

**NATIONAL  
TRADING  
STANDARDS**

Protecting Consumers  
Safeguarding Businesses

# ANNUAL REPORT

**2020-21**

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# Executive Summary

This year National Trading Standards Teams and workstreams delivered:

- **5,470** Feed interventions
- Dealt with **£51,494,458** in consumer and business detriment<sup>1</sup>
- Had **30** people convicted of offences
- Prison Sentences totalling **57 years and 10 months** were handed down
- Fines of **£16,500** were given
- Takedowns or suspensions of **855** websites/social media sites
- Issued **56** warning orders, prohibition orders and penalty notices for Estate and Letting Agents
- Tobacco with a revenue value of **£1,191,995** seized

**Between 1/4/14 (when all NTS Teams were fully functional) and 31/3/21, NTS tackled over £1 billion in detriment (£1,055,937,331) for a core spend of £91.46<sup>2</sup> million: £11.54 impact for every £1 spent.**

Funding	Funding Body	Purpose
£12,020,800	Department for Business Energy and Industrial Strategy (BEIS)	Serious consumer protection enforcement, scams and ports safety
£2,007,540	Food Standards Agency (FSA)	Safety of Animal Feed Chain
£560,000	Ministry for Housing Communities and Local Government (MHCLG)	Estate Agency work
£670,000	MHCLG	Letting Agency work
£14,660	IPO	Availability Index Project
£200,000	HMRC	Illicit Tobacco local disruption days

The **Consumer Protection Partnership** was dominated by the Covid 19 pandemic with the CPP collating weekly intelligence from all partners. NTS circulated this weekly to all local authorities. Meetings focused on price gouging, travel refunds and the impact on vulnerable consumers. There was a successful Scams Awareness Campaign 2020 held in June 2020. Operational meetings addressed the need to begin focusing on this changed consumer detriment landscape and what could be done to boost consumer confidence to aid economic recovery.

<sup>1</sup> See annex 5 for detriment calculations

<sup>2</sup> BEIS grant only as detriment figures apply to BEIS related work

NTS delivered 5,470 **feed official control activities**. Despite Covid restrictions, local authorities completed 97% of the plan (which was revised in Dec 20). £250,000 was returned to the FSA. The FSA expanded flexibilities in this third lockdown which allows two-part (remote + physical) inspections at all businesses with the follow up to take place whenever circumstances allow. NTS developed guidance to clarify which types of premises were able to have remote inspection, and developed a data collection method. The NTS Board requested, and the FSA agreed to, a **transition year for official controls at points of entry for EU and transhipped goods** to allow the development of knowledge and methodology.

**Feed Reports and Guidance:** Feed intelligence gathering guidance and Online Sales assessment guidance was issued. NTS undertook the scoping phase of the FSA feed identifier project. This aims to make the identification of non-notified Products of Animal Origin feed consignments more effective for ports in England.

The **NTS Control Strategy** was issued in April to inform and direct the work of NTS via its Teams and the other projects that it funds. The strategy recognised that Covid 19 would impact on the work of NTS Teams, Regional Groups and Trading Standards Services. Performance against the actions within the control strategy is discussed at NTS' Governance Group meetings or expert group/panel meetings.

The Board considered and approved the 2020 **National Strategic Assessment** at their September meeting. It identified the key national threats, emerging issues and priority areas that helped form the NTS National Control Strategy for 2021-22

There were continued delays with the NTS **PND** onboarding processes. However, the Board agreed in December to continue onboarding and the NTS Intelligence Team will provide a central PND service. They will do PND searches across all Trading Standards areas of work, for all investigations and intelligence development.

**Serious and Organised Crime System Tasking** is a national, multi-agency project that was commissioned by the Home Office in 2018. The Board has agreed in principle that this should be done by all regional and national intelligence functions and has asked the Programme Office to work with partners and colleagues to develop an implementation plan.

A new guidance document (the System Operating Procedures for users of the **Sanctions Information Database**) was produced. There are now over 20,000

sanctions on SiD. Other guidance documents for PNC, IOM and tactical assessment and activity reports were all reviewed and updated.

The **NTS Intelligence Team** received 45 referrals and produced six problem profiles, four short reports, two subject/business profiles and one briefing document alongside providing dedicated intelligence support to each NTS Team.

The **NTG** met seven times this year. It considered 57 referrals, of which 51 were agreed, two were not agreed, two were deferred and two withdrawn. The 2020/21 NTG budget was set at £3.94m, of which £3.7m was allocated. The final spend was £3.53m. This included £850,000 of legal costs which has been permitted to be put into Covid contingency for use against the agreed cases once trials are rescheduled.

Six NTS funded **used car** investigations are on-going. The outcomes of projects relating to fake books and stamps and most complained about traders which started in 2019/20 were reviewed and completed. Four new disruption projects started in 20/21. These focussed on high risk and most complained about traders, traders posing as private sellers on social media, development of a risk assessment and audit process. The NTS Used Cars group published two information notes that aim to increase the consistency of approach by local authority Trading Standards on the use of administration fees by car sellers and use of the term 'one previous owner'.

**Energy Fraud:** A renewable energy problem profile was produced. Eight of the top 20 most complained about traders are already subject to an NTS supported local authority investigation. NTS and ACTSO jointly responded to the government's consultation on proposed low carbon heat grants and were members of the BEIS' low carbon grant working group. Funding was provided to six energy cases in 20/21. Discussions are ongoing with BEIS on how funding for these types of renewable energy grant cases might take place in the future. In August one large scale energy case was completed. Three scammers were sentenced to a combined total of 9½ years after being found guilty of 34 offences for mis-selling roof and wall coatings. In another case, £40,500 in POCA will be paid in compensation to victims.

The CEnTSA Regional Investigation Team have continued to progress the investigations as part of **Operation Beorma**, tackling the large scale supply of counterfeit goods to markets. In December, a multi-agency exercise in relation to a large-scale counterfeit clothing factory in Leicester resulted in £5 million worth of counterfeit products being seized. A significant amount of intelligence has been identified as a result of this year's activities and this will provide information to support further work. The Teams received an ACG award. A final problem profile

relating to the **supply of counterfeit goods from the North West** was approved in January 2021. It identified four previously unidentified Organised Crime Groups operating in the region. NTG agreed to part fund a national project on self-storage, facilitated by LTS and jointly supported by the Intellectual Property Office (IPO). This is a good opportunity to begin tackling this issue, initially by engaging the industry and genuine businesses in raising standards and promoting good practice and preventing the use of such units to store illegal goods.

**Doorstep Crime:** Eleven doorstep crime investigations were supported. Doorstep Crime remains a significant area of work for the Regional Investigations Teams. A broad problem profile was finalised in February 2021 and will help inform future tasking. A full update of the Doorstep Crime eBook was completed. Three regional projects were funded, focussing on doorstep sales of household goods, provision of video doorbells to vulnerable consumers and engagement with printing companies who produce leaflets relating to doorstep selling. Four cases were completed. One large scale case led by Croydon resulted in defendants receiving a range of sentences including imprisonment of 7¾ years. A second, led by the NETSA RIT resulted in a fish seller being sentenced to 5 years. A POCA hearing in Leicestershire resulted in £42,797 being awarded in compensation to victims.

**Regional Investigations Teams (RITs)** are the primary resource for NTS in tackling serious cases. Investigations and trials were significantly hampered by the Coronavirus lockdown and restrictions. The Teams began 20/21 with 89 open investigations and now have 103 live cases. Of these 36 are ongoing investigations, 16 are at the stage of legal proceedings (awaiting a decision or at trial), intelligence is being developed for one case and 51 are being supported. The Teams' successful efforts led to many good outcomes which are detailed in table 6. Key among these were: 23 defendants being convicted; 10 prison sentences totalling 34 years and 3 months; 11 suspended sentences totalling 19 years and 2 months; and five company director bans amounted to 32 years. Significant cases relating to council tax rebanding frauds in the North West, a drainage scam in the South of England and a lettings fraud in the South West all resulted in prison sentences for defendants. The consumer and business detriment avoided through the RITs intervention this year was £6,803,291.

The **NTS E Crime Team's** cases have been limited due to the Covid related Court delays. There have been two suspended sentences relating to an on-line plumbing services fraud and the finalisation of POCA proceedings resulting in an Order of £150,001. The Team has 12 current operations. The consumer and business detriment avoided through the Team's intervention this year is £1,616,184. The

Team completed 10 open-source training videos and a video guide for seizing digital devices. The Digital Forensics Unit provided forensic support for 20 LAs' and RITs' investigations, examined 39 laptops, 76 mobile phones and 53 other devices (iPads, memory sticks etc). The Team provided support to campaigns run by HMRC and the Pensions Regulator regrading pension investment scams.

The **NTS Scams Team** identified 1,396 victims and saved consumers £42,596,196 through its investigations and disruption work and the savings made through local authority support. The Team provided detailed evidence to support a Home Office report into fraud victim care. In June, the number of "Friends Against Scams" reached 500,000. Businesses Against Scams was launched in April to raise awareness of COVID-19 related business scams. At the end of 20/21 there were 1920 Scam Marshals. The Scam Marshals scheme won the 'Outstanding Prevention Initiative' award, at the second Tackling Economic Crime Awards event. Twelve Scam Mail Alerts were issued to Postal Operators. A range of investigation work, both in the UK and working with overseas partners has resulted in large amounts of scam mail being prevented from reaching UK consumers, removal of websites and seizure of funds by overseas agencies.

**The NTS Estate and Letting Agency Team** led on enforcement in its backstop role, to support local TS during continuing pressures on services due to Covid 19 demands. The Knowledge Hub site has 706 members providing a resource for local authority officers to seek information and advice. Intelligence sharing has improved, with both an increase in and more detailed intelligence reports being input to IDB. The Team delivered a range of on-line training sessions on different subjects and 366 people completed the e-learning course. A number of media enquiries were responded to which included material information, mainly regarding ground rent, leasehold information being available in property listings and implications on mortgages. The Team made progress with the portal project and continued to engage with stakeholders. The main property portal in Northern Ireland liaised with the Team regarding various concerns involving agents in the province. In another case, a director was disqualified for 6 years due to her actions which contributed to client deposits and client money not being protected. The Team advised and assisted a Police investigation into offences committed by an estate agent who had been assisting an Organised Crime Group to acquire property for use with the intention of money laundering, prostitution and drugs.

Several **lettings projects** received funding. These included projects relating to: student tenants' rights in the South West and Cheshire West and Chester; joint work with Housing Teams to co-ordinate lettings work, do joint visits and provide advice to

agents and landlords in East Riding and the South East; and Client Money Protection in London.

Buckinghamshire and Surrey Trading Standards continues its role as the **Advertising Standards Authority legal backstop**. Where appropriate referrals were made to other NTS Teams: the Estate and Letting Agency Team in relation to property raffles and the eCrime Team for a copycat website where over £1 million has been restrained and a trial is due in June 21. The ASA made 12 referrals this year. In the early part of the year, a significant proportion of referrals related to alternative medicine and therapies. These continue to present significant challenges with regards to identifying and securing suitable expert witnesses and evidence. Other referrals included: subscription traps, competition websites, faux fur claims and weight loss claims. In addition to formal referrals, the Team supports the ASA with advice to assist them to fulfil their broader functions.

**Animal Health and Welfare:** There was a significant outbreak of avian influenza. ACTSO supported local authorities in relation to 21 confirmed cases and 35 suspect cases that were later negated. ACTSO attended 32 National Disease Control Centre meetings. There were also suspect cases for swine fever, foot and mouth and rabies. Guidance was issued on livestock markets, TB and animal events.

**Knife Crime:** There was no funding for new activities in 20-21. Work carried out by Croydon Trading Standards between 2018 and 2020 led to 17 prosecutions. One is still to be heard. In autumn 2020, Topline Wholesale Ltd was fined £8,500 for selling a wood chopper to a 13-year-old. This case took the total fines against defendants for online sales of knives to children under this project to £169,755. NTS collected national statistics for premises-based test purchasing conducted by local authorities in 2019/20. The outcomes showed a major improvement in level of sales by national chains. Overall, there was a reduction in sales over the two years from 15.3% to 13% in 2019/20. There was regular contact with the Home Office who requested preliminary views on policy matters being discussed for possible implementation.

In November 2020, HMRC agreed to provide £1 million of funds for NTS to commission **local disruption activity in relation to illicit tobacco**. For January to March 2021, the total funds available were £200,000. Over 2.3 million “sticks” and over 660kg of hand rolling tobacco were seized with a revenue value of £1.2 million. The outcomes of this work are being used to help inform the development of extended sanctions for illegal tobacco supply.



# Chapter 1 - Introduction

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This report summarises the work that has been undertaken and commissioned by National Trading Standards (NTS) and its Teams between 1/4/20 and 31/3/21.

NTS delivers national and regional consumer protection enforcement. Its Board is made up of senior heads of Trading Standards Services from across England and Wales with an independent Chair. Its purpose is to protect consumers and safeguard legitimate businesses by tackling serious national and regional consumer protection issues and organised criminality, and by protecting food supplies by ensuring the animal feed chain is safe.

NTS had a National Control Strategy for 2020/21 that was developed having regard to the National Strategic Intelligence Assessment.

<b>Objective 1</b>	<b>Objective 2</b>	<b>Objective 3</b>	<b>Objective 4</b>
Provide a framework for the effective sharing of intelligence to identify and tackle emerging threats and support Trading Standards across England and Wales.	Ensure effective delivery and co-ordination of enforcement in relation to serious consumer protection crime (including knife crime <sup>3</sup> , eCrime and business to business fraud) and mass marketing scams.	Deliver a programme of animal feed and food hygiene enforcement to help ensure the safety of the food chain and protect the UK export market.	To deliver a programme of national enforcement, advice and support for local authorities in relation to the property market, in particular the activities of Estate and Letting Agents.

**Table 1 – Strategic Objectives 2020/21**

The report comprises qualitative information about each of the funded enforcement projects, Teams and additional work undertaken. This report is designed to provide an overview and examples of cases rather than a full breakdown of activity.

<sup>3</sup> Subject to funding from the Home Office

## Chapter 2 - Programme Office, Funding, Policy

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### 2.1 Programme Office

The Programme Office for NTS is provided by ACTSO Ltd. The Programme Office provides support to the Board, Governance Groups and NTS Teams as well as providing all the required liaison with Government, performance reporting and other functions to enable the NTS system to work effectively.

### 2.2 Governance Structures

The Board has established governance groups for each key work area. Details are available on the NTS' website. Governance groups comprise two or more members representing the Board, relevant project leads and support from the Programme Office. These provide the oversight and strategic direction for the work. The Board is advised of progress at regular intervals and gives a strategic steer or decision on any matter that is referred up to the full Board.

### 2.3 2020/21 Funding

The table below shows the funding received and final spend against the grants.

Funding Provided	Funding Body	Purpose	Final Spend
£12,020,800	Department for Business Energy and Industrial Strategy (BEIS)	Serious consumer protection enforcement, scams and ports safety	£12,020,894
£2,007,540	Food Standards Agency (FSA)	Safety of Animal Feed Chain	£1,554,061
£560,000	Ministry for Housing Communities and Local Government (MHCLG)	Estate Agency work	£560,000
£670,000	MHCLG	Letting Agency work	£675,942
£14,660	IPO	Availability Index Project	£800
£200,000	HMRC	Illicit Tobacco local disruption days	£186,029

**Table 2 – Funding 2020/21**

Below is an additional breakdown of the BEIS budget spend.

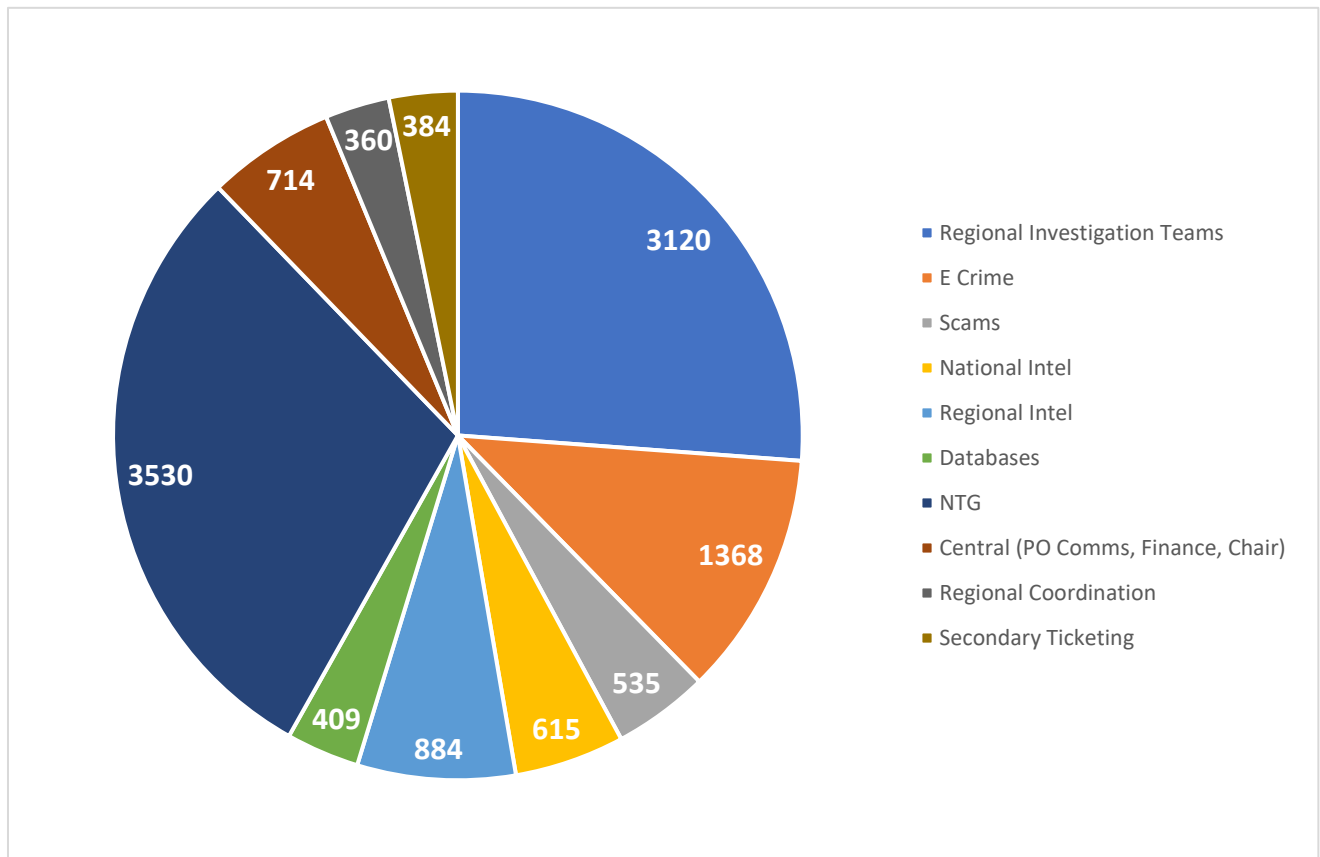


Figure 1 – Spend NTS BEIS Budget - £000's

## 2.4 Consumer Protection Partnership

The Consumer Protection Partnership (CPP) continued to be a priority work area for 2020/21. The Chair and Director participate in the Strategy Group. A Programme Officer supports the Operational Group. NTS's public relations experts participate in the Communications Group.

The year was dominated by the Covid 19 pandemic with the CPP collating weekly intelligence from all partners. The NTS Intelligence Team collated all relevant IDB entries to submit to the CPP Knowledge Hub on a weekly basis. The Knowledge Hub then produced a paper with all intelligence from participating agencies. NTS circulated this weekly to all local authorities.

Meetings focused on price gouging, travel (including airline) refunds and the impact on vulnerable consumers with key contributions from both the Civil Aviation Authority and the Competition and Markets Authority (CMA) who have been heavily involved in

discussions with industry to attempt to resolve the consumer issues the pandemic has caused. Problems for consumers in reclaiming refunds for air travel and holiday related payments remained a priority whilst the issue of price gouging diminished.

In September, the outcomes from the Scams Awareness Campaign 2020 held in June 2020, to which the NTS Scams Team was a major contributor, were reported on. There were 97 items of press coverage that resulted in a 46% increase in calls to the Consumer Service compared to the same time period in May.

Operational meetings addressed the need to begin focusing on this new changed consumer detriment landscape and what could be done to boost consumer confidence to aid economic recovery. NTS provided financial support for the refresh of the 2016 consumer detriment survey that will take place in early 2021/22.

Parcel delivery and used cars were identified as areas still causing major levels of consumer detriment. NTS fed in the range of used cars activity it is currently pursuing, with approximately £400,000 being provided in 2020/21 via the National Tasking Group to fund investigations and project work. Looking forwards to 2021/22, the CPP Working Group on used cars will focus on how people pay and why they use certain payment methods, online and digital marketplaces including whether consumers know who they are buying from, as well as competition and advertising issues. NTS will continue to feed in where relevant.

## **2.5 Communications and Media**

NTS Commissions its external communications work from Barley Communications. Support is provided approximately two days per week to ensure that the profile of NTS' work is maintained and outcomes act as both awareness raising for consumers and a deterrent to others who may be tempted to breach the law.

A flavour of the work throughout the year is shown below.

In Q1 Barley developed **four** press releases and secured **38** pieces of coverage, including **13** pieces of national coverage. The coverage reached a total audience of **251,337,390**. **Four** broadcast interviews were secured across TV and radio. **76%** of the coverage contained at least one key message and **58%** included an NTS quote. **74%** of coverage included a call to action.



Warnings about coronavirus scams and the launch of the Business Against Scams initiative dominated the coverage in Q1. The story of an 83-year old lady who was targeted by a scam was picked up by **BBC News Online** and the **Daily Express**. As part of this work, Louise Baxter was interviewed by **TALKRadio** and several regional BBC radio stations.

A piece in the **Daily Mail**, featuring comments from NTSELAT's Alison Farrar, highlighted the problem of quick house sales.

The team also coordinated communications around Covid-19 scams with Government colleagues and other partners via weekly calls and ongoing liaison as part of 'Operation Etherin'.



In Q2 Barley issued **eight** press releases, resulting in **61** piece of coverage, including **16** pieces of national coverage. **Six** broadcast interviews were held across TV and radio. **88%** of the coverage contained at least one key message and **69%** included an NTS quote. **74%** of coverage included a call to action.



To promote the NTS Scams Team's call blockers project, the team developed a news story about a rise in scam calls following COVID-19 lockdown using data from trueCall. This generated national coverage including the **Daily Mail**, **Daily Telegraph** and the **Guardian** and **BBC Rip Off Britain**. Widespread regional coverage was also achieved.

We also issued the annual NTS Consumer Harm Report, which secured coverage in **The Daily Telegraph**, **BBC News Online** and **The Sun's** daily COVID-19 updates.

The targeted release of the knife crime test purchasing data to select publications resulted in coverage in **The Daily Telegraph** and the **Retail Gazette**. **CTSI Journal** also published a comment piece by Lord Toby Harris targeted at local Trading Standards colleagues.

Other media highlights in Q2 included:

- A report into second hand car sales across the South West generated strong regional coverage across the South West including **BBC South West** and key titles such as the **Swindon Advertiser**. Trade titles including **Independent Forecourt** and **Car Dealer** also covered the report's findings.
- BBC Click** ran a feature on social media influencers and counterfeit goods, which included an interview with Mike Andrews
- Featuring in a news documentary about scams for **ITV 1 'Tonight'**, which included an interview with Wendy Martin



In Q3 Barley developed **four** press releases, resulting in **73** pieces of coverage, including **13** pieces of national coverage with a potential reach of **149,951,225**. **88%** of the coverage contained at least one key message and **66%** included an NTS quote. More than **80%** of coverage included a call to action.



Almost half of the coverage generated in Q3 relates to the NTSELAT's recommendations around the disclosure of referral fees. The report on referral fees was widely covered by the property trades including **Property Industry Eye** and **The Negotiator**. The report was also mentioned in the **Daily Telegraph** as part of a piece about housing developers. The coverage was largely positive, with a number of pieces featuring supportive comments from key industry stakeholders.

The sentencing of a criminal fish salesman (Operation Ulex) attracted interest from the **Daily Mirror's** Penman Investigates page. In addition, this case generated strong regional coverage across the North East and Derbyshire.

The press release for National Consumer Week, led by Citizens Advice, included data around website takedowns by the NTS eCrime team and a hard-hitting quote from Mike Andrews. The quote was included in national coverage of the story, including the **Daily Mail**. Mike Andrews was also interviewed by **ITV news** and **BBC Morning Live**.

The NTS Scams Team launched a 'Scamnesty' in a call for scam mail recipients to send suspected mail items by Freepost to the team. This generated extensive national and regional coverage, including prominent coverage on page 2 of **The Daily Telegraph** and coverage in the **Daily Mirror**.



In Q4 Barley produced a press release, resulting in **46 pieces of coverage**, including **8 pieces** of national coverage with a potential reach of **56,018,238**. **100%** of the coverage contained at least one key message and included an NTS quote.



The majority of coverage generated in Q4 relates to the NTS Scam Team's Call Blocker report, which was published in February. The report was covered widely by the national **Sky News** and **Sky News Radio** interviewed Louise Baxter, and print pieces appeared in the **Daily Express**, **Daily Mirror** and the **Trade** media also reported on the findings and local pick up of the story was strong.

Following the conclusion of the Scamnesty, the Scams Team reported a surge in the amount of scam mail sent in a three month period. Friends Against Scams joining **BBC News Online** published a follow up piece in March which reported on the success of the call blocker programme a correlated with a further surge in new members joining Friends Against Scams.

Following a collaborative effort from London Trading Standards and National Trading Standards to develop a press release highlighting rogue landlords who fail to sign up to Client Money Protection schemes was reported by the **Evening Standard**. The eCrime Team also had guidance published **Which?** on copycat websites.



## 2.6 Covid-19

The Chairs of NTS and ACTSO agreed at the outset of the Covid-19 crisis that the Director would use Programme Office resources to respond to the needs of government and local authorities on Covid related work as flexibly as possible. This is primarily focussed on answering queries from local authorities, sharing information and Covid related intelligence, and advising government when requested.

Most work was in the first four months of the year and included:

- Provision of twice weekly guidance in relation to animal health and welfare.
- Representations to government from ACTSO about the nature of support provided by OPSS on business closures.
- Attendance at weekly Operation Etherin meetings and CPP meetings to co-ordinate cross government Intelligence on Covid 19.
- Attendance at Cabinet Office Covid 19 intelligence meetings.
- Advice to government about food labelling laws, fuel standards and price gouging.
- Providing messages on behalf of the CMA.
- Advice to the Local Government Association (LGA) about track and trace fraud messaging.
- Provision of statistics and information to inform government daily briefings.
- Advice to the National Audit Office about impacts on Trading Standards.
- A One Minute Guide to local authorities about the operation of the Courts.
- Sharing Covid related risk assessments.

There were also a lot of enquiries to the general national trading standards email address from police forces wishing to make referrals about business closures and scams. These have been forwarded to relevant local Trading Standards Services.

From an NTS delivery perspective, there was significant impact on the feed delivery programme, training and the legal system.

## **2.7 Strategic Policy Work and Support to ACTSO**

The NTS Director provides strategic policy support to ACTSO as part of the Programme Office work. The main areas of this year have been:

- The production of the 2019/20 Impacts and Outcomes report.
- A revision of the ACTSO website.
- A range of Equalities and Diversity related work.
- Covid 19 as outlined above.
- Changes to Asset Recovery Scheme.
- Representations to the Sentencing Council relating to Trade Marks offences.
- The CTSI Four Nations Project.
- Product Safety Review.

In addition, ACTSO funds the Programme Office to support its work in managing membership services and providing events for ACTSO members.

## Chapter 3 - Feed Delivery Programme

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### 3.1 Background

NTS receives funding from the FSA to support a programme of work to ensure the integrity of the animal feed chain and protect food safety and UK meat exports. This is delivered via the nine regions in England who work with all local authorities to deliver the controls.

### 3.2 Official Controls Delivery

The delivery picture is one of high levels of performance against revised in year targets. We have delivered 5,470 activities in the year. In 2020/21 the programme delivered 97% of the revised activity committed to (this includes all ports checks, sampling, primary production feed, food and inland inspections). In achieving the results 100% of our accrued budget<sup>4</sup> was used. Local authorities delivered 89% of inspections this year indicating that under pressure the programme has resilience<sup>5</sup>. Full results for each activity can be found in Table 3 below.

COVID restrictions, and the necessary prioritisation of COVID related work in local authorities, have had a significant impact on the programme this year. Regions have worked through the year to get an accurate picture of projected delivery.

The FSA flexibility to undertake remote inspections, introduced in July and widened in November, has ensured that official surveillance activities have been maintained at 82% of normal planned activity as at 1<sup>st</sup> April.

### 3.3 Remote Assessments

In July 2020 the FSA agreed that local authorities could undertake remote assessments for some types of Feed businesses due to the ongoing COVID restrictions, this was widened to all types of business in November.

<sup>4</sup> As a % of the budget as accrued at close 31<sup>st</sup> March 2020.

<sup>5</sup> 13 small unitary authorities, with very few 'due' inspections, did not deliver inspections this year.



FSA commissioned NTS to assess the effectiveness of these remote audits looking at before and after risk scores for businesses who were to have both a remote and physical inspection. NTS developed guidance to clarify which types of premises were able to have remote inspection, and developed a data collection method. This flexibility remains in place till the end of June 2021. NTS will continue to collect data and a full project report will be prepared in the Summer.

### **3.4 Improving Feed Delivery**

The FSA commission a number of improvement projects each year as part of the NTS feed delivery programme. These projects aim to refine or improve the delivery system.

#### **Project 1 – Feed intelligence gathering guidance**

This guidance was produced to promote the effective use of both information and intelligence to support risk-based feed hygiene enforcement. It aims to increase understanding of when formal intelligence tools are appropriate for feed work. Published in November 2020, it can be found on the KHUB and ACTSO website.

#### **Project 2 – Online Sales assessment guidance**

This guidance has been developed to support the assessment of information that a Feed Business Operator provides online before an onsite inspection. It was published on the KHUB in April 2021.

#### **Project 3 – Supporting FSA ports feed identifier system project**

NTS undertook the scoping phase of the FSA feed identifier project. This project aims to make the identification of non-notified Products of Animal Origin feed consignments more effective for ports in England. Our research phase has led to the FSA taking this project forward internally and an electronic identifier app is now in the pilot phase with a number of small ports.

#### **Project 4 -Post EU exit implementation transition year project**

In the final quarter of 20/21, the NTS Board requested that the implementation of checks within scope of the feed delivery programme for EU imports should be delayed by 12 months to allow the Programme Office to scope the necessary changes, not least the required budget. The FSA have agreed this approach and NTS work began on confirming required data, collection methods, and providing support to points of entry to begin to prepare for EU feed consignment checks in April 2022. This project will continue through 21/22.

### 3.5 Support for the National Agriculture Panel (NAP) and the National Animal Feed at Ports Panel (NAFPP)

NTS provides secretariat support to the above Panels. This year the panels have produced the following pieces of guidance and consultation responses:

#### COVID-19

- NAP and NAFPP feedback to the FSA on [the impact of COVID-19 on feed businesses \(April 2020\)](#) and [on the impact of COVID-19 on delivery of feed work and preparation for physical visits \(June 2020\)](#).
- The National Agriculture Community KHub has been updated to provide a [discussion forum](#) on COVID-19 related issues and a [library](#) for relevant documents.
- [Guidance on certification of imported organic feed during the COVID-19 pandemic](#). The guidance has been updated regularly as further [updates are available from Defra and the EC](#).

#### EU Exit

- [NAFPP report detailing what information is known about the trade in EU and transhipped feed material through English ports and looking at what challenges any checks on this trade may present](#).
- Summary of the impact of EU Exit on controls at the point of entry for Third Country, EU and transhipped feed.
- Development of processes, competency requirements and [guidance on export certification for moves / export of High Risk Feed of Non Animal Origin to NI / EU](#).

#### NAP guidance on inland feed controls

- [NAP guidance document about the use of animal by-products in animal feed](#).
- [Guidance on the use of intelligence and information to support feed hygiene work](#).
- The [ongoing log of technical queries discussed at NAP](#) continues to be updated, including specific guidance on using general terms such as 'molasses' without clarification about the type of molasses.
- NAP have worked with the Primary Authority for [Morrisons](#) to share information with all local authorities about their withdrawal from a number of feed activities.
- Updated [surplus food flyer for smaller shops](#).

## Consultation responses

- Response to the [FSA consultation on the Food Law Code of Practice](#) covering issues relating to food hygiene at a primary production level.
- Response to the [FSA consultation on the National Enforcement Priorities for feed hygiene and food hygiene at a primary production](#) level.
- Response to the FSA draft [guidance on co-location of food and feed premises](#), including collating national evidence on business types and demand for this flexibility.
- Response to the [FSA amendments to guidance on cassia gum](#).
- Regular communication to the FSA requesting appropriate powers is in place to regulate premises that do not physical hold feed, including ports.

## Feed Delivery Data

All England	Committed activity for 2020/21	Delivery					Percentage delivered against (percentage target)				
		Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Total delivered 2020/21	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	2020/21 total (target = 100%)
Inland feed inspections	2154	1	258	701	1,177	2,137	0 (11)	12 (21)	33 (30)	55 (38)	99
Primary Production premises inspections	814	1	86	224	535	846	0 (21)	11 (22)	28 (22)	66 (35)	104
High Risk Food	73	0	18	6	28	52	0 N/A	25 N/A	8 N/A	38 N/A	71
Inland samples taken*	178	0	26	78	73	177	0 (7)	15 (17)	44 (44)	41 (32)	99
Total ports activity (3rd country imports)	2322	548	533	375	698	2,154	24 (25)	23 (25)	16 (25)	30 (25)	93
Ports sampling and analysis	98	21	25	41	17	104	21 N/A	26 N/A	42 N/A	17 N/A	106
Overall delivery*	5639	571	946	1,425	2,528	5,470	10 (15)	17 (21)	25 (26)	45 (38)	97
Overall delivery budget	£1,246,685	£88,363	£200,871	£371,256	£580,329	£1,240,819	7 (15)	16 (22)	30 (28)	47 (35)	100
Improving compliance funding	£59,877	£14,983	£16,520	£11,619	£25,990	£69,111	25	28	19	43	115
Projects funding (total)	£18,000		£10,000	£5,000	£3,000	£18,000	0	56	28	17	100
Total budget	£1,554,061					Total inc. RC fees	£1,557,430				
Accrued budget (as of March 2021)**	£1,557,946					% of accrued budget	100%				

\*excluding NSP pre-assessment activity

\*\*inc. regional co-ordinator (RC) fees

**Table 3 – Feed Delivery Performance data**

## Chapter 4 – Intelligence

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### 4.1 Background

One of the key objectives for NTS has been to develop intelligence-led working. The foundation for this is the use of the Intelligence Operating Model: an intelligence framework to help Trading Standards services, regional Trading Standards groups and NTS Teams to adopt an intelligence-led problem-solving approach to consumer and business protection work and intelligence-led activities. This work is overseen by the Intelligence Governance Group. There is also an NTS Intelligence Network that includes the NTS Intelligence Team, regional intelligence analysts and regional intelligence support officers.

### 4.2 National Control Strategy for 2020-21

The NTS Control Strategy was developed from the 2019 NTS Strategic Assessment and published when the grant from BEIS was confirmed in early May. It informs and directs the work of NTS via its Teams and the other projects that it funds. It outlines the national priorities for prevention, intelligence and enforcement activities. They cover: mass marketing scams, doorstep crime, energy related fraud, lettings and estate agency, used cars, fair trading (other misleading practices), age restricted sales of knives, intellectual property and animal feed.

The strategy recognised that Covid-19 would impact on the work of NTS Teams, Regional Groups and Trading Standards Services. Performance against the actions within the control strategy is discussed at NTS' Governance Group meetings or expert group/panel meetings. Routine reporting of work is done via the quarterly reports that are prepared with input from all NTS Teams. The priorities and the content of local and regional service plans remain entirely a matter for local authorities and/or Regional Trading Standards Groups.

### 4.3 NTS Strategic Assessment – October 2020

The Board considered and approved the 2020 National Strategic Assessment at their September meeting. The Assessment used data drawn from 1<sup>st</sup> April 2019 - to 31<sup>st</sup> March 2020. It identified the key national threats, emerging issues and priority

areas that help form the NTS National Control Strategy for 2021-22. It is an integral part of the NTS' business planning process and is used to draw inferences and make recommendations on how to tackle national problems and develop policies.

The Board agreed the following priority areas for 21-22: mass marketing scams; energy related fraud; lettings; doorstep crime and cold calling; age restricted sale of knives; intellectual property; other fair trading issues; used cars; estate agency and animal feed. It was also agreed that eCrime and the use of social media as a selling platform, and serious and organised crime, would be cross cutting themes or enablers as they impact across each priority area.

#### 4.4 Police National Database (PND)

There have been continued difficulties with the NTS PND onboarding processes covering: IT, data security issues and new constraints about vetting of local authority IT staff. Finally, the National Police Chiefs' Council reconfirmed that the NTS PND business case was acceptable. Trading Standards staff making PND requests do not need to be vetted, and only the local authorities seeking direct access to PND need to complete a Governance and Information Risk Return. The Board agreed at their December meeting to continue the NTS PND onboarding process.

Following consultation with Regional Groups and NTS Teams, the Board will use the Home Office third party supplier for PND connections and agreed the NTS Intelligence Team will provide a central PND service. They will do PND searches across all Trading Standards areas of work, for all investigations and intelligence development. They will cover local, regional and national work. However, if demand exceeds resources, then national and regional issues would be prioritised. The lack of direct access for regions is very disappointing given the work carried out by host authorities but this was felt to be the only workable option.

NTS is confident, based on feedback from the GAIN intelligence team, that the NTS Intelligence Team will have sufficient staff to provide this service. However, the NTS Intelligence Governance Group will monitor and review this work. NTS PND onboarding is now scheduled for the end of September 2021.

## 4.5 Serious and Organised Crime (SOC) System Tasking

The SOC System Tasking is a national, multi-agency project that was commissioned by the Home Office in 2018. It aims to establish a single, 'whole-system' approach across all law enforcement agencies to help deal with serious and organised crime but not all criminal investigations. It provides a new prioritisation mechanism to help agencies assess their threats consistently, based on the MoRiLE 2020 (the Management of Risk in Law Enforcement) tactical model. This information then populates a 'SOC Master List' that provides a single view of prioritised demands across the UK to help with decision making.

The Board agreed that SOC System Tasking should be done by all regional and national intelligence functions to help support Trading Standards Services and regional/national tasking groups.

## 4.6 NTS Sanction Information Database (SiD)

The National Anti-Fraud Network (NAFN) operates the NTS Sanctions Information Database. It is the means by which local authority officers notify the CMA of impending civil and criminal court action and the resultant sanctions as well as providing the resource of antecedent information for those officers. The database, is continually monitored and reported with upgrades from time to time to ensure it meets user needs.

A new guidance document (the System Operating Procedures for users of the Sanctions Information Database) has been produced, with best practice templates and further guidance. NAFN asked all users to formally adopt the new System Operating Procedures by April 2021. Trading Standards have been recommended to consult their management and legal advisors, as they will be asked to accept System Operating Procedures online in order to retain access to SiD.

<b>SiD Summary Data:</b>	<b>01/04/2020</b>	<b>31/03/2021</b>	<b>Variance</b>
Active Users	<b>2678</b>	<b>2338</b>	<b>-340</b>
Sanctions added since 01/04/2014	<b>6190</b>	<b>6361</b>	<b>+171</b>
Actions against legal entities	<b>19423</b>	<b>20457</b>	<b>+1034</b>

Table 4 – SiD user data

## 4.7 NTS Guidance Documents

The NTS Police National Computer (PNC) System Operating Procedures and appendices have been updated and circulated. A NTS PNC Guidance document has been produced to help Trading Standards staff who make PNC searches.

The IOM Strategic Overview has been revised to take account of the last changes in the NTG protocol. The IOM short guide has also been updated. The IOM Operating Procedures and appendices will be updated in 2021/22 to reflect changes.

The template Tactical Assessment and Activity Reports were revised and are being used by all Regional Tasking Groups and the NTG. The Crimson Tasking Activity Reports are being used by all tasking groups and a short guide has been developed to help users. This site enables Activity Reports to be generated for Regional Tasking Groups and NTG, and for the Programme Office to use the information on the RIT's activities for their quarterly reports.

## 4.8 Communications Data Analysis

Regional Groups and the eCrime Team piloted the use of two communications data analysis packages for six weeks over the summer. This pilot was too short a period to assess how useful the communications data analysis packages could be so NTS agreed to provide funding on a one-off basis so that seven shared CSAS licences can be used across all Regional Groups, the eCrime Team and Estate and Letting Agency Team. This will give them more time to assess the value of the tool.

## 4.9 NTS Intelligence Team

### **Tasking and National Tasking Group Support**

*Purpose: The Team acts as an analytical resource for the National Tasking Group.*

- 45 referrals were received and three referral reviews were completed.
- six problem profiles, four short reports, two subject/business profiles and one briefing document were produced.

### **Data and Intelligence Partnership**

*Purpose: To develop/improve the available information to inform the National Tasking Group, the Intelligence Governance Group and the Board.*

- Statistical information is provided in the Intelligence Data table.



- The Team continues to seek access to other data sources. They have an agreement that enables a member of staff to work at the National Fraud Intelligence Bureau. However, this is not currently of value due to the City of London Police's data sharing concerns with Trading Standards Services.
- The Team continues to assist with PND access.
- The Team participates in Operation Otello, led by the National Crime Agency, the National Economic Crime Centre and the City of London Police. It provides a co-ordinated response to fraud in the UK and targets various work streams.
- The Team liaised with BEIS and the Cabinet Office Counter Fraud Team on government green homes grant fraud issues.
- The Team leads on the collation, research, and dissemination of Trading Standards' Covid-19 intelligence to Operation Etherin (a National Economic Crime Centre-led initiative). The NECC liaise with national law enforcement agencies and others, including the CPP, producing weekly Covid 19 updates.

### **Regional Intelligence Network Support**

**Purpose:** *To provide advisory support for regional intelligence and to assess engagement across the regional network.*

- Engagement between the Team and regional intelligence network is ongoing.
- National tactical assessments, problem/subject profiles and the report produced for the Scams Team are sent to the NTS Intelligence Network for dissemination to Trading Standards Services in their regional groups (where appropriate).

### **Priority Areas Support**

**Purpose:** *to assist key NTS projects and Teams with intelligence requirements as per the control strategy.*

- **NTS eCrime Team:** The Team has a dedicated liaison officer who provides intelligence support as required. For the year the Team has produced 6 subject profiles for the eCrime Team.
- **NTS Scams Team:** The Team produces a monthly report, liaises and provides ad hoc intelligence support.
- **NTS Estate & Letting Agency Team:** The Team provides intelligence support on an ad hoc basis including Organised Crime Group Mapping and national flagging.
- **Consumer Protection Partnership Support:** The Team has attended various CPP/Citizens Advice meetings including EU Exit and Covid-19 Intelligence working sub groups.

# Intelligence Data

Intelligence Data 2020-21	Quarter 1 April - June	Quarter 2 July - Sept	Quarter 3 Oct - Dec	Quarter 4 Jan - Mar	Total
Intel logs recorded on IDB	12456 (9571- 2019)	10620 (9307 - 2019)	9589 (9397 - 2019)	10740 (8213 - 2020)	43405 (36488 -19/20)
% change from last year	+30%	+14%	+2%	+30%	+18.9%
Intelligence Logs recorded against priority areas	67.6%	62.3%	61.5%	63.6%	64.06%
Doorstep Crime	1550	2518	1804	1937	7809
Fair trading	5223	2394	2286	2698	12601
Scams	1178	1114	1035	1471	4798
Intellectual property crime	453	639	781	728	2601
eCrime	2133	1899	1938	2516	8486
<b>Citizens Advice complaints</b>	<b>71502</b>	<b>101505</b>	<b>92980</b>	<b>97211</b>	<b>363198</b>
Fair Trading and Scams	49739	50134	49934	50062	199869
Doorstep Crime and Cold Calling	4416	9637	9047	9202	32302
Intellectual Property Crime	553	767	752	625	2697
eCrime – now part of fair trading and scams					
FIN-NET <sup>6</sup> referrals received	34	18	12	27	91
FIN-NET referrals submitted	2	1	2	0	5
GAIN <sup>7</sup> national referrals received	1	13	8	1	23
GAIN national referrals submitted	2	4	2	0	8
Organised Crime Groups (active)	<b>42 Total</b> 1 NTS ELAT. 5 NTS eCT, 9 RITs, 27 LAs.	<b>42 Total</b> 1 NTS ELAT, 5 NTS eCT, 9 RITs, 27 LAs.	<b>50 Total</b> 1 NTS ELAT, 5 NTS eCT, 11 RIT, 1 NTSIT, 32 LAs.	<b>50 Total</b> 1 NTS ELAT, 5 NTS eCT, 11 RIT, 1 NTSIT, 32 LAs	
National Flagging	<b>139 Total</b> 3 NTS ELAT. 31 NTS eCT, 42 RITs, 2 NTSIT, 61 LAs	<b>139 Total</b> 3 NTS ELAT, 31 NTS eCT, 42 RITs, 2 NTSIT, 61 LAs.	<b>147 Total</b> 3 NTS EALT, 31 NTS eCT, 41 RITs, 2 NTSIT, 70 LAs.	<b>147 Total</b> 3 NTS EALT, 31 NTS eCT, 41 RITs, 2 NTSIT, 70 LAs	

Table 5 – Intelligence Data

<sup>6</sup> Financial Crime Information Network

<sup>7</sup> Government Agency Intelligence Network

## Chapter 5 - National and Pro-Active Tasking

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### 5.1 Overview

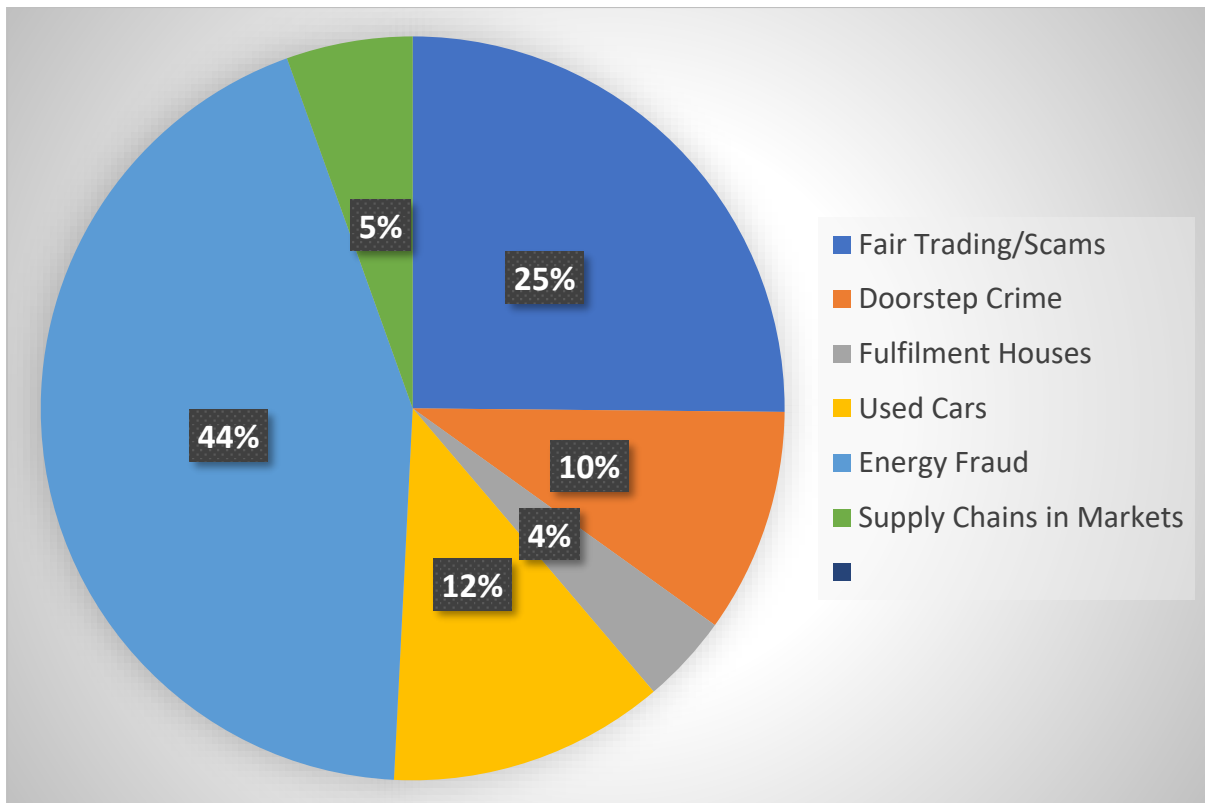
The National Tasking Group (NTG) is comprised of three NTS Board members and three regional representatives. Others participate in the group with non-voting status (e.g. GAIN, CMA, NTS eCrime co-ordinator, Trading Standards Scotland). NTG meets every eight weeks to task work, subject to available resources and in line with agreed NTS' priorities. The Group will mainly task referrals that relate to: complex cases; cross-boundary activities; multiple defendants; high levels of detriment; and/or significant breaches of Trading Standards' legislation or extensive fraud.

Separate chapters have been provided on key priority areas of work (energy fraud, used cars and doorstep crime) that have been funded by NTG but where activities have taken place across the various NTS Teams.

### 5.2 NTG Tasking and Decisions

NTG met seven times this year. It considered 57 referrals, of which 51 were agreed, two were not agreed, two were deferred and two withdrawn. The 2020/21 NTG budget was set at £3.94m, of which £3.7m was allocated. The final spend was £3.53m. This included £850,000 of legal costs which has been permitted to be put into Covid contingency for use against the agreed cases once trials are rescheduled.

The breakdown on NTG spend is below.



**Figure 2 – Breakdown of NTG spend across NTS priorities.**

NTG continued to receive a regular throughput of referrals reflecting the key priority areas of Used Cars, Doorstep Crime and Energy Scams across several regions. These are reported in the specific chapters relating to these priorities. There has continued to be some cross-over between priorities, mostly in relation to energy scams, where there is a large element of doorstep related crime.

### 5.3 NTG Case and Projects

Due to Covid-19 restrictions, NTG was unable to arrange and conduct its normal programme of case and project reviews. However, Programme Office staff have been in regular contact with case/project leads and have produced regular updates for NTG as well as the Tasking Activity Reports. This has allowed NTG to maintain its monitoring and oversight functions and be aware of any problems/issues as well as progress.

Additionally, the NTS Regional Investigation and eCrime Team cases continue to be monitored fully via the eCrime and RIT Governance Group.

## Chapter 6 – Used Cars

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### 6.1 Background

Used Cars is a key priority identified by NTS in its National Control Strategy. This chapter covers all work done in this area across NTS and work funded by NTG.

### 6.2 Investigations

Six NTS' funded investigations are on-going, although some work has been held up by coronavirus restrictions as used car businesses are currently closed. Two are awaiting dates for trial, four continue to be investigated.

### 6.3 Disruption projects

A range of projects to tackle detriment in the used car market were undertaken. The outcomes of projects that started in 2019/20 were reviewed and completed this year as follows:

**Operation Nova National Fake Books and Stamps** - In Autumn 2019, searches of an online selling platform identified sellers that were advertising materials that could be used to enable car crime. Intelligence on these sellers was circulated to regions for disruption action as locally appropriate as NTS did not have sufficient funds to support them. However, many local Trading Standards services supported this action. Outcomes were assessed in July 20.

- 37% of the sellers originally identified were no longer selling books and stamps.
- 78% of sellers identified received some kind of Trading Standards assessment.
- 36% resulting in further disruption action.

It showed the benefit of sharing national sector issue intelligence with regions. NTG agreed it may be a model to consider for similar intelligence reports.

**TSSW Most Complained About Traders** - As the final part of their 19/20 regional project TSSW worked with the NTS press team at Barley Communications in July 2020 to successfully promote press activity relating to the project's outcomes .

Four new disruption projects started in 20/21.

**TSSE – Operation Eureka:** This project took a focussed approach to eight Most Complained About Traders. The aims of the project were to reduce complaints and detriment for the identified traders. The final outcome was significantly reduced complaints (96%) and level of detriment reduced to £0 for these traders.

**NETSA - Operation Quattro :** The purpose of this project was to establish if “traders” posing as private sellers on social media was an issue and to provide intelligence packs for local authorities. It concluded that vehicle sales facilitated by Facebook were widespread and that these “traders” were responsible for 1,256 of the 2,550 posts reviewed. The estimated detriment associated with the sale of these vehicles is £1,323,469. Half were priced below £1,000 thus were at the lower end of the market, and targeting the most financially vulnerable. Sellers who are most likely to cause detriment are using multiple profiles making detection difficult. The project lead passed intelligence packs on traders to relevant authorities for action where it is a local priority. The project also produced a toolkit on the best way to find and collate evidence gathered to make it useable as part of evidencing and investigation.

**Y&H - Operation Krypton:** This was a project to develop a risk assessment and perform audits at those identified as highest risk. It was not possible to complete the project this year due to Covid. A final report will be produced in July 2021.

**LTS - Operation Regal:** This project aims to raise compliance at around 100 traders across 23 boroughs using a phased approach, including joint compliance audits with DVSA. It was not possible to complete the project this year due to Covid. A final report will now be produced in July 2021.

## 6.4 Used Car group

The group met in early 20/21 and developed and published two information notes that aim to increase the consistency of approach by local authority Trading Standards on the use of administration fees by car sellers and use of the term ‘one previous owner’.

# Chapter 7 – Energy Related Fraud

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## 7.1 Background

Energy related fraud is a key priority identified by NTS in its National Control Strategy. This chapter covers all work done in this area across all NTS Teams and work funded by NTG. Many of these cases have a large element of doorstep crime. However, to avoid duplicate reporting, if the doorstep crime relates to mis-selling of energy or energy related products, then it is reported in this chapter.

Fraud in this area falls roughly into three types: doorstep crime relating to installation and maintenance of products/systems, mis-selling of products/energy supply and large-scale defrauding of government 'green' grants.

## 7.2 Intelligence

A renewable energy problem profile was produced which showed that this is an area with continuing complaints since the profile produced in 2019 and that across the sector, whilst solar related complaints have reduced, insulation complaints have increased. These patterns in complaints can be linked to the government grants available and the products they are promoting.

Eight of the top 20 most complained about traders are already subject to an NTS supported local authority investigation.

## 7.3 Policy

NTS and ACTSO jointly responded to the government's consultation on proposed low carbon heat grants. The response outlined the steps we believe need to be taken to prevent the offer of government grants being used by criminals to mis-sell products/systems and commit fraud.

NTS were members of the BEIS low carbon grant working group to consider how consumers could be better protected and make grants less accessible to fraud in future iterations of green grant schemes.

NTS have also input into the CMA's work on developing principles on the use of environmental claims.

## 7.4 Ongoing Investigations

Funding was provided to six energy cases in 20/21. Two cases are awaiting trial and three continue to be investigated.

Due to lack of funds, it has not been possible to task any further work on this priority. NTS has significant concerns about the lack of funds for pursuing these cases and the widespread detriment they appear to be causing.

One operation was provided with a small amount of funds for 20/21 on the basis that BEIS were considering offering ring-fenced funding to proceed with the investigation beyond 20/21; a final decision is expected in early 21/22.

Discussions are ongoing with BEIS on how funding for these types of renewable energy grant cases might take place in the future.

## 7.5 Completed Cases

### **Operation Swarm**

In August, three scammers from Stourport-on-Severn were sentenced after previously being found guilty of 34 offences for mis-selling roof and wall coatings that allegedly helped to improve the thermal properties of houses and reducing bills (often damage was caused in the application process, leaving victims significantly worse off), and batteries to be retro-fitted to existing solar panels, providing consumers with reserves of free electricity to tap into to reduce their energy bills (often no products were ever supplied and fitted).

Two companies were used to carry out this fraud. Part way through trading the main defendant closed one company down but Energenie Shield UK Ltd was already set up to continue the fraudulent trading.

The Regional Investigation Team obtained evidence from 53 victims, 18 of whom were over 70. This included one lady in her 90s who paid £1,200 for a wall coat which the workers spent less than 15 minutes applying.



The trio were sentenced to a combined total of 9¼ years (111 months)

- Adrian Hillman was sentenced to five years' imprisonment and banned from being a company director for 8 years.
- Rebecca Hillman was sentenced to 30 months' imprisonment and banned from being a company director for 6 years. Her appeal was rejected.
- Philip Farrington was sentenced to a 21 months' suspended sentence.
- Energenie Shield UK Ltd was fined £8,000

Charges were dropped against one final defendant as he was a minor player. A Proceeds of Crime case will follow.

### **Operation Merlin**

This case concerned unfair trading practices undertaken by a cavity wall insulation business that was funded by energy companies as part of one of the government's "green energy" schemes. The company went into liquidation once it became aware of the NTS investigation. The key nominal is now subject to investigation by several agencies including HMRC and the Police.

### **Operation Comfort – POCA Update**

In December, a confiscation order was made in relation to a benefit figure of just over £450,000 in relation to this previous energy related doorstep crime case: £137,000 has been restrained and from this £40,500 will be paid in compensation to victims.

## Chapter 8 – Supply Chains in Markets

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### 8.1 Background

The supply of large-scale counterfeit and illicit goods to markets is a key priority identified by NTS in its National Control Strategy. This chapter covers all work done in this area across all NTS Teams and work funded by NTG.

### 8.2 Operation Beorma

The CEnTSA Regional Investigation Team have continued to progress the investigations significantly in spite of the Covid restrictions. Several investigations have been completed and are now in Court systems. The focus of the investigation this year has been the main suppliers identified in the original Problem Profile.

In December, the Team, supported by Birmingham Trading Standards and the Illegal Money Lending Team, led on a multi-agency exercise in relation to a large-scale counterfeit clothing factory in Leicester that had been identified as a source of counterfeit products being supplied to significant Operation Beorma nominals. Other partner agencies involved included Leicestershire Police, the Gangmasters Labour Abuse Authority, Immigration Enforcement, Fire Service as well as partners from the Anti-Counterfeiting Group (ACG).

Three separate units were identified within the same building, and £5 million worth of counterfeit products were seized, including 500,000 loose labels waiting to be attached to blank products. The seizure is believed to have been the largest of its kind for a decade. In a separate exercise the following week, the Team seized approximately 2,000 items of counterfeit products (clothing, perfumes and accessories) from a supplier who was on his way to Wellesbourne market in Warwickshire. The market value of the goods seized is estimated at approximately £30,000. This enforcement work had a huge impact on the counterfeiting community in the run up to Christmas as the factory housed suppliers to those operating from a number of markets across the UK.

A significant amount of intelligence has been identified as a result of this year's activities and this will provide information to support further work, potentially for the

Team, but it is also likely that intelligence of counterfeiting activity can be disseminated to local Trading Standards services across the UK for their consideration and potential action.

The ACG presented the Central England Regional Investigations Team, Birmingham Trading Standards and the National Trading Standards Intelligence Team with a Special Joint Award in recognition of their anti-counterfeiting enforcement work primarily relating to this operation.

### **8.3 Operation Magpie**

The final problem profile was approved in January 2021. It identified four previously unidentified Organised Crime Groups operating in the region. The Operation Magpie Silver Group recognised the problem profile as an excellent report and the group agreed to incorporate the recommendations into their work plan. A new Operation Magpie Tasking Group has been created and met for the first time in December to agree its terms of reference, operational protocols and a tasking map to identify work partners have on-going in the region. This will form the basis of a more focussed enforcement approach for the group in the future.

### **8.4 Self-Storage Project**

In August 2020, NTG agreed to task the NTS Intelligence Team with producing a national problem profile identifying the criminality (relating, in particular, to counterfeiting) associated with self-storage facilities. The findings support the view that self-storage facilities are commonly used for the storage of counterfeit products and illicit tobacco and have links to other criminality.

In September 2020, NTG agreed to part-fund a national project on self-storage, facilitated by LTS and jointly supported by the Intellectual Property Office (IPO). This is a good opportunity to begin tackling this issue, initially by engaging the industry and genuine businesses in raising standards and promoting good practice. It will provide additional intelligence and provide a platform for a multiagency approach. The project progressed between January and the end of March 2021.

## Chapter 9 – Doorstep Crime

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### 9.1 Background

Doorstep Crime is a key priority identified by NTS in its National Control Strategy. This chapter covers all work done in this area. This includes work carried out by the Programme Office, Regional Investigation Teams, the eCrime Team and other work funded by NTG. Many cases overlap with energy frauds. However, to avoid duplicate reporting, if the doorstep crime relates to mis-selling of energy or energy related products, then it is reported in the previous chapter. It is noted that several of the large-scale energy fraud cases have a significant element of doorstep crime too.

NTS has a Doorstep Crime Working Group for providing technical advice with experts from all Regional Trading Standards Groups, Trading Standards Scotland, Trading Standards Service in Northern Ireland and NTS Teams. It shares best practice, knowledge and experience on the work that Trading Standards Services and other agencies do to help deal with doorstep crime and cold calling.

### 9.2 Intelligence development and resources

**NTS Doorstep Crime Problem Profile:** A broad problem profile covering the period of April 2019 – June 2020 was finalised in February 2021 and will help inform future tasking and support Doorstep Crime project work in accordance.

**NTS Online Doorstep Crime Resources:** The Programme Office and TSSW completed a full update of the Doorstep Crime eBook. There will now be a single NTS Online Doorstep Crime Resource that will be available on the TSSW NTS eLearning site. Following a pilot, it should be launched for use by all TS Services in June 2021. NTS funding will be allocated to ensure the material is kept up to date.

### 9.3 Project Work

NTG agreed to provide £42,730 funding to support three regional projects. The findings will be considered by NTG at their May 2021 meeting.

**NETSA Operation Piccolo – Doorstep Sales of Household Goods Project:** In March 2021, NETSA produced a problem profile on itinerant traders, known colloquially as ‘Nottingham Knockers’. They sell household goods (dusters, dishcloths etc.) at inflated prices at the door, often telling householders that they are ex-offenders or ex forces personnel. Police checks indicated the traders were often from the Tees Valley area. The project aimed to identify and scope out the scale of the problem and to identify what work is being done or could be done on the issues.

**Joint LTS and TSSE - Target Hardening Video Doorbells Project:** LTS and TSSE enabled 120 video doorbells or similar equipment to be provided to some of the most vulnerable doorstep crime victims across London and the South East. The doorbells enable the image of callers to be captured. A project report was produced in March 2021. This will be followed-up with a health and well-being survey in August 2021 to report on the benefits felt by recipients. Then information on the project will be shared with Trading Standards Services via an NTS update.

**YAHTSG Operation Mercury – Engagement with Printers:** The Yorkshire and Humber Regional Doorstep Crime Group delivered a project aimed at engagement with printing businesses across their region; specifically, those producing leaflets and flyers, commonly used by traders to directly promote services on the doorstep. The project aims to raise compliance, reduce the volume of anonymous and untraceable leaflets, and increase the opportunity for better enforcement with the help of legitimate business. A report on the outcomes from the project was produced in April 2021. Information on the project will then be shared with Trading Standards Services via an NTS update.

## 9.4 Successful Prosecutions

### **Operation Mohawk**

*Result: 10 defendants - 4 custodial sentences (14 years 3 months); 5 suspended sentences (5 years 8 months) and 5 community penalties (740 hours unpaid work); 1 electronic tag; 1 3-months overnight curfew; and 1 30 days rehabilitation order*  
*Criminal benefit: £400,700*

The TRIT supported LB Croydon’s investigation into a large-scale doorstep crime investigation into the pressurised selling of expensive roof repairs that were overcharged and completely unnecessary, done badly or not done at all.

Six defendants were sentenced in the summer after a five-week trial for, varying, conspiracy to conceal, disguise, convert and/or transfer criminal property; knowingly receiving the proceeds of crime into a bank account; and acquiring or using proceeds of crime. Four more defendants were sentenced on 20<sup>th</sup> January 2021. The delay was caused by two defendants being injured in a traffic collision en route to court and hospitalised, whilst the other two claimed to be suffering from 'Covid' like symptoms and were unable to attend court. Sentences given:

- Ashlie Davis - five years and four months and a Criminal Behaviour Order
- Cody Wright - two years and four months and ordered to pay £3,255 in confiscation and compensation.
- Jake Hemsworth - 18 months' suspended sentence and 180 hours' unpaid work and pay £450 compensation.
- Terence Davis - a 20 months' suspended sentence and 180 hours' unpaid work.
- Katie Amos - six months' suspended sentence, electronic tag and curfew.
- Cindy Mary Lappin - 18-month Community Order with 180 hours' unpaid work.
- Steven O'Driscoll - four years and three months and an indefinite Criminal Behaviour Order.
- Anthony O'Driscoll - 18 months' suspended sentence and ordered to pay £30,200 compensation, 100 hours' unpaid work and an indefinite Criminal Behaviour Order.
- Bertie Palmer - two years and four months.
- Colette Thompson - 26 weeks' suspended sentence, 30 days' rehabilitation activity and 100 hours' unpaid work.

### **Operation Ulex**

*Result: 5 years custodial (reduced by ⅓), an unspecified Victim Surcharge and Indefinite Criminal Behaviour Order*

*Financial Value of Complaints that were the Subject of the Investigation: £107,000.*

A Chester-le-Street mobile fish seller who defrauded victims out of £100,000 was sentenced at Teesside Crown Court to 60 months in prison, reduced to 40 months for an early guilty plea. Between 2017 and 2019 John Mills, aged 50, repeatedly used aggressive, unfair and dishonest selling practices to force often elderly and vulnerable customers to buy large quantities of unwanted fish that was often unfit for human consumption. He forced his way into their homes without permission and pressurised them into paying exorbitant prices for poor quality fish they did not want. They were deliberately targeted in the belief that they were less likely to question the sale or complain. The investigation was led by the NTS North East Regional

Investigations Team with support from NTG. Analysis of the defendant's various bank accounts and the card terminal evidences approximately £107,000 worth of fish sales during the three-year period, although it is likely that the actual figure was higher. Andrew Penman from the Daily Mirror applauded this conviction.

### **Operation Greyjoy**

*Result: No Further Action*

*Financial value of complaints that were the subject of the investigation: £36,000*

The RIT supported LB Camden and LB Enfield with this large-scale doorstep crime investigation. Traders, suspected to be from the travelling community, were targeting elderly homeowners offering guttering and roofing repairs, that always led to unnecessary and, often grossly overcharged, work. TS interviewed three suspects who offered "No comment" interviews. They were originally summonsed to appear at Tottenham Magistrates in April 2017 but failed to attend. Bench warrants were issued for their arrest. They have not been caught and are believed to be in the Republic of Ireland. Solicitors representing the suspects' family contacted LB Enfield Legal Service in early 2020 to enquire if the authority wished to proceed with the case as the suspects wished to return to mainland UK. They were advised of the arrest warrant status and that the case remained live. No further contact has been made and it is assumed there is no plan for the suspects to return to UK. Active reporting on this case will stop unless the suspects are arrested.

### **Operation Nimrod**

This trader had already been convicted of four consumer protection offences. The trader cold called in another area and persuaded a consumer to make payments totalling £2,100 for guttering and roof repairs before the trader disappeared without carrying out the work. When the RIT contacted him, the trader voluntarily admitted that he had attended the victim's address, and said that he wished to refund him for the uncompleted work. The trader then called at the victim's house and repaid them. He was given a formal caution and an information pack about a trader's obligations under consumer regulations.

### **Leicestershire POCA Hearing**

Following successful criminal proceedings against plumbing and locksmith services, there was a POCA hearing in December. The court ordered the defendant to pay £88,058 and £42,797 compensation to 60 victims.

## 9.5 Ongoing Doorstep Crime Investigations

NTG provided funding of £361,006 to support for 11 doorstep crime investigations. This included support for seven fish seller investigations in the North East; communications data analysis work and one prosecution relating to a double-glazing business based in the Yorkshire and Humber region; and legal advice regarding doorstep crime web enablers. Doorstep Crime remains a significant area of work for the NTS Regional Investigations Teams.



# Chapter 10 – Regional Investigations Work

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## 10.1 Background

NTS commissions Regional Investigations Teams (RITs) from each region. There is a combined Team for London, East of England and the South East. The Teams are the primary resource for NTS in tackling serious cases and much of their work focusses on key NTS' priorities such as doorstep crime, supply chains in markets, energy related fraud and used cars. Where a case relates to a specific priority area the detail is reported in those chapters.

## 10.2 Overview

Investigations and trials were significantly hampered by the Coronavirus lockdown and restrictions. The Teams have struggled to get any court time allocated for pre-hearing matters and many trials have been delayed until 2022. This will cause a broader backlog of cases that may cause future budget pressures next year and the year after, if not beyond.

The Teams adopted and adapted to new working practices, such as conducting interviews by questionnaires or over the telephone instead of face to face. They enabled witnesses to give evidence in a fraud case (Operation Crystal) by getting them to different courts throughout the UK to give evidence via live video links. One 88-year-old witness gave evidence live from her own front room.

The Teams began 20/21 with 89 open investigations and now have 103 live cases. Of these 36 are ongoing investigations, 16 are at the stage of legal proceedings (awaiting a decision or at trial), intelligence is being developed for one case and 51 are being supported.

Notwithstanding the challenges this year the Teams' successful efforts led to many good outcomes which are detailed in table 6. Key among these were:

- 23 defendants being convicted.
- 10 prison sentences: 34 years and 3 months.
- 11 suspended sentences: 19 years and 2 months.
- 5 company director bans amounted to 32 years.

The three closed POCA cases resulted in £317,842 in confiscation orders.

The Teams closed 22 cases and the consumer and business detriment avoided through the Regional Investigations Teams' intervention this year was £6,803,291.

Cases taken on this year included:

:

- an emergency locksmith over charging with aggressive practices.
- property lettings frauds.
- free drainage inspections leading to unnecessary works.
- pressure selling of unnecessary wall coating and insulation work.
- money laundering.
- a scam website/breakout fraud.
- manufacture and distribution of counterfeit clothing
- allegations of dishonesty and fraud committed by an auction house
- used cars – clocking, incorrect MOT dates, outstanding manufacturer's safety recalls not rectified or declared, and imported Japanese vehicles being clocked before DVLA registration
- consumer protections issues relating to illegal puppy farming
- Gross overcharging and aggressive sales practices, cold calling and doorstep crime mainly in the home improvement sector.

### 10.3 Closed cases

Some examples of the Regional Investigations Teams' cases completed this year:

#### **Operation Norton**

*Result: The Police have adopted this case*

*Financial value of complaints that were the subject of the investigation: £250,000*

The RIT supported LB Tower Hamlets with a Property Letting investigation involving a company linked to complaints across London and South East. The suspects had previous Fraud convictions for similar offences and were linked to another RIT investigation. Many complainants were single property landlords and properties were suspected of being used for various criminal activities, including sex workers and the drug trade. The RIT helped develop the intelligence picture, gathered evidence and liaised with other authorities and outside agencies. It was quickly

established that there was a great deal of Police intelligence and the OCG mapping confirmed links with widespread and serious organised crime. The Metropolitan Police was approached for support and re-tasking as a Police operation.

### **Operation Settle**

*Result: No Further Action*

*Financial value of complaints that were the subject of the investigation £10,000*

A Bournemouth-based business made unsolicited phone calls to make an appointment to visit consumers at home to sell a variety of high-cost services, such as insulation, wall coating and air purification units. The business changed its MO to profit from the Covid-19 outbreak, and used scare tactics around the pandemic to induce sales. Consumers report being advised that the units were fitted with a device that kills the coronavirus. Targeted consumers were older homeowners, often female. The business appeared to cease trading two months after the RIT started investigating.

### **Operation Sunbeam**

The suspect traded through five associated companies targeting elderly/vulnerable victims offering drainage, roofing and carpet cleaning and mis-selling call blockers. Allegations of offending include carrying out, unnecessary work, no cancellation rights, invoicing for work not completed, overcharging, green energy fraud and purporting to work for government agencies. The suspect and his family now live in the Philippines and with no prospect of taking a prosecution, the case was closed.

### **Operation Conclave and Operation Longbow**

*Result: 4 defendants – 1 imprisonment (30 months), 2 x 15 months suspended sentences (with 2 x 250 hours community punishment) and 1 absolute discharge*

*Costs: £5,000*

*Compensation: £50,000*

*Value of the fraud as determined by the court in sentencing: £155,000*

This complex operation comprised two investigations merged into one.

**Operation Conclave** investigated Dalton & Dalton Tax Consultants. Shahzad Hussain set up the company in mid-January 2012. He appointed Irfan Zafar as senior manager and Nadeem Sharif and Rizwan Zafar as company directors. All three defendants played an active and significant role in the company's operation.

Telesales staff cold-called prospective clients offering council tax re-banding for a one-off upfront fee of £165 and 25% of any refund.

By August 2013, over 7,000 customers had signed up, generating initial fee receipts of over £1 million (96% of the company turnover). The company depended on new customers signing-up to be able to operate. Although substantial numbers of re-banding applications were submitted only about 1% got a refund.

The RIT investigated from 2013. Simultaneously, the Insolvency Service investigated the legitimacy of the company's functions as part of their liquidation proceedings.

Despite claims in the company's literature about their in-house team of solicitors and surveyors, the company only ever employed one qualified surveyor, who was later dismissed. The Crown's case was that the decision to dismiss their only qualified surveyor was evidence that from February 2013 each defendant knew that the company was failing and that the continued representations about utilising a team of professional in-house surveyors was a straightforward lie.

**Operation Longbow** investigated Carter Goldman, a 'phoenix' company that began trading after Dalton & Dalton Tax Consultants were in liquidation proceedings. Incorporated by Irfan Zafar in 2014, it operated along the same lines and charged an upfront fee of £179 and 25% of any refund.

Only eight of Carter Goldman's 870+ applications to the Valuations Office succeeded. None of the 136 re-banding appeals succeeded. The company literature also contained assertions that did not bear scrutiny. The company held little financial information, making fraud determination difficult. Customers' initial fees amounted to over £140,000 and other credits brought the company income to around £180,000.

In February 2020, on day one of the planned trial, the defendants all pleaded guilty. In May 2020 they received the following sentences:

- Irfan Zafar (guilty of two charges): 15 months' imprisonment and two and a half years' imprisonment to run concurrently.
- Nadeem Sharif (guilty of one charge): 15 months' imprisonment suspended for two years. He was ordered to carry out 250 hours of community punishment and pay £5,000 in prosecution costs.
- Rizwan Zafar (guilty of one charge): 15 months' imprisonment suspended for two years and ordered to carry out 250 hours community punishment.

The fourth defendant, Shahzad Hussain, was not proceeded against as it was no longer in the public interest given his voluntary surrender of his profit (£49,291) and accountant's evidence confirmed his 'arm's length' involvement in the company. The volunteered funds totalling £50,000 will be used to return fraudulently obtained up-front fees to victims that supported the Team's investigation.

### **Operation Cassie**

*Result: 2 defendants – 2 suspended sentences (2 x 46 months), 2 x 200 hours community punishment and 2 x 7-year company directorship bans*

*Costs: £50,000*

*Compensation: £24,974*

In July 2020, Beverley Midgley-McDonald and Alistair Midgley-McDonald were each sentenced to 46 weeks' custody, suspended for two years; ordered to undertake 200 hours of unpaid work; and received director disqualifications for seven years. The couple were also ordered to pay £24,974 in compensation and £50,000 prosecution costs. They had pleaded guilty to trading contrary to professional diligence contrary to the Consumer Protection from Unfair Trading Regulations 2008.

The company advertised online, describing itself as 'the UK's most liked driving school', and offered to arrange cheap driving lessons with local instructors, and refunds if none were available. This attracted many learner drivers who paid hundreds of pounds up-front for driving lessons. However, the business generated thousands of complaints. Consumers were not contacted. Instructors were not available in the learner's area so lessons could not be provided unless the consumer was prepared to travel some distance to get them. Available instructors refused to provide lessons because they had not been paid by the company.

### **Operation Crystal**

*Result: 5 concurrent sentences amounting to 9 months' custodial, suspended for 2 years and 250 hours community service*

*Compensation: Total: £3,025*

*Financial value of complaints that were the subject of the investigation: £84,000*

The RIT supported Southampton Trading Standards' lengthy investigation into an emergency plumbing and drainage repair fraud linked to the previous Operation Albacore case.

Jake Broughton undertook drainage work for Plumbers 24/7 Ltd (later trading as 24HR Services Ltd) and dishonestly made representations and overcharged consumers.

Detriment was around £84,000 from 51 identified victims; some elderly and vulnerable. Broughton charged victims between £407 and £5,179.

In November 2020, after a two-week trial, Broughton was found guilty of five counts of fraud by false misrepresentation under the Fraud Act 2006. He was sentenced to nine months in custody for five offences to be served concurrently, suspended for two years, and 250 hours community service. The Judge ordered compensation to be paid to four victims: total £3,025.

### **Operation Tolla**

*Result: 2 defendants - total 5 years custodial*

*Criminal benefit of the offending: £605,573*

*POCA: £150,012 compensation*

The RIT provided AFI support to Cornwall Trading Standards' investigation into potential breaches of CPRs and Fraud legislation in the management of a letting agent business run by mother and daughter team, Angela and Elizabeth Treneer trading as Premier Property Management, Truro. Complaints concerned taking money from tenants but failing to pass it on to landlords. Detriment was estimated at £350,000 with 20 known victims, although there may be more.

The mother was charged with Fraud Act offences and the daughter was charged with Fraudulent Trading and Conspiracy to Pervert the Course of Justice. In April 2019 both entered guilty pleas and were sentenced to prison terms of 40 months (daughter) and 20 months (mother).

A POCA confiscation hearing at Truro concluded in October 2020. The criminal benefit was set at £605,57 and the defendants were ordered to pay realisable assets of £150,012. All the confiscation is to go to the victims.

## Regional Investigations Team Data

General Outcomes	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Total
Operations commenced	8	5	9	12	34
Operations concluded	4	4	7	6	21
Live Operations	89	94	97	103	-
Successful prosecutions	1	2	4	0	7
Victims	62	1,810	275	252	2,399
Consumer and business detriment avoided <sup>8</sup>	£235,000.00	£4,690,656.00	£1,818,850.73	£317,572.00	£7,062,078
No. of defendants convicted (imprisonment, suspended sentence, fines, community penalties)	3	12 <sup>9</sup>	8	0	23
Total fines imposed	0	0	1 (£8,000)	0	1
Total custodial sentences imposed	1 (30 months)	2 (92months)	5 (210m)	2 <sup>10</sup> (79 months)	10
Total suspended sentences imposed	2 (30 months)	5 (146 months)	2 (30m)	2 <sup>11</sup> (24 months)	11
Community service penalties	2 (500 hours)	2 (400 hours) 3 (540 hours)	1(250 hrs)	2(200)hrs	10
Other penalties: CRASBO Conditional Discharge Written Warning Company Director ban Rehabilitation Order Seize & Destroy Forfeiture Order Electronic tag Curfew count Undertaking Simple Caution	1	1  2 (2x7 years)  1 1 1	1  3 (4,6+8 years)	2 1 1 (30 days)  1	16
Compensation awards to victims	£50,000	£28,679	£193,986.18 + 1 unspecified award	£32,300	£304,965.18
POCA Confiscation awards (* with default prison sentence)	£30,000	£0	£287,841.84*	0	£317,841.84
Court costs awarded	£5,000	£50,000	£8,000	0	£63,000
Enterprise Act Undertakings/Orders	0	0	0	0	0

**Table 6 - National Trading Standards Investigations Teams' Management Data**

<sup>8</sup> see Annex for detriment calculation of the contribution by Team x value of intervention) includes Retail Value of seized goods and Financial Value of Complaints that were the subject of investigation

<sup>9</sup> Four defendants (Operation Mohawk) await sentencing and those details will be included in the future

<sup>10</sup> Four defendants (Operation Mohawk) sentenced this quarter

<sup>11</sup> Four defendants (Operation Mohawk) sentenced this quarter

# Chapter 11 - eCrime

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## 11. Background

The Board commissions the NTS eCrime Team (Digital Evidence Unit and associated investigations) via the Yorkshire and Humber Trading Standards Group. The Team is hosted by North Yorkshire County Council and City of York Council.

### 11.2 Overview

Completed cases have been limited due to the Covid related Court delays. There have been two suspended sentences, two Enterprise Act Undertakings and the finalisation of POCA proceedings. The Team has 12 current operations: nine are awaiting trial and three are investigations. The prosecutions may be adjourned until 2022 because of the pandemic's effect on the court system. The consumer and business detriment avoided through the Team's intervention this year is £1,616,184.

### 11.3 Maintaining local capability

The Team have completed 10 open-source training videos. Due to the quickly evolving nature of open-source work, they will continue to maintain, update and release new material in 2021-22.

The Team launched an updated video guide for seizing digital devices at the CTSI Virtual Symposium in October 2020. The guide also serves as an introduction to the Team's work on ISO. Any officers requesting forensic support are asked to watch the video in advance to ensure they seize and transport devices in an ISO-compliant manner.

The Digital Disclosure Guide remains with Counsel for final review and 'endorsement', with publication expected shortly.

The Team have had initial discussions with Nominet regarding a pilot programme for the use of 'landing pages', to which consumers will be diverted, when .uk domains have been suspended. The Team provided support to campaigns run by HMRC and the Pensions Regulator regarding pension investment scams.



## 11.4 Ongoing Investigations

**Operation Sasha:** Relates to the activities of an apparently connected group of individuals purporting to offer 'local' coach hire services via a network of websites but do not appear to own any coaches, merely acting as a broker service. There are many complaints from consumers who paid large sums, but were left with no coach hire. Statement taking and the financial investigation has begun.

**Operation Millie:** A referral from Surrey and Buckinghamshire as part of the ASA backstop concerning an alleged copycat EHIC website. Approximately £1,000,000 of assets have been restrained. The trial is listed for September 2021.

**Operation Riley:** An investigation into websites claiming to help obtain tax rebates which do not make it clear that a large percentage of any rebate is kept by the trader operating the websites. Initial Counsel's Advice has been obtained.

**Operation Gilbert:** This alleged fraud concerns several model agencies and photography studios. Two trials are now listed for 13 defendants, with the first scheduled to start on 4<sup>th</sup> January 2022. Two suspects were repatriated from Spain under European Arrests Warrants. One suspect is still believed to be in Spain.

**Operations Zebedee:** One of the investigations connected with the large-scale supply of tickets for major sporting, music and cultural events. The trial is still to be relisted following delays caused by the pandemic.

**Operation Lottie:** A suspected online recruitment fraud requiring applicants to pay up-front fees. The subsequent 'jobs' are either non-existent or merely to act as an agent to recruit more fee-paying applicants, effectively making it a pyramid scheme. Updated charging advice has been received.

**Operation Bess:** An umbrella operation tackling a range of online technical support frauds. On calling the numbers, consumers are duped into signing up for expensive (and unnecessary) 'lifetime support contracts'. Although the call centres are operated from overseas, payments are made to a series of UK limited companies. Seven people are to be charged with money laundering offences.

**Operation Kayo:** Copycat websites mainly concerned with travel related charges such as the Dartford Crossing, London's Ultra Low Emission Zone and the Mersey Tunnel.

**Operation Bex:** an investigation into the activities of a supposed web design directory. The review of digital evidence is now complete.

**Operation Plug:** An investigation into a mobile phone unlocking website. The case is listed for July 2021.

## 11.5 Completed cases

### Operation Treacle

*Result: 2 Enterprise Act Undertakings*

*Financial value of complaints that were the subject of the investigation £1,400,000.*

This secondary ticketing prosecution was originally listed for trial in January 2021. Due to COVID the trial was taken out of the list. In early 2021, the Defence requested a review on the basis that it was not in the public interest to continue with the prosecution. A review was carried out jointly with Prosecution Counsel and a decision made to offer the defendants the opportunity to sign an Undertaking pursuant to Section 219 of the Enterprise Act 2002 as an alternative resolution to taking the matter to trial. This was accepted and signed by the two defendants on 16<sup>th</sup> March 2021.

### Operation Bella

*Result: 2 defendants pleaded guilty to fraudulent trading: sentenced to 6 months' suspended sentences for 12 months, and £80 hours community penalty each*

*Value of the fraud as determined by the court in sentencing £9,000*

*Compensation: £5,975*

*Costs: £1,000*

This was an investigation into several online plumbing businesses. Consumers were initially attracted by Google Ads for supposedly 'local' plumbing businesses but were then subjected to significant additional charges as the contracted plumber was not local and the work was often unnecessary and/or of poor quality. Two company directors, Paul Plummer and Katie Marfleet, pleaded guilty to one charge of fraudulent trading contrary to Section 993 of the Companies Act 2006. Each was sentenced to 6 months' imprisonment suspended for 12 months and ordered to do

80 hours unpaid work. The judge also ordered Plummer to pay £5,976 in compensation to some of the victims, and costs.

## 11.6 POCA cases

### **Operation Lily (POCA)**

*Result: 2 Confiscation Orders £150,001*

The case concerned an electrical goods retail website that took orders of £330,000 from almost 1,000 customers but failed to fulfil the orders or the goods were misdescribed. The trial concluded in 2019/20. At the POCA hearing on 2<sup>nd</sup> July 2020, Kewal Banga was ordered to pay a confiscation order of £150,000. Saleem Arif was ordered to pay a nominal £1 confiscation order.

## 11.6 Digital Evidence Forensic Support

This year, the Unit provided forensic support for 20 LAs' and RITs' investigations, examined 39 laptops, 76 mobile phones and 53 other devices (iPads, memory sticks etc).

The Team continues to work on the ISO accreditation although the formal accreditation visit from UKAS has been delayed until autumn 2021 to accommodate the relocation of the forensic laboratory. Relocation to the new laboratory will be in two phases, beginning in July.

In line with the ISO work the Team has published a new video guide on how to correctly seize digital devices.

## 11.7 Partnership working

Discussions continue with various external agencies and partners to promote the Team's work and to discuss joint working opportunities. Recent developments below.

**National Cyber Security Centre:** Work continues on Project Fortis. This is an online portal being developed to enable businesses to report all forms of cyber

dependant crime. There continues to be delays with pilot testing by NCSC. Further updates will be provided once a revised timescale becomes clear.

**National Fraud Intelligence Bureau:** The Team are in discussions with NFIB regarding their pilot programme for having access to fraudulent/misleading websites blocked by internet service providers. If the pilot is successful, this will help the Team prevent access to websites that they are unable to suspend by their usual means. In addition, they are also discussing other areas where the eCrime Team and NFIB can offer mutual assistance, including the removal of harmful content from social media platforms and suspension of websites that do not meet the NFIB definition of fraud.

**The eCommerce Foundation and Scam Advisor Tool:** The Team had discussions with the eCommerce Foundation about their Scam Advisor tool. The Team undertook testing of the online portal and its use against 'live' disruption cases will begin soon.

**Nominet:** Discussions continue with Nominet and Oxfordshire TS (as the Primary Authority) regarding the use of 'landing pages' for .uk domains where the Team have requested a takedown/suspension. The intention is for consumers to be presented with a standard message explaining that the site has been suspended by NTS/TS, with the option to redirect the consumer to further information/advice. The intention is for the current pilot with MHRA and PIPCU to be extended to Trading Standards in summer 2021.

**Institute of Cyber Digital Investigation Professionals:** For the past three years the Team has been working with the College of Policing and Chartered Institute of Information Security on a pilot scheme aimed at creating a professional institute for those working in the field of online investigations. The scheme covers a range of disciplines, including those working directly on investigations, through to those operating in the intelligence and digital forensics fields. Following the successful pilot, the Institute will be launched on 1<sup>st</sup> April 2021. The Team is now exploring how the Institute could broaden in scope to include membership by front-line Trading Standards staff.

## 11.8 Communications

The Team continues to proactively develop its media presence. This year the Team

- Issued 6,505 tweets, achieving over 5.2 million impressions (views)
- over 5,503 links posted were clicked through to read that content
- at 31<sup>st</sup> March, the Team had 24,400 Twitter followers, and
- the website received 6,551 unique visitors and 14,036 page views.

The Team were invited by the IPO to present the work of the Team at a joint UK and Brunei IPO workshop. The virtual event brought together senior staff from both UK and Brunei agencies involved in IP enforcement.

The Team continues to work with the Multi-Agency Campaign Group, supporting partner campaigns by HMRC and the Pensions Regulator in this quarter.

The Team featured in an ITV Tonight programme in the run up to Christmas covering advice when shopping online. The Team presented its work at the inaugural Global Online Scams Summit, an online event that brought together law enforcement and industry partners from across the world. Also, the Team continues to work with the Multi-Agency Campaign Group, supporting partner campaigns by NHS England, Get Safe Online and Action Fraud. The focus for the group during this quarter was Black Friday and Cyber Monday.

## eCrime Team Data

General Outcomes	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Total
Operations commenced	1	1	1	0	3
Operations concluded	1	1	1	1	4
No of live Operations	11	13	13	12	-
Value of detriment avoided	£9,000	£207,184	£0	£1,400,000	£1,616,184
No of website/social media takedowns, or other successful interventions outside the courts.	125 website & social media suspension requests	146 website & social media suspension requests	136 website & social media suspension requests	448 website & social media suspension requests	855
Operations where the eCrime Team assisted another local authority/agency	3	7	12	2	24
<b>Enforcement Outcomes of eCrime Team Operations</b>					
Defendants convicted/found in breach	2	0	0	2	4
Total fines imposed	0	0	0	0	0
Total custodial sentences imposed	0	0	0	0	0
Total suspended sentences imposed	12 months (2x6 months)	0	0	0	2
Community service penalties:	160 hours (2x 80 hours)	0	0	0	2
Other penalties: Enterprise Act undertaking	0	0	0	2	2
Compensation awarded to victims	£5,976	0	0		£5,976
Court costs awarded	0	0	0	0	0
POCA confiscation awards	0	2 (1x £150,000 + 1 x £1)	0	0	2

Table 7 – NTS e-Crime Team Management Data

# Chapter 12 - Scams

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## 12.1 Background

Mass Marketing Fraud (scams) often targets disadvantaged or vulnerable consumers. This type of fraud causes approximately £5-10 billion of detriment to UK consumers per year. National Trading Standards (NTS) commissions a Scams Team from Buckinghamshire and Surrey Trading Standards, which helps to identify and make referrals about individual victims of mass marketing fraud. They undertake disruptive activities to reduce detriment and work with partners on several mass marketing fraud programmes.

## 12.2 Overview

The NTS Scams Team estimates that this year, for every £1 of funding received, it saved consumers £88<sup>12</sup>. The Team identified 1,396 victims and saved consumers £42,596,196 through its investigations and disruption work and the savings made through local authority support. These figures include estimated healthcare savings and health related quality of life savings<sup>13</sup>.

The Team enters into data sharing agreements with local authorities. Out of 198 local authorities, 171 have signed a Data Sharing Agreement. Capacity allowing, these local authorities commit to engaging with the victims in their areas. Local authorities feed back to the Team at four-week intervals. This enables individual consumer's detriment and savings to be measured.

During the year the Team launched two training videos and a webinar. They also attended a virtual conference in March 2021 with international partners.

The Team provided detailed evidence, case studies and witness details to support a Home Office report into victim care and support for victims of fraud and the level of engagement.

<sup>12</sup> Calculated on £42,596,196 predicted and actual savings to consumers in Q1/Q2/Q3/Q4 divided by the base grant budget of £42,596,196/£488,000 = £88.02

<sup>13</sup> Using the detriment measure NTS commissioned from Optimity using Home Office statistics

## 12.3 Friends Against Scams (FAS)

The FAS reached a milestone of 500,000 friends in June 2020.

Businesses Against Scams (BAS) was launched in April. This initiative was created to raise awareness of COVID-19 related business scams, with plans to develop it further to concentrate on the more traditional types of business fraud post-pandemic.

The Team worked closely with TV Licensing as there was concern that the change in TV licensing for over 75s from 1<sup>st</sup> August 2020 would cause an increase in scams in this area. The Team created a social media pack and joint infographic that was sent to partner agencies to highlight this important issue.

Friends Against Scams marked its fourth anniversary with a campaign to encourage as many people as possible to complete the training and become a Friend in one day; this successfully boosted 'Friends' numbers by 1,334.

On World Alzheimer's Day on 21<sup>st</sup> September 2020, the FAS Team, Lloyds Banking Group and Bournemouth University launched a guide designed for people in the early stages of cognitive decline and anyone that supports them. It advises how to stop criminals reaching people in cognitive decline and how relatives or friends can protect/manage their finances.

In December, the FAS Scamnesty 2020 campaign asked people to send scam and nuisance mail to the Team free of charge. This led to a huge increase in the amount of scam mail sent in, with 25% of all the mail received by the Team in the last seven months arriving in January.

The Team partnered with Citizens Advice to run a pilot project aimed at building sustainable community resilience to scams. Citizens Advice provided the Team with £25,000 funding to enable pilots to be run with three local Citizens Advice Bureaux: Cardiff and Vale, Cheshire East and Stevenage (covering Hertfordshire). The purpose of the pilots is to test whether community resilience to scams can be increased, help deliver scams awareness messaging more deeply into local communities and provide the appropriate support to the people who need it most. Several national stakeholders, including Legal & General, are observing the pilots and contributing their ideas. The pilots are expected to run until July 2021 when a full evaluation will be undertaken.



Scamwise NI joined as a FAS partner and have pledged to help raise scams awareness in Northern Ireland. Other organisations that signed up to support FAS are the Royal British Legion Ramsey & District Branch, Orkney Scams Action Group and Berkshire Adviceline, the Advertising Standards Authority, the Melton Building Society, Aspire Learning and Copeland Age & Advice Service, the Civil Service Retirement Fellowship, Community Action Wirral, Reading Borough Council and Guinness Care.

The Team delivered a virtual Friends Against Scams session for Help the Musicians, a charity that has been supporting artists during the pandemic. The Team have also been working to support an NHS Trust to deliver scams awareness training in the Trust's recovery colleges.

The Team created and shared short scams awareness videos as part of their #ScamStory campaign. The videos featured someone talking about their experience of scams. Each video was posted on social media, and other organisations were encouraged to join in by creating and sharing their own videos. The Team received further videos from Guinness Care, West Sussex County Council, Rotherfield St Martin, Safer East Sussex Team and Thomas, one of the Team's Scam Marshals.

	Apr-Jun 201	Jul- Sep 20	Oct-Dec 20	Jan-Mar 21	20-21 Total	Overall Total*
No. 'Friends'	105,462	68,000	73,384	77,450	324,296	738,440
No. SCAMchampions	81	71	83	57	292	2,088
No. SCAMBassadors	1	1	1	2	5	211
No. Friends Organisations	10	6	8	7	31	269
No. Twitter Followers	468	213	381	466	1,528	5,805
No. Facebook Followers	676	101	535	211	1,523	4,454
No on Facebook group	168	114	86	127	495	1,664
Practitioner e-learning completed	132	59	105	78	374	2,011
<b>* Totals added to previous years' figures</b>						

**Table 8 – Friends Against Scams and Social Media Data**

## 12.4 Scam Marshals

No. of Scam Marshals at 31/3/21	1920
No of Local Authorities with at least one Scam Marshal	184/194 (95%)

Financial savings from the Scam Marshals programme	£19,583
Estimated Healthcare saving & Health Related Quality of Life saving based on Scam Marshals Programme	£10,575

**Table 9 – Scam Marshals Data**

In December, the Scam Marshals scheme won the ‘Outstanding Prevention Initiative’ award, at the second Tackling Economic Crime Awards event. This led to one of the scheme’s highest quarters in terms of recruits, helped by a Daily Mail article featuring a Scam Marshal explaining how the scheme helped him to turn his life around.

During the year the Scam Marshal’s log identified several insurance-type scams. This led to successful disruption work, with a major telecom provider blocking identified numbers on their system. This has resulted in 4.2 million potential consumers not being called.

## 12.5 Call blocker project

The Team secured funding at the end of 2019/20 to supply and install units to consumers who receive scam or nuisance phone calls. Covid-19 halted the second phase of applications. The project was relaunched safely in July, and when it went live, over 600 applications were made in one day. Only applicants who could self-install the unit were able to apply.

In February, the Team launched the call blocker report and the academic wellbeing study to local authorities and partners via a webinar. Delegates received training and key speakers encouraged local authorities and partners to secure their own call blocker projects.

The Team continue to use call blocking data to find potential scam telephone numbers and support the work around Operation Derdap (an NTS Scams Team enquiry into cold call scams targeting elderly and vulnerable consumers and inducing them into paying for bogus, worthless white goods and home repair cover plans). The Team also liaised with the UK’s biggest telecom provider to develop an industry wide alert and intelligence sharing process.

Discussions are ongoing with government to try to secure more funding for this work.

## 12.7 Postal Operators

This year, twelve Scam Mail Alerts were issued to Postal Operators to raise awareness, assist identification and apply due diligence in respect of featured mailings.

Since November 2016, Royal Mail has prevented 4.83m items from reaching consumers. This equates to just under £21.8 million saved for consumers (based on 18% of total mailings at £25 per item).

In January, the Team contacted a UK-based mailing house that was sending 2,000 mailings a month for a Swiss based entity offering health products and a sweepstake. These were in breach of the Consumer Protection Regulations 2008 and the mailer withdrew from the contract. Estimated savings £121,968.

Enquiries identified that a mailer based in Switzerland and France was also responsible for sending up to 19,000 mailings a month comprising seven different clairvoyant-style mailings targeting UK consumers. The Team engaged with the entity and as a result of the actions taken, and with support from Swiss law enforcement, the entity has ceased to send mailings into the UK. Estimated savings £460,845.

During this year the Team saw fraudulent mailings relating to or mentioning Coronavirus including claims for cure, prevention and financial benefits. In June, the Team received the first example of an Advance Fee Fraud '419' letter containing reference to 'a coronavirus pandemic'. The handful of letters were for overseas addresses and were stopped.

## 12.8 Investigations work

Action, related to investigations by the Team, led to savings for the year of £21,340,073.

The Team assisted local Trading Standards on 14 enquiries with investigation and recovery of money (£3,700). These relate to several scams including recovery of funds from Operation Derdap entities and joint working with local Trading Standards, which resulted in an offender receiving a three-year prison sentence. The Team also assisted two Trading Standards services with two major investment scams. Estimated savings £5,698.

**Operation Derdap:** The Team is being assisted by a wide range of partners. Call blocker data for the period showed 90% of calls received to the devices were from suspected subjects and 73% targeted consumers with Telephone Preference Service registration. Intelligence support is being provided to establish appropriate next steps.

**Operation Amisk:** This relates to the sale of health supplements. It has been scaled back but the Team is still recording intelligence and has several visits planned to entities identified as targeting elderly consumers with aggressive sales calls.

**Operation Ilmen :** The Team is assisting two Trading Standards services with intelligence gathering and disruption activity against a catalogue provider that is linked to a telesales subscription trap involving a worthless discount member's club card.

**Operation Hornavan:** There is continued work with the Federal Trade Commission to remove entities involved in online and telephone scams including subscription traps and the alleged sale of CBD oil.

**Operation Enonevesi:** The case against several offenders who targeted UK consumers with fake sweepstake and money release mailings was delayed until May 2021. If successful, redress may be released for return to UK victims.

**Operation Gorky:** The Team monitors reports of COVID-19 scams. Scam calls to consumers regarding COVID-19 inoculation and test results are rising. The Team are working with telecom providers to block or take-down these telephone numbers. Business related grant scams are rising too.

Other examples of the Team's investigative work this year include:

- Working on a Marks & Spencer voucher phishing scam on social media and texts, removing the sites and identifying approximately 18,000 interactions.
- Stopping health products, prize and clairvoyant mailings, and "white goods" insurance type activity.
- Working with the Gambling Commission on an investigation into an EU-based lottery business, suspected of being involved in targeting elderly consumers by phone, mail and internet.
- Investigating one of the top 100 telephone numbers blocked by the call blocker units and discovered that criminals were impersonating health workers to sell expensive fake face masks.

- Stopping two clairvoyant style mailings with a return PO Box in the Netherlands.

## 12.9 International collaboration on investigative matters and mutual enforcement activity

**Operation Lokka:** This is a major organised scam targeting consumers with a promise of a large lottery payment, subject to the payment of so-called “release fees and charges”. The Team is working with the NCA and Spanish, Portuguese and US Postal Services. UK victims lose on average £12,000. Globally, losses appear to be £millions. With FTC assistance, the Team is identifying India-based call centres that are undertaking “lifestyle” surveys and data mining/social engineering to compile detailed data lists. These are used to specifically target UK, US, Canadian and Australian consumers with false energy savings, Operation Derdap type scams and investment fraud. The Team are still waiting to find out what money will be received from their work with the FTC Seattle case for returning to UK-based victims.

Other examples of the Team’s international collaboration this year include:

- Providing evidence of fraud to the US Postal Service and Department of Justice regarding claims made by a company that their product would protect against the COVID-19 virus. The product was targeted at US consumers. The website was taken down and the company has been served with a civil penalty.
- The Team liaised with French counterparts to identify and potentially undertake a joint enquiry into clairvoyant mailings originating from and with a return address in the EU.
- Identifying 350 clairvoyant mailings destined for US victims. Information was passed to USPIS re content and a further 3,500 were identified in the US. The mail was stopped, so American victims were protected.
- The Team worked on joint investigations with enforcement agencies in Germany and Canada, USA, Netherlands, Switzerland and Austria.

## Scams Team Data

Performance Indicators	Apr-Jun 2019 Q1	Jul-Sep 2019 Q2	Oct-Dec 2019 Q3	Jan-Mar 2020 Q4	Total
No. of pieces of mail returned to sender/disrupted	9850	25,641	31,500	63,000	129,991
No. of LAs supported with advice & guidance on fraud, scams and investigations	10	13	13	14	50
Victims	420	342	221	413	1396
<b>Consumer detriment – specifically:</b>					
Estimated future financial savings (TS intervention)	£365,000	£391,458	£198,282	£375,588	£1,330,329
Estimated healthcare & health related quality of life savings, (TS intervention)	£197,100	£211,388	£107,072	£202,818	£718,378
Actual savings to consumers	£135	£417	£21,522	£756	£22,830
Estimated healthcare & health related quality of life savings from payments returned	£73	£225	£11,622	£408	£12,328
Financial saving from effective enforcement disruptions	£9,855,005	£2,564,204	£1,055,831	£382,150	£13,857,190
Estimated healthcare saving & health related quality of life saving from effective enforcement disruptions	£5,321,703	£1,384,670	£570,149	206,361	£7,482,883
Financial savings from Friends Against Scams programme	£2,435,498	£1,570,365	£1,694,701	£1,788,600	£7,489,164
Other savings from Friends Against Scams programme	£3,799,376	£2,449,770	£2,643,734	£2,790,215	£11,683,095
<b>Total savings</b>	<b>£21,973,890</b>	<b>£8,572,497</b>	<b>£6,302,913</b>	<b>£5,746,896</b>	<b>£42,596,196</b>
% of consumers recorded feeling safer in their own homes after TS intervention	69%	68%	56%	44%	59%
No. of Friends Against Scams initiative recruits	105,462	68,000	73,384	77,450	324,296
No. of SCAMchampions facilitating training to others	81	71	83	57	292
No. of SCAMBassadors in influential positions recruited	1	1	1	2	5
% of participants who completed the Friends training think they are less likely to fall victim to a scam	99%	97%	97%	97%	98%
% of participants who completed the Friends training, feel this will prevent them or anyone they speak to from falling victim to a scam	97%	99%	98%	98%	98%

Table 10 – NTS Scams Team Management Data

## Chapter 13 - Estate and Letting Agency

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### 13.1 Background

The NTS Estate and Letting Agency Team is hosted by Powys County Council (as the lead enforcement authority under the Estate Agents Act 1979) and Bristol City Council (as the lead enforcement authority under the Tenant Fees Act 2019). They operate as a single team with officers authorised to operate across all areas of activity, providing a single point of contact for enforcement authorities and industry alike.

As the lead enforcement authority for the Estate Agents Act its responsibilities include the issuing of prohibition and warning orders, the management and approval of the UK's consumer redress schemes, providing sector-specific advice in relation to the obligations and responsibility of businesses under the Estate Agents Act, as well as maintaining a public register of prohibition and warning orders issued.

As lead enforcement authority for letting agency work in England its role under the Tenant Fees Act is to oversee the operation of relevant letting agency legislation; issue guidance and provide information and advice to enforcement authorities and to the public about the operation of the relevant letting agency legislation; and to keep under review and from time to time advise government on developments in the letting agency sector.

Working with colleagues and other stakeholders is a key part of the overall strategy to ensure that work is carried out in the best interests of clients and businesses, and that consumers are treated honestly and promptly in a fair marketplace.

Governance is provided via the NTS Estate and Letting Agency Governance Group which includes MHCLG officials.

### 13.2 Work to support Local Authorities

The Team took on an enhanced backstop role during the year to lead on enforcement in order to support local Trading Standards services during the Covid 19 pandemic and the continuing pressures and demands on services it has caused. The Team has

continued to mitigate the effects of this demand on local Trading Standards and housing teams by:

- Taking responsibility for non-membership referrals from the redress schemes and taking appropriate enforcement action in consultation with the relevant local authority.
- Checking registrations to ensure that letting agents are protecting client money appropriately and working with tenancy deposit schemes to ensure that tenant deposits are protected.
- Ensuring that estate agents and relevant letting agents are registered for anti-money laundering supervision.
- Monitoring transparency requirements for business found to be non-compliant in other areas, e.g. displaying client money protection and redress membership, displaying fees etc.

The Team has also:

- Used the Citizen's Advice Consumer Service data and IDB to advise and support local authorities where reports warrant further investigation.
- The Knowledge Hub site hosted by the Team continued to develop and now has 706 members. It provides a resource for local authority officers to seek advice, ask questions and find updates on training and other developments.
- Produced an 'Introduction to the Team' support document, containing guidance on developing a penalty policy and 'penalty calculator' spreadsheet to help determine the penalty amounts against a non-compliant agent.
- Worked closely with Cardiff Trading Standards to look into possible omissions relating to unsafe cladding on properties in the Cardiff Bay area. Checks showed that agents were being more open about existing issues with cladding.
- Made great progress linking up with Northern Ireland regarding the Single Point of Contact role, including a 'meet and greet' call with five new trainee inspectors. This is especially important given the intelligence received by the main property portal in Northern Ireland.
- Progressed the compliance checklist, working on nation specific legislation to improve ease of access for enforcement officers. A further funding bid has been submitted to progress development, including a digital copy of the checklist.

Additionally, intelligence sharing has improved, with both an increase in and more detailed intelligence reports being input to IDB. Further intelligence reports were also recorded through the regional SPOC process. Obtained from various sources (redress schemes, IDB, and CACS etc), it provides an accurate picture of current



trends and horizon scanning, thus facilitating more streamlined and meaningful guidance/webinars/tutorials for all stakeholders.

### 13.3 Training and Education

The Team has:

- Continued to develop and support the e-learning course and e-book: 637 enforcement officers have signed up with 366 having completed the course.
- Delivered a programme of training for enforcement officers on the Tenant Fees Act, building on last year. A series of webinar sessions replaced meetings cancelled due to Covid. These included: Tenant Fees Act for Heads of Service; Introduction to the Tenant Fees Act 2019; A guide for landlords: Housing law for Trading Standards staff; Client Money Protection; and breaches of the Act.
- Recorded and released a number of 'live' sessions on the Khub platform with content ranging from identifying prohibited fees to housing legislation for Trading Standards officers. A live session was held in April 2021 on Redress Schemes and, in another 'first', the Team invited the redress schemes to discuss how they operate and deal with the thousands of complaints that are referred to them each year. The webinars were promoted widely through individuals, Khub, and The Regulatory Information and Management System.
- Recorded a number of podcasts, with subjects including Referral Fees, Communications in Estate and Lettings Industry, Exploring Material Information and Property Raffles.

### 13.4 Casework, complaints and enquiries

The Team investigates cases under the Estate Agents Act 1979, culminating in fitness assessments of individuals and/or businesses to engage in estate agency work. Reasons for this include, but are not limited to: the failure to declare a personal interest in a property, failure to pass on offers to purchase a property, and failure to have membership of a redress scheme. Fitness investigations are also triggered by the commission of offences outside of the Estate Agents Act, including forgery, theft, violence, money laundering and breaches of the Consumer Protection from Unfair Trading Regulations 2008.

It received a significant number of enquiries from local authorities specifically related to Covid 19 matters, including whether agents were able to continue to trade from their offices, video viewings, repairs and energy performance certificate assessments.

An investigation regarding an individual engaging in estate agency work whilst banned, continued, with court proceedings currently listed for May 2021.

A number of media enquiries were responded to which included material information, mainly regarding ground rent, leasehold information being available in property listings and implications on mortgages.

### **13.5 Stakeholder engagement, guidance and other activities**

The Team made progress with the portal project and continued to engage with stakeholders. A consumer survey was produced and released over the Christmas period. Ninety percent (90%) of respondents said that they wanted key information to be available when they were searching for properties, with 87% of respondents wanting property portals to include all key information in their property listings.

Interactions took place with a variety of organisations and stakeholders including client money protection and tenancy deposit schemes and the Home Buying and Selling Group. The Team attended several meetings run by the Group and contributed extensively to improving the Buying and Selling Property Information questionnaire.

Monthly engagement with both redress schemes continued to ensure that both schemes worked effectively during Covid restrictions. The Team also undertook a review of the redress scheme membership renewal process in order to ensure that consumer protection continued during any grace period that the schemes offered to members for payment renewals.

The Team participated in a cladding working group to enable agents to comply with The Consumer Protection from Unfair Trading Regulations 2008. The Team has recognised that the existence of unsafe cladding, and indeed cladding in general, is material information that is key to the transactional decisions of buyers and renters. This appears to be widely accepted by many agents, however, there is still reluctance by some.

It also engaged with the Residential Log Book Association to achieve a number of objectives, including setting industry standards for digital records of property information, establishing a recognised set of data standards, building consumer value in log books, and establishing a set of standards for providers.

## 13.6 Case studies

**Case Study 1:** The main property portal in Northern Ireland liaised with the Team regarding various concerns involving agents in the province. Allegations include:

- Agents refusing to allow potential purchasers to view properties without evidence of Agreement in Principle showing lender and pre-approval amount.
- Agents refusing to pass on and/or being dismissive of offers made by potential purchasers if they do not have such an Agreement in Principle.
- Agents “advising” potential purchasers, especially first time buyers, to use in-house services with reasons such as “keeping it all in house”, “to ensure a smooth transaction”.
- Agents not allowing potential purchasers to view properties unless they have a meeting with an agent recommended mortgage adviser.
- Failing to disclose referral fees, commissions etc to potential buyers.
- Failing to tell potential purchasers that they are free to choose any mortgage broker.

The next step is to liaise with TS Northern Ireland to agree a way forward.

**Case Study 2:** A director was disqualified for 6 years due to her actions which contributed to client deposits and client money not being protected. The director had also been adjudged bankrupt in 2019, and was therefore under investigation for prohibition/warning.

**Case Study 3:** A director of a lettings and property management company was prosecuted by his local Trading Standards service in December 2019. He defrauded over £230,000 from landlords and tenants, was found guilty and sentenced to two years in prison. The court heard how he had forged bank statements, failed to pass on rent to landlords and failed to return deposits. He used the money for both business and personal use. The forged bank statements were also used by him to provide evidence to a tenancy deposit scheme to give the impression that money was properly ringfenced. However, it was not. The Team issued a Prohibition Notice using its powers to prevent him engaging in estate agency work.

**Case Study 4:** A Police Force contacted the Team to discuss offences committed by an estate agent who had been assisting an Organised Crime Group to acquire property for use with the intention of money laundering. The Team advised and assisted the Police investigation, taking action when appropriate.

**Case Study 5:** This case is currently being investigated via a joint approach with local TS and Housing. It is looking at prosecution for offences: breaches of licensing for HMOs, CPRs misleading omissions and claiming to be approved by two local authorities as a housing provider. The Team is investigating the same company regarding non-membership of a redress scheme and non-membership of a Client Monetary Protection scheme. The Team intends to issue monetary penalty notices against the company/individuals concerned.

### 13.7 Lettings Enforcement Projects

In April 2020, MHCLG provided grant funding to NTS to allocate to appropriate projects or investigations. Seven projects received funding and support from the Team, including:

- **Trading Standards South West** - Raising awareness of tenant rights among students, landlords & letting agents in the region.
- **Cheshire West & Chester** - Supporting legal compliance with lettings legislation for the student sector.
- **East Riding of Yorkshire** - Joint working between Trading Standards and Private Sector Housing teams to provide advice to letting agents and landlords on the new legislation and raising tenants' awareness of their rights.
- **London Trading Standards** - the Team worked closely with London Trading Standards on this project which included assessment of Client Money Protection (and other) compliance by letting agents across the region, carrying out investigation and analysis work, preparing enforcement action.
- **Oxfordshire** - Building relationships with district council housing teams, other relevant agencies and third sector bodies. Identifying relevant businesses and carry out inspections and business support to improve compliance with lettings regulations and wider consumer protection provisions.
- **NTS Estate & Letting Agency Team** - Temporary expansion of Lead Enforcement Authority backstop function.
- **Trading Standards South East** - Improving co-ordination of lettings enforcement in the region between both tiers of local government and regulatory departments within unitary authorities.

Regular updates on all the projects were received and all were found to be making good progress.

# National Trading Standards Estate and Letting Agency Team Management Data

	Apr – Jun 2020	Jul – Sept 2020	Oct – Dec 2020	Jan – Mar 2021	TOTAL
<b>*Incidents received</b>					
Estate agency	157	190	61	87	495
Letting agency	175	211	117	171	674
Both	Not captured	107	191	185	483
<b>Requests for advice received</b>					
Estate agency	43	28	12	16	99
Letting agency	62	23	31	33	149
Both	23	2	0	1	26
<b>Other enquiries received and requests for assistance</b>					
Estate agency	19	122	114	71	326
Letting agency	27	147	114	104	392
Both	30	2	0	1	33
<b>Media enquiries received</b>					
Estate agency	4	1	2	1	8
Letting agency	0	1	0	2	3
Both	1	0	1	0	2
<b>**Fitness to engage under Estate Agents Act (Estate Agency)</b>					
Cases with no further action following investigation	5	1	4	5	15
Cases with no further action following adjudication	1	2	1	1	5
Prohibition Notices issued	9	10	5	7	31
Warning Notices issued	1	0	1	0	2
Prohibition Orders Issued	4	4	9	8	25
Warning Orders Issued	0	1	0	0	1
Prohibition Orders taken effect	4	3	6	5	18
Warning Orders taken effect	0	0	0	0	0
Appeals against formal orders submitted to FTT	0	2	2	0	4
Applications to revoke or vary a prohibition or warning order	0	2	0	0	2

<b>Penalty Charge Notices (Estate Agency)</b>					
Non-membership of a redress scheme	6	3	7	4	20
<b>Monetary penalties issued under Tenant Fees Act 2019 (Lettings)</b>					
Non-membership of a redress scheme	2	0	1	0	3
Non-membership of client money protection scheme	2	0	2	1	5
Prohibited fees	0	1	1	0	2
Transparency requirements under CMP	0	0	0	0	0

**Table 11 – Estate and Letting Agency Team Management Data**

**Note:**

\*In relation to the numbers of incidents, requests for advice, enquiries and media enquiries received, these cases are counted as estate agency or lettings (respectively) dependent on the **nature of the case** rather than whether the agent/individual themselves engages in estate agency or lettings. In many cases the agent will engage in both and on occasion a case will relate to both, if this is the case it is made clear.

The Crimson software that the Team uses to record this data is currently being reviewed to make it more fit for purpose for reporting. The figures above are as accurate as can be, given system changes taking place during the reporting period.

**\*\*Fitness to engage under Estate Agents Act**

A Notice of intent to prohibit or warn under the Estate Agents Act is sent to the recipient. The recipient is given 28 days to make representations. Once the 28 days have passed, an Adjudication file is passed to an Adjudicator for determination. If deemed unfit to engage in estate agency work, an Order is made accordingly and sent to the recipient. It is only after adjudication that a Notice of Intent becomes an Order. The public register is updated accordingly and it is marked 'pending appeal' until the appeal period/case has passed.

An Order taken effect means that the appeal process has passed/concluded.

**During Q2, the Team received an application for revocation of a Prohibition Order, however, that application is on hold due to an ongoing investigation into the individual engaging in estate agency work, whilst prohibited. That application remained on hold during Q4 because of the ongoing investigation.**

# Chapter 14 - Advertising Standards Authority

## 14.1 Background

The Advertising Standards Authority (ASA) is recognised as the ‘established means’ by which compliance with the Consumer Protection from Unfair Trading Practices Regulations 2008 and Business Protection from Unfair Trading Practices Regulations 2008 in relation to misleading, aggressive or unfair advertising is enforced. The introduction of the Control of Misleading Advertisements Regulations 1988 provided a legal backstop for misleading non-broadcast advertising via the Office of Fair Trading. This backstop power transferred to NTS in April 2013. Since January 2019, Buckinghamshire and Surrey Trading Standards perform the legal backstop function for the ASA. Buckinghamshire and Surrey officers have established regular contact with the ASA and regular meetings and communication support the referral process.

## 14.2 Referrals

	<b>Apr–Jun 2020</b>	<b>Jul–Sep 2020</b>	<b>Oct-Dec 2020</b>	<b>Jan-Mar 2021</b>	<b>TOTAL</b>
Referrals received	2	5	4	1	12
Referrals closed	4	2	6	4	16
Referred to another agency	0	1	0	0	1
Total under investigation	11	13	11	8	8

**Table 12 – ASA referrals**

The pandemic created challenges in relation to test purchases, obtaining responses from businesses which are furloughed/shut down and pursuing evidence.

## 14.3 Health Claims

In the early part of the year, a significant proportion of referrals related to alternative medicine and therapies. Examples included homeopathic remedies for autism and unorthodox allergy/asthma therapies. A number of referrals were made relating to CEASE therapy claims. These continue to present significant challenges with regards to identifying and securing suitable expert witnesses and evidence.

## 14.4 Copycat website

**Operation Millie:** is a referral concerning an alleged copycat EHIC website which has been investigated by the NTS eCrime Team. It was used by thousands of consumers who paid an 'application fee' for a card that is free through the official NHS website. Approximately £1,000,000 of assets have been restrained. The trial is listed for June 2021.

## 14.5 Other Case Work

- There have been referrals and cross agency work with City of London and other Trading Standards Services and Republic of Ireland authorities in relation to subscription traps.
- Aberdeenshire TS is looking to work with ASA over influx of competition websites in their area that are not covered by the Gambling Commission but where there may be advertising breaches.
- Google registrar continues to be unresponsive in relation to some new website unlawful activity notifications. The Team is working with the NTS eCrime Team.
- No referrals have been made to the backstop concerning Coronavirus claims.
- Other referrals related to faux fur claims and weight loss claims.

In addition to formal referrals, the Team supports the ASA with advice to assist them to fulfil their broader functions. Examples include:

- Helping ASA to contribute to work regarding a catalogue company's persistent CAP breaches.
- Tax arrangement schemes and possible trading standards' offences in relation to a joint ASA and HMRC enforcement notice.
- The options available where an ASA ruling conflicts with Primary Authority Advice
- Possible trading standards' offences relating to "lead generators".

All referred cases appear on the ASA website.

The NTS Estate and Letting Agency Team liaised with the ASA regarding the referral process of property raffles). The ASA will now adopt a pre-assessment against their Code before referring to the Team.



## Chapter 15 - Animal Health

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### 15.1 Background

ACTSO provides support for animal health and welfare work, funded by APHA using the NTS Programme Office infrastructure. This work comprises: support for the National Animal Health and Welfare Panel; specific project work; and support for local authorities in the case of suspect and confirmed animal disease outbreaks.

### 15.2 Outbreak Support

There was a significant outbreak of avian influenza. ACTSO supported local authorities in relation to 21 confirmed cases and 35 suspect cases which were later negated. ACTSO attended 32 National Disease Control Centre meetings. There were also suspect cases for swine fever, foot and mouth and rabies.

### 15.3 Projects and policy support

**Livestock markets compliance guidance.** APHA shared their 'risk matrix' for markets and collection centres. Guidance was developed and published to ensure contribution of compliance information in a consistent way and to enable local authorities to take a risk-based approach to visit frequencies.

**TB compliance:** Following completion of the Devon TB case study in 19/20, ACTSO developed guidance, in liaison with the Panel Lead Officers, on how local authorities can use the APHA provided intelligence on 'persistent herds' to prioritise on farm visits funded through the FSA Feed delivery programme. This has been published.

**Animal events case study:** We developed a case study to share Leicestershire's work on animal events inspections which concentrated on verifying records. The case study has been placed on the knowledge hub.

**Puppies' guidance:** Defra sought input on updated guidance from the Panel in December.

## Chapter 16 – Knife Crime

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### 16.1 Background

In November 2018, the Home Office provided funds to NTS to carry out some focused work in relation to the underage sales of knives. The Board agreed in September 2019 that it would like this work to continue. Discussions with the Home Office for an extension to this grant were at an advanced stage when the Covid pandemic struck and unfortunately NTS was unable to secure any funding for work for 2020-21 nor, at this stage, any future work in this area.

### 16.2 On-Line Test Purchasing

Work carried out by Croydon Trading Standards between 2018 and 2020 led to 17 prosecutions in relation to the online underage sales of knives. Of these, 16 convictions have been secured.

In autumn 2020, Topline Wholesale Ltd from Manchester, pleaded guilty to selling, to a 13-year-old, a '1.85lb Hand Axe Rubber Handle Grip Fibre Glass Non-Slip Chopper Wood Camping UK'. They were fined £8,500, ordered to pay £10,500 in costs. The District Judge observed that he regarded the Company's previous conviction (for the sale of unsafe and counterfeit goods) and the type of weapon sold as aggravating factors, but gave credit for the Company's guilty plea and recognised as mitigation the fact they withdrew the item from sale.

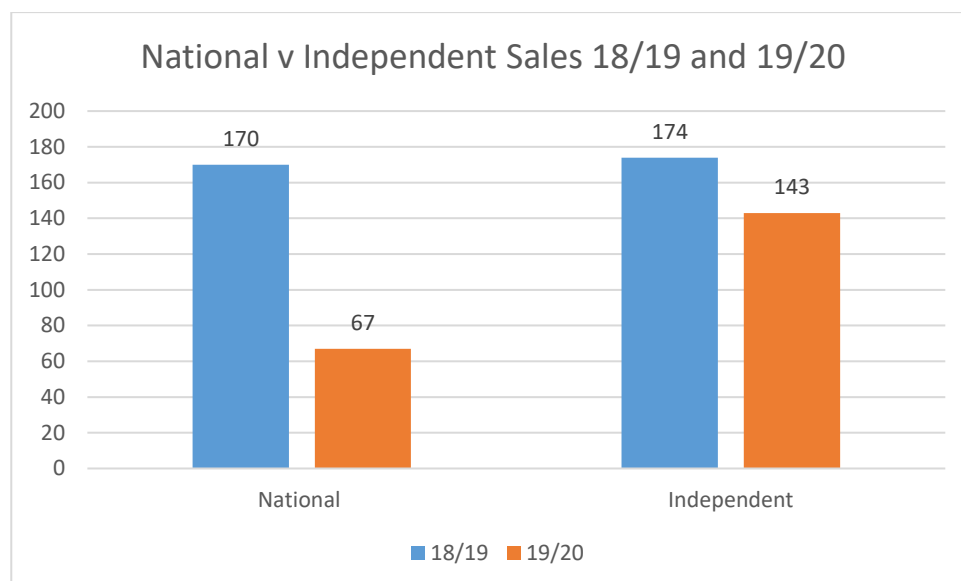
This case took the total fines against defendants for online sales of knives to children under this project to £169,755. The 17th and final prosecution is listed for May 2021.

Expressions of interest to conduct online test purchasing from one authority in each region were invited and were met with an enthusiastic response. This puts NTS in a good position should future grants be forthcoming.

### 16.3 Data for premises-based knife test purchasing for 2019/20

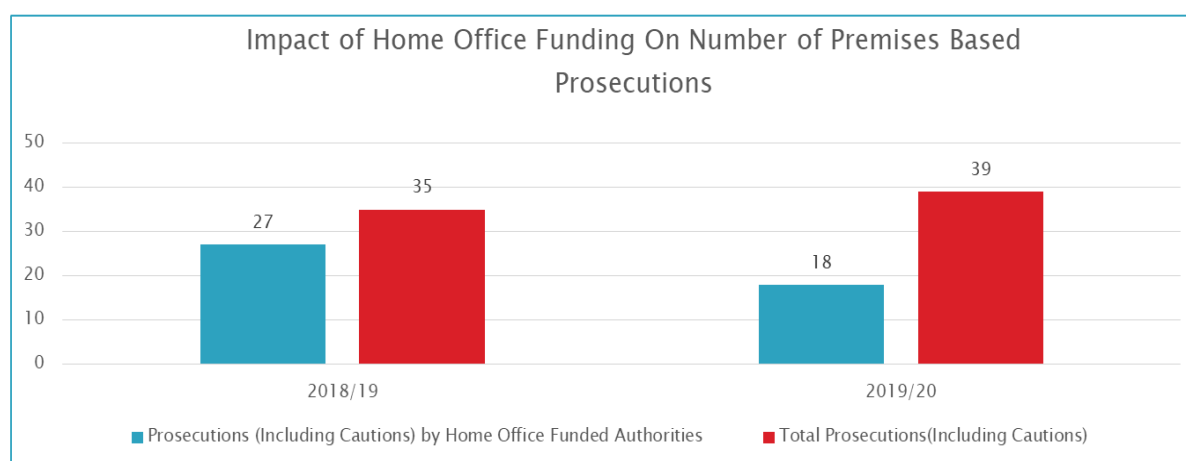
It was agreed that NTS would collect national statistics for premises-based test purchasing conducted in 2019/20. There was a 100% response rate again due to the excellent work of the regional co-ordinators and the outcomes showed a major

improvement in level of sales by national chains. Overall, there was a reduction in sales over the two years from 15.3% to 13% in 2019/20.



**Figure 3 – Sales by National and Independent Retailers**

The effect of Home Office funding in facilitating prosecutions has been significant: enabling 61% (45) of total premises-based cases and 100% (17) of the on-line ones.



**Figure 4 – Impact of Home Office Funding on No of Test Purchases**

Whilst premises based test purchasing levels funded locally remained fairly static over the two years (1,285 in 18/19 and 1,227 in 19/20) the amount of Home Office funding has a significant impact on totals achieved; accounting for 42% in 18/19 and 24% in 19/20 of all premises based test purchasing work. A press release was issued to highlight how effective Trading Standards has been in reducing the levels of underage knife sales.

## 16.4 Sentencing Guidelines

In late 2019/20, ACTSO and NTS formally supported a submission made by Barking and Dagenham Council to the Sentencing Council. It made the case for sentencing guidelines for selling knives to children. NTS was contacted by the Sentencing Council who were proposing to delay consideration of this matter at their May 2020 meeting. NTS made representations that Trading Standards see the enforcement of the sale of knives as part of the landscape of tackling knife crime issues in society, not as a link to other underage sales issues. Given the prevalence of this crime, especially in hot spots, we stated that it is very important that the sentencing for the sale of knives reflects the seriousness of the knife crime agenda and is not seen as some form of technical regulatory offence. As such we would want to press for this issue to be high up on the agenda of the next round of guidelines to be issued and have asked for feedback.

## 16.5 Home Office Policy

There was regular contact with the Home Office who requested preliminary views on policy matters being discussed for possible implementation. The Programme Office co-ordinated responses from the ACTSO Executive and the CTSI Lead Officer. It is important that this dialogue continues to ensure that the operational implications of any new developments can be considered at the earliest stage.

## 16.6 Future Funding

In December 2020, Lord Harris wrote to the Home Office Minister seeking a meeting to discuss future funding. Lord Harris stressed the successful outcomes from this partnership work so far, and the considerable interest from local authorities that it should continue. In his reply of January 2021, the Minister, Kit Malthouse MP, noted the successful partnership work that had been undertaken and expressed the intention that officials continue to engage with NTS to look at ways of working together. The current economic climate has resulted in no Home Office grant for this work being issued for 2021/22. As such, the priority area of knife sales to children has had to be removed from the Priority List in the NTS 2021/22 Control Strategy.

## Chapter 17 – Illicit Tobacco

### 17.1 Background

In November 2020, HMRC agreed to provide £1 million of funds for NTS to commission local disruption activity in relation to illicit tobacco. The work, known as “Operation CeCe” is to be completed between 1/1/21 and 31/3/22. For January to March 2021, the total funds available were £200,000. Each TS region in England and Wales submitted a proposed activity plan.

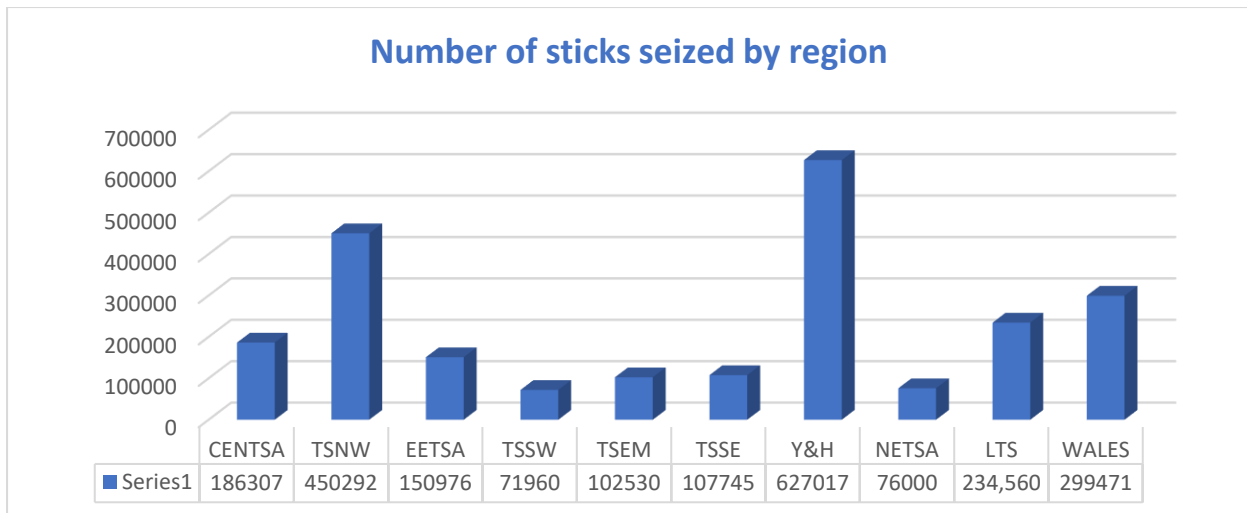
The operation is focussed on disruption activities at a local level including the use of tobacco detection dogs to assist in the detection of illegal tobacco, seizure of illegal tobacco products by Trading Standards and test purchasing activity to establish the availability and price of illegal tobacco, seeking to protect local communities from the harm that the illegal tobacco trade brings.

### 17.2 Tobacco seizures made

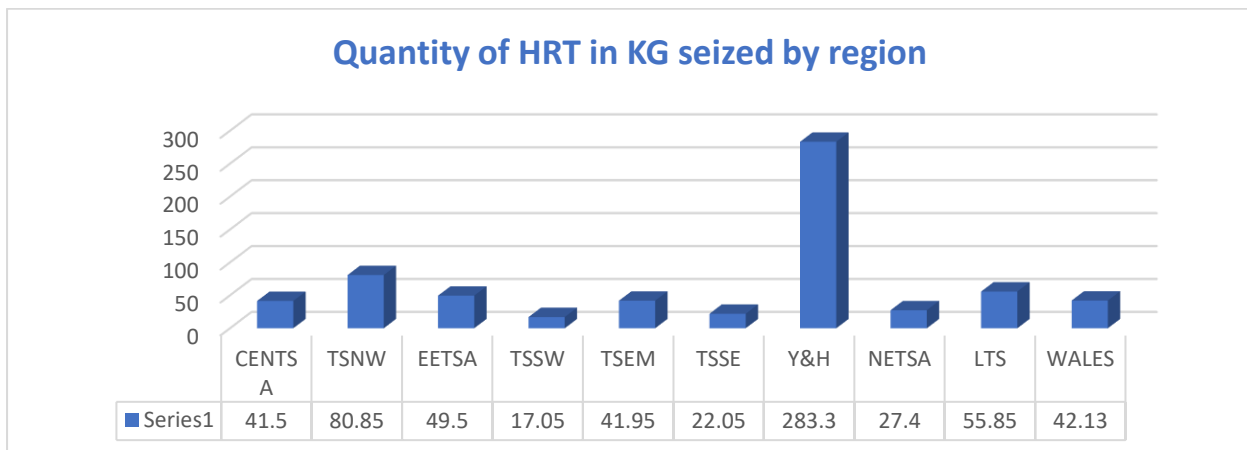
The activity undertaken in this quarter has been achieved despite England and Wales being subject to national lock down restrictions .

England and Wales		
Sticks	Total seized (Sticks)	<b>2,306,858</b>
	Revenue Value	<b>£952,732.35</b>
	Largest single seizure & brand	140,000 Richmond
	Most frequently seized brand	Malboro [various]
HRT	Total seized (kg)	<b>661.58</b>
	Revenue Value	<b>£232,214.58</b>
	Largest single seizure & brand	118.25 kg Turner
	Most frequently seized brand	Amber Leaf
Shisha	Total quantity seized	43.75kg
	Revenue Value	<b>£7,047.60</b>

Table 13 – Total Seizures



**Fig 5 – No tobacco sticks seized by region**



**Fig 6 – Hand Rolling Tobacco seized by Region**

For an “investment” in this work of £200,000, the value of product removed from the supply chain is calculated at almost £1.2 million<sup>14</sup>. The activity has helped identify which brands are currently most widely available and the price of such. The price of illegal tobacco is a strong indicator of the success of HMRC’s upstream interventions.

### 17.3 Other benefits

The outcomes of Operation CeCe are also being used to help inform the development of extended sanctions for illegal tobacco supply. This work is being undertaken by HMRC in conjunction with CTSI and the national tobacco focus group.

<sup>14</sup> HMRC duty calculator

# Annex 1 – Detriment Calculations

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Detriment figures quoted in the introduction to this report, relating to BEIS funded work, are calculated as the sum of the following:

**Consumer & Business Detriment avoided through NTS Regional Investigation Team actions.** This is based on the % of the RITs' contribution x Team x value of intervention and includes retail value of seized goods and financial value of complaints that were the subject of the investigation.

**Detriment on other NTG supported cases** as detailed in referrals/estimated by the prosecuting authority.

**Consumer & Business Detriment avoided through NTS Regional eCrime Team actions.**

**Total Savings to consumers by the NTS Scams Team:** calculated on the methodology recommended by Optimity 2019 report, which is the cumulative value of four interventions:

- i) Interception of payments from victims to criminals.
- ii) Interception of scam mails from criminals to targets.
- iii) Support that NTS Scams provides to Local TS to identifying scam victims who are provided with returned payments, and information/advice to prevent future victimisation.
- iv) Prevention of fraud through nationwide fraud awareness-raising including the 'Friends against Scams' programme.

The model uses a 'multiplier' to estimate the financial impact:  $(£200+£70)/£500 = 0.54$ . £200 represents the average cost of physical/emotional harm borne by victims. £70 is the average cost to health services of responding to fraud and £500 is the average financial cost of fraud borne by victims (based on Home Office figures in 2018).

For i. – iii. the estimate of non-financial impacts is equal to the estimate of financial benefits multiplied by 0.54. For every £1 of financial benefit to victims, there is, in addition, £0.54 benefit in health-related impacts.

For iv. the estimate of non-financial impacts is equal to the estimate of financial benefits multiplied by 1.58. For every £1 of financial benefit to victims, there is, in addition, £1.58 benefit in other impacts. Based on  $(£1290-£500)/£500$ , £1290 represents the average cost of fraud and £500 is the average financial cost of fraud borne by victims (based on Home Office figures in 2018).

Financial savings for mailings stopped – for each batch of mails stopped, this is the value of the money 'requested' by the criminal.

Prison sentences quoted include both immediate and suspended sentences.

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**For any enquiries about the content of this report. Please email [nationaltradingstandards@actso.org.uk](mailto:nationaltradingstandards@actso.org.uk) or call 0345 608 9515. Alternatively, you can write to National Trading Standards, 1 Sylvan Court, Sylvan Way, Southfields Business Park, Basildon, Essex SS15 6TH.**