment and £437,933 has been confiscated from criminals, leading to £5.11 in savings for consumers and businesses for every £1 spent.

PUTTING THE BRAKES ON USED CAR FRAUD

We are in the second year of a three-year programme to tackle mileage-adjusted cars and sales of unsafe vehicles, including the use of fraudulent vehicle service stamps and service books.

Over the past 12 months, NTS have supported six local authority investigations.

DISRUPTING MASS MARKETING MAIL SCAMS

Each year mass marketing mail scams, which often target vulnerable or disadvantaged people, cause somewhere between £5 billion to £10 billion worth of harm to consumers nationwide.

Many criminal groups that operate mass marketing frauds are based abroad. They run their fraudulent activity from overseas, but many of their mailings can land in UK letterboxes. NTS works to make the UK landscape hostile to fraudsters engaged in mass mail scams.

The **NTS Scams Team** focuses on mass marketing fraud such as fake lotteries, misleading prize draws and clairvoyant scams sent through the post. It works in partnership with agencies both in the UK and internationally to identify the criminals responsible and disrupt their activities.

The NTS Scams Team estimates that, during 2018/19, for each £1 of funding received, it saved consumers £28.23.

Working together with a whole range of overseas enforcement agencies, NTS helps to disrupt, remove and where appropriate ensure enforcement action is taken against scam mailers. International collaboration has ensured that mailings destined for the UK were stopped in several different countries including Singapore, the US, Canada, Switzerland and Belgium.

Criminals are using different techniques to bypass the measures in place to prevent mass marketing mailings. Recent scam mail examples show that criminals disguise the mail. Scam Marshals' mail has provided evidence that criminals disguise the mail, use hybrid mailers or do not bring the mail into the UK by post. For example, attempts are being made to send scam mail through UK mailing companies for forwarding abroad.

CLAIRVOYANT SCAM MAIL

An emerging trend during the year was an increase in clairvoyant scam mail with over 30 different "clairvoyant names" being used. They all request payment in cash with an average request for £35.00. An analysis of the mailings showed that nearly one-third came from the same criminal network and much of it was processed through a mail provider. Following joint work with Royal Mail, the mailings have now stopped entering the UK via the international hub.

IN 2018/19, THE NTS SCAMS TEAM'S SUCCESSFUL EFFORTS LED TO:

1,533,866

mailings stopped

> £13.5m

over £13.5m of savings to consumers and local authorities

737

scam victims identified and supported

> 52,000

over 52,000 items destroyed at a Heathrow consolidator

\$6m

cooperation with US colleagues resulting in five arrests and bank accounts containing \$6 million frozen (seven guns including an automatic assault rifle were also seized)

\$100m

work with the FTC on ongoing case where \$100 million has been restrained

EMPOWERING COMMUNITIES TO TAKE A STAND AGAINST SCAMS

Our **Friends Against Scams** campaign trains and empowers victims, neighbours, family members and communities to take a stand against scams. Identifying the importance of prevention, this programme provides training materials to participants across the country to help identify potential scams.

This year we celebrated the first anniversary of the One Million Friends Against Scams campaign in partnership with NatWest. The number of Friends has doubled over 12 months, with the 300,000th Friend joining at the end of 2018.

A range of training materials has been developed, ready for final rollout in 2019-20. This includes the Accessible Friends Against Scams training to local authority Trading Standards, a new Friends Against Scams website and the Young Friends training package for schools and youth groups.

ENERGY FRAUD – UTILITY COMPANIES UNITING AGAINST SCAMS

Scams are becoming more commonplace, more sophisticated and harder to spot than ever before. Utility companies – including communications, water and energy companies – are in the privileged position of entering customers' homes for planned and unplanned works. This means they can spot, stop and prevent scams as they interact with local neighbourhoods and communities.

That's why **Friends Against Scams** has worked closely with utility companies from the National Mental Capacity Forum to set up 'Utilities Against Scams', which will train staff to support customers and colleagues. The new initiative will help utility companies make a positive difference to the people they serve.

Utility organisations spearheading the programme are:

- Anglian Water
- British Gas
- Cadent
- Consumer Council for Water
- Plusnet
- SSE
- Yorkshire Water

These organisations have been working together to create a utility-specific training package to highlight how scammers target households. This includes training on how to prevent, spot and stop a scam, particularly in cases where scammers impersonate utility companies on the doorstep to enter people's homes. See page 25 for more information on emerging threats around utility-related scams.

More information is available at: www.friendsagainstsams.org.uk/uas



NTS Scams Team activity has saved more than £13.5 million as a result of disruption work and local authority support, resulting in £28.23 savings for every £1 of funding received.

TAKING DOWN ONLINE FRAUD

Our **NTS eCrime Team** deploys disruptive tactics to take down fraudulent websites and remove other illicit online content. Rogue traders who continue to operate off-line are subjected to further action.

The team's expertise is clearly recognised by other agencies. Both the National Fraud Intelligence Bureau and the Metropolitan Police have referred cases to the NTS eCrime Team this year. These concerned an online computer servicing fraud network controlled from Delhi and a recruitment agency scam.

Recognising the importance and prominence of online crime, the team has also delivered training to 150 enforcement officers on how to spot a scam website and the Intelligence Team trained all regions in how to use the Management of Risk in Law Enforcement system to assess intelligence and prioritise work.

Example cases

- An investigation referred by the Metropolitan Police FALCON unit concerning a suspected online recruitment fraud. Jobs advertised online offer the opportunity to work in recruitment. Complaints analysis suggests applicants are then required to pay up-front fees. The 'jobs' are either non-existent or act as an agent to recruit more fee-paying applicants.
- An investigation into an alleged fraud connected with several model agencies and photography studios. Consumers are initially attracted by a Facebook advert offering a "free" photoshoot to see if they are suitable candidates for modelling work. On completion of the photoshoot, almost all consumers are then told they could get work as a model but to sign up with the agency they need to pay for "copyright" on the photos that have just been taken. Consumers are then subjected to a high-pressure and aggressive sales process to persuade them to pay for the "free" photos. Prices paid for the photos vary from £300 up to £2,000 and very little (if any) modelling work materialises.
- An investigation into an online plumbing business that used Google Ads to attract consumers to 'local' plumbing services. Consumers were subjected to extra charges because the contracted plumber was not local. The work was often of poor quality and/or unnecessary.
- A case concerning a series of websites offering various electrical goods for sale (such as TVs and digital cameras). Complaints analysis suggests that consumers either did not receive the exact product they ordered or received no goods at all. Over 800 consumers were affected with an estimated loss of £500,000.
- Two similar investigations into the activities of web developers who are suspected of designing hundreds of websites connected with alleged rogue property repair businesses. A common feature of the websites appears to be the use of repeated stock imagery which is purportedly the actual work of the traders. There are also repeated use of the same customer testimonials across multiple websites for different traders.

SECONDARY TICKETING

Work has continued alongside the Competition and Markets Authority to tackle the online resale of event tickets, including major sporting events and music concerts/festivals.

This has included testing new consumer protection regulations for the first time in court and using the Fraud Act to tackle other offenders. This has covered three key investigations concerning the large-scale acquisition and supply of tickets for major sporting, music and cultural events. Tickets were acquired from primary ticketing sites and other sources before being offered for sale on various secondary ticketing platforms.

PREVENTING DANGEROUS PRODUCTS REACHING CONSUMERS

Ensuring that consumers have confidence that the products they are buying are safe and will not cause them harm is crucial. The **NTS Safety at Ports and Borders Teams** work at 12 ports,

airports and postal hubs across the country to prevent dangerous and non-compliant items, which could harm consumers, from entering the UK.

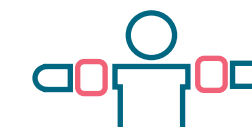
DURING THE YEAR, ALL THE SAFETY AT PORTS AND BORDERS TEAMS FOUND AND REMOVED A WHOLE RANGE OF UNSAFE AND NON-COMPLIANT GOODS. THESE INCLUDE:

125x

Teeth whitening strips with 125 times the permitted levels of hydrogen peroxide



Tonnes of illegal cosmetics including skin lightening cosmetics containing hydroquinone, lead and mercury



Swimming aids that were found to pose a risk of drowning



Dangerous lamps, lights, e-cigarettes and other electrical items which could overheat and cause house fires

FULFILMENT HOUSES

We've also helped local Trading Standards authorities to gather intelligence, investigate and take enforcement action to protect consumers from dangerous products being sold via 'Fulfilment Houses', which are used to store products, receive orders, package and dispatch ordered items to end-consumers and sometimes act as a returns address.

This was the final year of a three-year programme of work. A phased approach was taken, building on existing best practice, gathering intelligence and financial information, undertaking investigations, enforcement work and legal proceedings on specific Fulfilment Houses. An NTS Fulfilment House Enforcement Toolkit was published in August 2018.

This work secured multiple seizures of goods and resulted in four Fulfilment Houses closing down, disrupting both the supply of unsafe goods and tax evasion.

INTERVENTIONS AND SEIZURES AT PORTS AND BORDERS

EXAMPLES OF UNSAFE AND NON-COMPLIANT PRODUCTS PREVENTED FROM ENTERING THE COUNTRY:

HIMALAYAN SALT LAMPS

Tests carried out on a consignment of 1,656 salt lamps found that the cable could overheat in the event of overload. The entire consignment was destroyed.

BABY PRODUCTS

A range of baby products, included play tents, swimming aids, baby bouncers, play mats and mobiles, all destined for UK homes were destroyed due to major failings with the labelling of all the items. Given the lack of traceability markings none of the documentation could be tied to the products and therefore the importer could not evidence their safety. The swimming aids were found to pose a risk of drowning and the play mats posed an asphyxiation hazard.

BEARD BAUBLES

An examination of a consignment of beard baubles found the highest level of cadmium ever found by the Team. The antique silver effect beard bauble fashion jewellery, which can come into prolonged contact with the skin, was found on analysis to contain 85% of the carcinogenic heavy metal. The legal limit for cadmium in jewellery is 0.01%. The 800 packets of beard baubles were destroyed.

LED LIGHTS

A consignment of 450 LED ring lights was destroyed after problems with the construction of the plug were identified. The product was assessed as unsafe because of a risk of electrical shock to users of the product.

CHILDREN'S DOLLS

A consignment of 16 children's dolls were found to contain up to 42% phthalate - 420 times in excess of the maximum concentration allowed in toys and childcare articles. The toys were sent for destruction.

COUNTERFEIT HAIRDRYERS

A consignment of hairdryers were found to be very good copies of the Dyson supersonic hairdryer, a premium product which in its genuine form retails for around £300. The importer could not produce the required technical conformity files so the products were refused entry and destroyed.

INCREASING PROTECTION FOR TENANTS

A new Team has been set up to provide greater protection for renters in England from letting agents who charge illegal tenant fees. This will include assisting local authorities with the regulation of the private rental sector in England, protecting tenants and safeguarding compliant letting agents. Set up in April 2019, its annual achievements will be reported in next year's Consumer Harm Report.

The new remit will provide a single combined enforcement function to protect consumers and legitimate businesses in the property sector. It brings together new letting agency enforcement work with the existing regulation of estate agents, which has previously been operated by the **NTS Estate Agency Team**. This team worked to ensure that individuals or businesses considered unfit to engage in estate agency work are prevented from doing so. It ensures that consumers have recourse to an effective redress scheme if things go wrong in their dealings with an estate agent.

Over the past year, Banning Orders were issued including to a solicitor, a manager of a letting agency business and a man who had failed to register deposits and failed to protect rent monies.

IN 2018/19 THE NTS ESTATE AGENCY TEAM HAD:

807

complaints from tenants

64

cases under investigation

13

prohibition orders issued, which ban individuals from operating as estate agents

UNFIT TO ENGAGE IN ESTATE AGENCY WORK

Mr P had been convicted of one count of theft and was sentenced to 30 months imprisonment. A confiscation order under the Proceeds of Crime Act was also made for £30,000. At the time of the offence, he was the company secretary of a lettings agency which was registered as a member of the Property Redress Scheme for lettings work. During the investigation, he was listed as the director of a limited company described as 'other holiday and other collective accommodation'. He was deemed to be unfit to engage in estate agency work and a prohibition order was issued against him. This is a further example of a proactive order which prohibits Mr P from engaging in estate agency work in the future, despite not being active in that role previously.

TACKLING KNIFE CRIME

Working with local authorities, NTS co-ordinated test purchasing at retail premises and on-line, in the first year of a two year knife crime project funded by the Home Office to tackle the underage sales of knives. Local authorities have routinely undertaken test purchasing of knives, but National Trading Standards has been asked to supplement this work.

Of 2231 test purchases carried out between April 2018 and March 2019, retailers failed to prevent the sale of a knife to a child on 344 separate occasions

(15%). Out of 100 online test purchases, children were sold a knife on 41 occasions (41%).

In addition, three sets of counsels' opinions were sought and provided to all local authorities along with some guidance on engaging Magistrates.

A range of enforcement powers are available including cautions, warnings and prosecutions.

The work of this programme is ongoing and will include further test purchasing.

HELPING PROTECT A SAFE FOOD CHAIN

The NTS animal feed hygiene enforcement programme continues to maintain the safety of the food chain and protect the UK export market.

As part of the programme, officers oversee and administer an animal feed inspection and sampling regime on behalf of the Food Standards Agency. The feed that animals receive is the first step in the process that gets the food from farm to plate. The importance of safe animal feed is critical not only to animal but also human health.

The programme helps ensure the safety of the food animals are receiving, preventing contamination in the food chain and strengthening consumer confidence that the food they buy is safe.

KEY ACHIEVEMENTS IN THE LAST YEAR HAVE INCLUDED:

>7,539

over 7,539 animal feed checks and inspections

69%

of inland premises now classified as satisfactory or above, a 5% increase on 2017/18

96

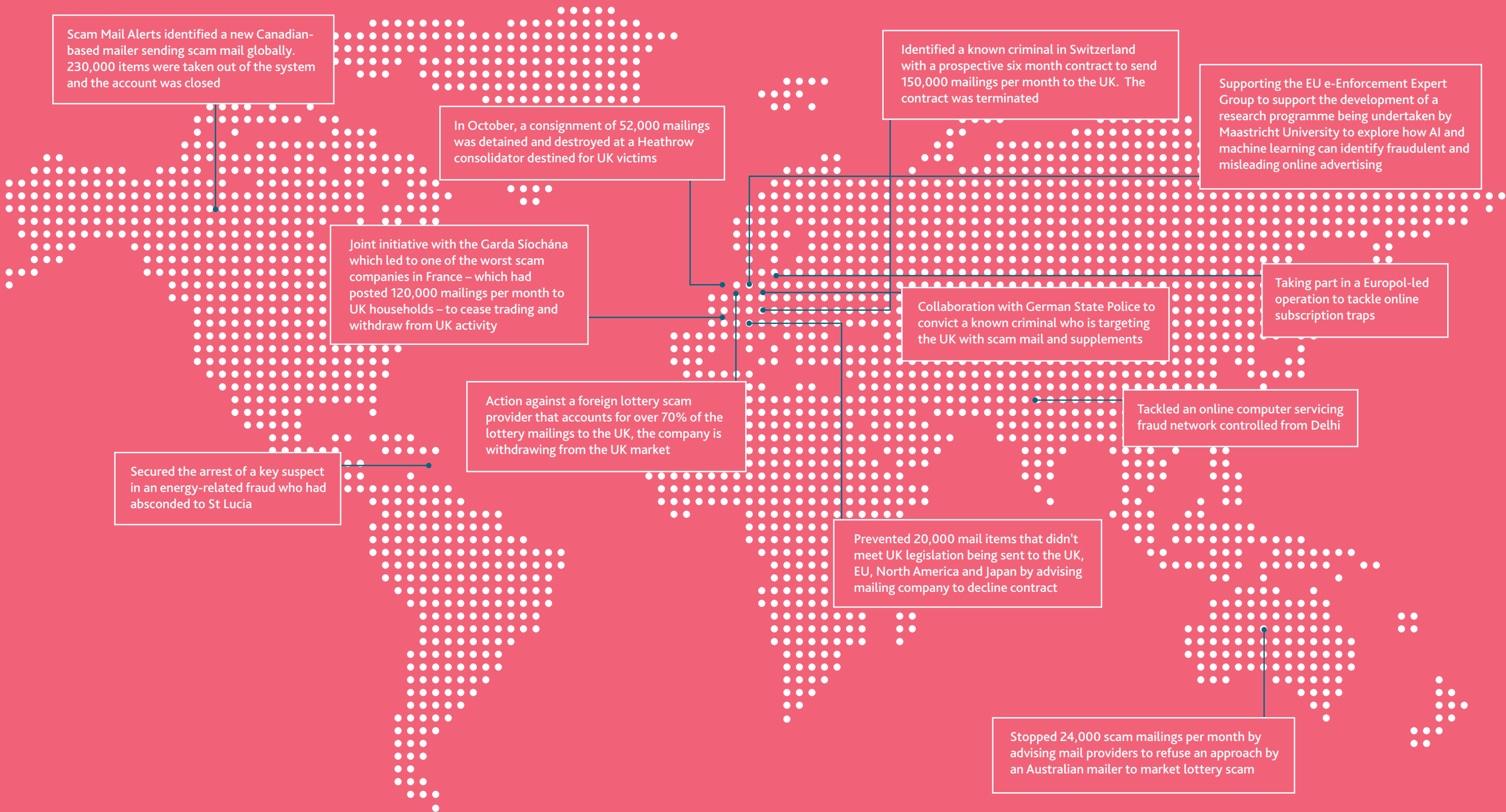
samples taken from 96 animal feed manufacturers, to analyse for feed nutrients with the greatest potential to compromise human or animal health, of which 87% were compliant

Working with local authorities, NTS co-ordinated test purchasing at retail premises and on-line to tackle the underage sales of knives.

GLOBAL COLLABORATION TO DISRUPT CRIME AT SOURCE

Modern crime and fraud is not confined to local boundaries or national borders. It is often run by highly organised criminal groups based overseas, which can make international enforcement more complex.

We work closely with international partners to help disrupt crime at source. Some examples from the past year are highlighted on the map below.



GATHERING INTELLIGENCE

Intelligence underpins our core activity and work areas. Our priority work areas and funding decisions are based on intelligence and understanding of the criminal landscape.

That's why the **NTS Intelligence Team** is so important to our activity. It develops our National Strategic Assessment, which identifies key national threats, emerging issues and priority areas. The Board agreed that mass marketing scams, doorstep crime, product safety, used cars, fair trading (including housing, travel etc.) and intellectual property should be the strategic priorities for 2019/20.

Sharing intelligence with other enforcement agencies

A key part of our intelligence work has been the development of the Intelligence Operating Model: an intelligence framework to help Trading Standards services, regional Trading Standards groups and NTS Teams adopt an intelligence-led problem-solving approach to consumer and business protection work and intelligence led activities.

Our NTS Intelligence Network includes the NTS Intelligence Team, regional intelligence analysts and regional intelligence support officers.



EMERGING THREATS

As enforcement becomes more effective and restricts criminal activity, perpetrators are forced to evolve. They identify new opportunities, adapt their tactics and develop more sophisticated techniques.

Identifying new and emerging threats at both a regional and network level enables NTS and our partners to stay one step ahead of criminals and plays a key role in tackling criminal activity effectively, all with the aim of protecting consumers and safeguarding responsible businesses.

Below are listed some of the major threats that pose a risk to consumers and legitimate businesses over the next year.

BREXIT

As the UK prepares for Brexit, criminals will also be preparing for the opportunities that an EU exit might present.

The design and implementation of a new UK customs system and the challenges in locating and extraditing international fugitives if the UK were to lose enforcement or intelligence sharing tools are just two such opportunities.

The political landscape around the impending exit from the European Union leaves a great level of uncertainty. The ability for National Trading Standards to continue working with EU colleagues is unclear and teams are unable to make definitive commitments to joint working initiatives.





'GREEN' CRIME - ENERGY RELATED FRAUD

Energy related fraud is a growing issue. Increasing awareness of green issues, renewable energy generation and energy saving have given fraudsters new opportunities to mislead consumers. Scams relating to solar energy and insulation are attractive to rogue traders, who use doorstep and cold calling tactics to target potential customers.

The growing popularity of eco devices is creating new opportunities for criminals to take advantage of eco conscious consumers. The promise of energy savings and carbon footprint reduction is leading some customers to pay extortionate prices for genuine products such as digital inverters.

National Trading Standards is implementing a two to three year programme of work to tackle this growing issue along with key partners such as OFGEM.

Energy saving claims made by unscrupulous salespeople are also luring consumers into purchasing unnecessary devices for their homes. Whilst products such as Positive Input Ventilation can prove effective, they are not always the appropriate solution for homeowners.

MODERN DAY SLAVERY

The 'employment' of vulnerable people by organised criminal groups to assist in criminal activity is not new – but it is rising. Referrals of potential victims of modern slavery increased by 36% in 2018 compared with the year before – a rise of more than 80% since 2016.

The National Crime Agency leads on serious and organised crime within the UK, but more cross-cutting issues around modern slavery are straying into the Trading Standards world. In particular, we're seeing an increase in the number of vulnerable people being coerced by these groups to carry out doorstep crimes, such as undertaking substandard home maintenance or improvements.

These criminal groups target vulnerable young men from deprived areas, those with alcohol and drug dependencies, people who are unemployed, homeless people and immigrants.

'COPYCAT' ADVERTS ON SOCIAL MEDIA

Social media is now becoming a major selling platform for illicit, unsafe and counterfeit goods. Sites such as Facebook give a pseudo-legitimate front to criminals selling counterfeit goods.

The popularity of these platforms is enabling counterfeiters to increase their reach and as a result the scale of the potential and actual harm to consumers is rapidly increasing.

Illicit traders use bogus Facebook accounts and other social media platforms operating within local or closed groups. Customers can be unaware that the products they are buying are counterfeit. Unfortunately, it is not always easy to establish whether and how consumers have been misled.

MISLEADING SEARCH ENGINE ADS

It's been a rising issue in previous years – paid-for adverts were a common feature of so-called 'copycat' websites – but it's an increasing source of consumer harm. There's a growing trend to pay for misleading adverts to appear at the top of search engine results. Recent examples include adverts:

- claiming to be official helplines and technical support for well-known IT/consumer electronics companies and adverts
- purporting to be customer service numbers/claims helpline numbers for leading insurance companies.

With the widespread use of smartphones to access search engines, consumers tend to make the call directly from the link in the advert. When the consumer calls, they are misled into paying for products/services they don't need, believing they are speaking with the company they intended to call.

CONNECTED DEVICES – THE 'INTERNET OF THINGS'

There are an increasing number of household consumer devices that connect to the internet by default. Although we aren't aware of any significant reported issues (outside of hacking and other cyber-dependant crime) we remain alive to the possibility that increasing the number of connected devices could be exploited to cause consumer harm.

The use of technologies such as the dark web, encryption, virtual private networks and virtual currencies will also support fast, 'secure' and anonymous operating environments, facilitating different levels of criminality. Increasingly, the ubiquitous 'by default' nature of these enabling technologies will continue to lower the barriers to entry for some types of cyber enabled crime.

ONLINE INTERMEDIARIES

This relates to online platforms that offer a service such as e-commerce, consumer reviews/ratings or booking of services (such as food deliveries and accommodation). They are increasingly being manipulated and exploited by criminals to either give a legitimate 'front' to otherwise harmful activity, or to direct consumers on to web sites

where they will be misled/defrauded. For example, this could be paying for large numbers of positive ratings on a review web site when in fact the underlying business to which the reviews/ratings relate is fraudulent.



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