



ANNUAL REPORT

2016-2017

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¹ Formerly known as Scambusters

Chapter 1 - Introduction

This report outlines the work that has been undertaken and commissioned by National Trading Standards (NTS) and its Teams between 1 April 2016 and 31 March 2017. The financial report is provided under separate cover by the Chartered Trading Standards Institute (CTSI). The NTS Board ("the Board") set the following Strategic Priorities for 2016/17.

Protecting Consumers – Safeguarding Businesses			
Objective 1 Provide a framework for the effective and efficient sharing of intelligence in order to identify and tackle emerging threats, and support Trading Standards across England and Wales.	Objective 2 Ensure effective delivery and coordination of national and cross boundary enforcement projects in relation to serious consumer protection crime (including cybercrime), illegal moneylending and mass marketing scams.	Objective 3 Provide and coordinate a network of controls at key border points to identify and tackle the importation of unsafe consumer goods and animal feed.	Objective 4 Deliver a programme of animal feed hygiene enforcement to help ensure the safety of the food chain and protect the UK export market.

Table 1 – NTS Strategic Objectives 2016/17

The Board has a National Control Strategy for 2016/17 that was developed having regard to the National Strategic Intelligence Assessment. It informs and directs the work of NTS and outlines the priorities for prevention, intelligence and enforcement activities. The control strategy also linked the work done locally by Trading Standards services, to that being done regionally and nationally. The control strategy is NOT designed to require local authorities to undertake activities at a local level. This remains a matter for local authority service planning in accordance with local priorities. However, local authority priorities input into the National Strategic Assessment which then influences the control strategy².

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

This year National Trading Standards Teams and workstreams delivered the following:-

- **11317 Feed interventions**
- **Dealt with over £126.5 million in consumer and business detriment³**
- **Had 104 people convicted of offences**
- **Prison Sentences⁴ totalling 174 years were handed down**
- **Took over £78.3 million unsafe goods out of the supply chain**

Between 1/4/14 (when all NTS Teams were fully functional) and 31/3/17, NTS tackled £472 million in detriment for a core spend of £40.56⁵ million. So £11.64 impact for every £1 spent.

² BEIS KPI 4ai,

³ See annex 5 for detriment calculations

⁴ Includes 130 years 3 months immediate and 43 years 9 months suspended

⁵ BEIS grant only as detriment figures apply to BEIS related work

Chapter 2 - Funding

2.1 2016/17 Funding

In total for 2016/17, the Department for Business Energy and Industrial Strategy (BEIS) grant was £13.24 million. This is the same original core grant as for 15/16. NTS has to spend within a 1% target. The budget was overspent by £22,000 (i.e. 0.2%). BEIS have agreed to pay for this.

The Food Standards Agency (FSA) feed funding is £2.7 million. This was a 9% reduction from 2015/16 but it excludes any funding for improvement projects which now have to be bid for separately via an FSA investment board. A £69,000 underspend was rescinded back to FSA at their request in the autumn. Over 99% of the remaining budget will be spent. .

The Board agreed its allocations for 2016/17 in April and these are shown in Annex 2. In relation to the BEIS grant, this involved the maintenance, for one year, of the illegal moneylending budget, while the industry levy funding is being brought in.

In addition the NTS Scams Team is running a call blocking project for the DCMS which secured separate funding of £500,000 during the course of this year.

The actual spend against the BEIS grant and feed work is shown in Annex 3⁶.

2.2 2017/18 Funding

In total for 2017/18, the BEIS grant will be £13.23 million. NTS was successful in retaining the monies previously spent on illegal moneylending to increase our work in a range of our core areas. This includes increases in regional intelligence, scams, ports, investigations and e crime work.

The FSA feed funding has been set at £2 million which is a 25% reduction from 2016/17.

Illegal moneylending work is now funded by an industry levy of £4.36 million which gives the England and Wales Team the same funding as last year.

There are additional funds payable for specific projects that are likely to continue or commence in 2017/18. These include continuation of the DCMS project to issue call blockers to vulnerable consumers administered by the NTS Scams Team. A payment from the Home Office for chairing and undertaking work for their Joint Anti-Fraud Task Force on the victims and vulnerability stream and payments from external partners to support specific initiatives mainly in relation to scams work.

CTSI make their usual % overhead charge for handling finance and invoicing.

DCMS will provide money for the call blocking project directly to East Sussex County Council as this met DCMS specific grant requirements for that project. It will however continue to be overseen by NTS as part of the normal governance processes for the Scams Team.

⁶ BEIS KPI 2aiii

Chapter 3 - Programme Office, Policy and General

3.1 Programme Office

The Programme Office for NTS is provided by ACTSO Ltd. It is funded from a grant from the BEIS and funding from the FSA to support the NTS Feed Delivery Programme and a small sum from the Department for Food and Rural Affairs (Defra) to provide support for animal health and food expert panels. The Programme Office structure for 2016/17 is shown in Annex 1. It was agreed early in the year that the Programme Office would delay certain spend and projects in order to offset some of the expected overspend in other areas. The actual spend for the Programme Office for 2016/17 from the NTS grants was £619,395. This equates to 3.9% of NTS core funds.

3.2 Governance Structures

The Board has established governance groups for each key work area. The governance groups comprise two or more members representing the Board, relevant project leads and support from a Programme Office member of staff. These provide the main oversight and strategic direction for the work within each project area. The full Board is advised of progress at regular intervals and matters requiring decision or steer at Board level are referred up to them. A governance map is available on the NTS website www.nationaltradingstandards.uk. This outlines the key structures and accountability mechanisms plus information on how to obtain further detailed information if required.

3.3 Consumer Protection Partnership⁷

The Consumer Protection Partnership continued to be a priority work area for 2016/17. The Chair and Programme Director participate in the Strategy Group. The Programme Manager supports the Operational Group. Grayling, NTS's communications experts, participate in the Communications Group. This Partnership assists in ensuring two way communication and two way influence when setting overall priorities.

Doorstep crime remained one of the key priorities for NTS. There was follow up work on doorstep crime being carried out following the lead role NTS took in relation to this Consumer Protection Partnership priority in 2014/15. The National Tasking Group has allocated funds to the NTS Scams Team to further develop some of the safeguarding work that was identified as being necessary and one Trading Standards regional group is developing further intelligence on doorstep crime. Further detail is contained in Chapter 6.

For 2016/17, NTS has been leading on work in relation to fraudulent ticket sales⁸. The Competition and Markets Authority (CMA) are reviewing previous undertakings given by leading secondary ticketing companies to ensure compliance with the secondary ticketing provisions of the Consumer Rights Act 2015. The Government published the Waterson Report on Secondary Ticketing and NTS has agreed a workplan on secondary ticketing for 2017/18 to focus on enforcement against "power sellers" to test the legislation. NTS secured an increase in its grant to carry out this work.

⁷ BEIS KPI 4bi and 4bii

⁸ BEIS KPI 3fi

NTS has shared the report it commissioned on Most Complained about Traders with Consumer Protection Partnership partners and Regional Intelligence Analysts⁹. The report analysed in depth information at the reasons why complaints were made. A significant number of the traders were well known national companies. These complaints were largely relating to customer experience and customer care. There were also significant complaints about mobile phone contracts and financing relating to car purchase. Partners considered the report and agreed to the following recommendations to ensure the issues identified are dealt with collaboratively.

1. NTS / Knowledge Hub to compile Most Complained About Traders' report, in line with the suggestions contained in the report, on an annual basis to track trends.¹⁰
2. Building on evidence from elsewhere of significant issues in telecoms, partners should work with OFCOM to consider where partners can add value to tackle detriment in this sector.
3. Citizens Advice & Trading Standards to provide evidence to the Financial Conduct Authority on issues regarding finance in car dealerships to consider whether there is need for action in this area.
4. Provide evidence to Regulatory Delivery on the effectiveness of Primary Authority and support work to improve effectiveness of Primary Authority agreements in improving complaint handling¹¹.
5. Revisit Citizens Advice Service Complaints / Trading Standards coding to ensure that recent improvements have improved the consistency of recording.

3.4 Communications and Media

The Board commissioned Grayling to provide communications support for 2016/17, whilst continuing with its partnership arrangements for reactive media support via CTSI. Pro-active work this year was focussed on scams awareness month and the consumer harm report.

There was significant communications work in relation to mass marketing scams, portal juggling by property websites, safety related seizures via ports and a printer repair scam being investigated by the NTS E Crime Team. There was also a lot of press interest at the conclusion of several Regional Investigation Team cases.



⁹ BEIS KPI 2aiv and 4bi

¹⁰ BEIS KPI 2aii

¹¹ BEIS KPI 4ai

Fulfilment Houses

To highlight the action being taken by NTS in relation to unsafe goods we invited media to Enfield to witness the destruction of a haul of unsafe electrical goods. This attracted substantial media attention including coverage in the Daily Mirror, The Sun and on BBC Radio 4.



Consumer Harm Report 2016

In November 2016, National Trading Standards launched the second annual Consumer Harm Report, which summarised the activity of NTS teams during the previous year and led with a warning to consumers about the growing threat posed by online scams. The press release generated coverage of the report in a number of national media outlets including the Daily Mirror, Daily Telegraph and Guardian.co.uk.



The Programme Office remains responsible for direct communication with the Trading Standards community via its email updates and the secure section of the ACTSO website.

3.5 Support to BEIS

The Programme Office continues to provide BEIS with support in answering parliamentary questions, freedom of information requests, Ministerial correspondence and press enquiries. This has also involved supporting colleagues with the follow up work in relation to the National Audit Office report in December.

3.6 Strategic Policy Work

The Programme Director continues to provide high level policy advice and briefings to heads of Trading Standards via the ACTSO network as part of the Programme Office work and also provides support to the ACTSO Chair. This year the key work areas have been: the National Audit Office report; Cabinet Office "Cutting Red Tape Review"; the Defra single farm inspection project; product recall and the implications of BREXIT.

3.7 National Audit Office review

The National Audit Office review was published in December. The NTS Board positively welcomed the report and its findings. NTS was found to have had an impact in all areas and be delivering value for money. In particular NTS welcomed the recommendation on BEIS ensuring that NTS can plan on more than an annual cycle. The positive feedback from this report was instrumental in NTS being able to bid to retain the funds previously spent on illegal moneylending, to enhance its work. A Public Account's Committee hearing was due on 8 May 2017 but this has been delayed due to election purdah.

3.8 Technical Policy Support

Food Standards and Labelling

NTS was funded by FSA to provide technical policy support to the local government Food Standards and Labelling Enforcement Group. The group met three times in 2016/17. It continues to provide liaison and feedback to the FSA, Defra and Department of Health on enforcement and technical matters.

Group members provided feedback to the FSA on a number of matters including gluten free labelling, novel food legislation, acrylamide and local authority training. The group has also progressed engagement with the FSA in regards to the Regulating our Future programme. A number of group members are now involved with consultative groups and meetings.

The group successfully interacted with the Advertising Standards Agency throughout the year providing views on technical and interpretive matters, for example on energy claims.

Following representations, the Department of Health reviewed and changed the definition of 'local' in an exemption from the nutrition labelling requirements. This had been anomalous in England in comparison to other devolved areas, with the potential to cause difficulties for enforcers and businesses.

This year the group published guidance for enforcement officers on the sale of products at tourist attractions, nutrition labelling enforcement and enforcement of free-range egg and poultry labelling in the light of avian influenza restrictions.

The FSA has decided not to renew the contract to provide food standards technical support for 2017-18 due to budget constraints.

Feed

As part of NTS funding from the FSA, we provide support to two technical feed groups. Detail of this work is contained in Chapter 4 as it links to the feed delivery programme.

Animal Health

ACTSO delivered support for animal health and welfare work, funded by the Animal and Plant Health Agency, using the Programme Office infrastructure.

ACTSO provided national representation and coordination for local authorities in responding to the H5N8 Avian influenza outbreaks during 2016/17. They provided initial notifications to local authorities,

in particular colleagues from Lincolnshire, Carmarthenshire, North Yorkshire, Lincolnshire and Dorset and others who have been dealing with the incidents. The ACTSO contact lists were used to swiftly communicate key information to local authorities in England and Wales.

ACTSO participated in all National Disease Control Centre meetings and Amber Teleconferences. These continued for 82 days. The Chief Executive of the Animal and Plant Health Agency and Chief Veterinary Officer put on record their thanks for all the work done by ACTSO and local authorities. The last update received was on day 103 of the outbreak on 29 March 2017. ACTSO worked closely with colleagues where the avian influenza was confirmed to ensure they receive the support needed.

ACTSO circulated details of the Avian Influenza Prevention Zone and biosecurity guidance, links to key information web sites, guidance and information regarding the poultry gatherings suspension. ACTSO continues to be alerted on any suspicions and outbreaks, keeping local authorities informed of the outcomes. ACTSO believes its national co-ordination and communications role during disease outbreaks continues to work well and local authorities have provided positive feedback about the support and reassurance they receive during outbreaks.

The National Animal Health and Welfare Panel has continued to benefit from support for its meetings and work. ACTSO has continued to support the Local Government Animal Health and Welfare group on the Knowledge Hub and helped produce a guidance document on use of the Knowledge Hub group. Panel information, advice and guidance is put on the Knowledge Hub as required. Information from Animal and Plant Health Agency and Defra are circulated, together with reminders, requests for information and guidance material.

ACTSO undertook a range of project work during 2016/17 producing the following with support from the Panel, local authority animal health officers, Defra, Animal and Plant Health Agency and other agencies:

1. **Animal Disease Outbreak Signage guidance** - was produced and added to the main contingency plan template. This was published on the ACTSO website, Knowledge Hub and ResilienceDirect.
2. **Contingency Plan survey report** - Defra and Animal and Plant Health Agency requested that ACTSO work with the Panel and local authorities to review how widely the contingency plan template and annexes have been used and if there were any recommendations for improvement. The findings are a testament to the expertise and time that the Panel and local authorities put into updating the plans:
 - 91% of respondents have already adopted the plan.
 - Over 84% felt that no improvements could be made to the templates.
 - The aim to support a consistent approach across local authorities has been further supported by the 76% of respondents that have already discussed the template plan at a regional level and 81% of respondents that have shared with local partners.
 - 80% of respondents indicated that the plan had been shared with emergency planners.
3. **Bio security guidance** - has been produced by the Panel, for local authority officers that frequently visit livestock (including poultry) premises. ACTSO also worked with the Panel, Defra and Animal and Plant Health Agency to produce a one side bio security guidance that aims to support local authority officers who visit farms infrequently, such as planners, social workers and environmental officers, which is available on the Knowledge Hub.

4. **Local authority delivery of animal health and welfare official controls** - ACTSO has worked with members of the Panel to produce a paper that summarises the processes followed by local authorities to ensure that the animal health and welfare services they are responsible for are planned and delivered in a robust and transparent manner that meets the expectations of local communities and public budgeting responsibilities.
5. **Defra Field Activity Programme On Farm Referrals** – As part of its role on the Defra Programme Board, ACTSO has committed to work with the Panel to develop some key principles and guidance about how local authorities might wish to prioritise their response to complaints and referrals about on farm work. Guidance is being developed to help local authorities introduce a structured and transparent approach to deal with referrals about animal health and welfare on farms. This could form part of an updated Animal Health and Welfare Framework Agreement for 2018/19.

ACTSO has secured a contract to continue to provide animal health and welfare support work for 2017-18.

Chapter 4 - Feed Delivery Programme

4.1 Background

In April, 2014 the NTS, the FSA and CTSI signed a three year Memorandum of Understanding to deliver inland feed enforcement activity and also at points of entry for the period 2014/15 to 2016/17. The aim of this programme is to have a national delivery programme that satisfies the FSA and European Union Food and Veterinary Office. A total of £2.7 million of funding was provided for this work for 2016/17. The programme only applies in England. Separate arrangements have been made in Wales.

Funding is provided for

- Food and feed hygiene inspections at primary production premises
- Inland feed premises inspections
- Port control work in respect to 3rd Country imports
- Sampling programme
- Project work in respect of delivery improvements. In 16/17 the FSA introduced an internal Investment Board which had to agree funding for any project work. As such NTS did not receive a direct budget but were successful in securing £25000 to produce the feed threat assessment.

As part of the partnership, a Food and Feed Governance Group has been set up. This comprises NTS Board members and senior officials from the FSA, to oversee and steer the work.

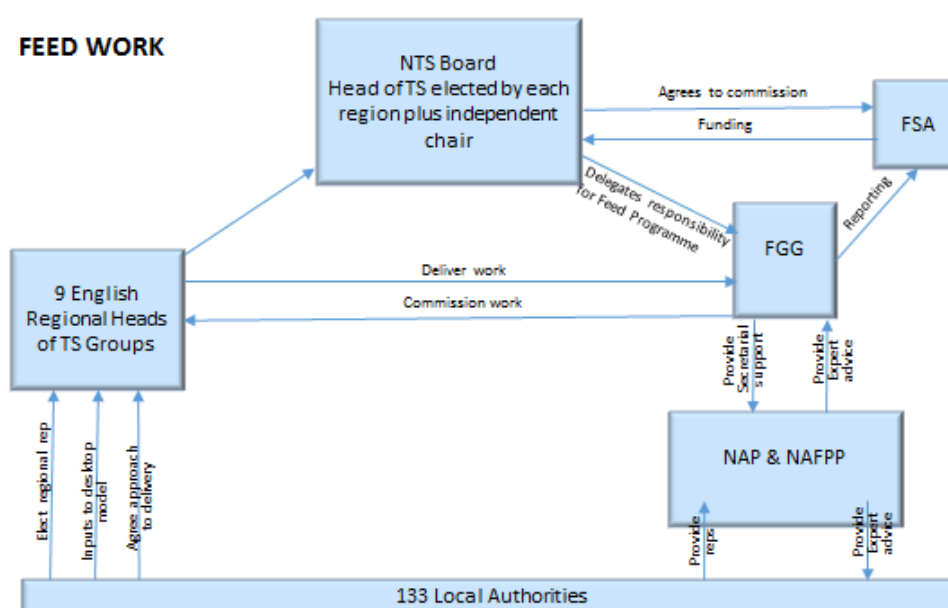


Figure 1 – Feed Programme Governance

4.2 Key Achievements

- Positive outcome from the FSA review of the feed delivery environment.

- Delivery of a clear national inspection programme. NTS funded local authorities to deliver 11,317 activities in England in 17/18. 96.5%¹² of activities were achieved and budget was delivered at 100%.
- 100% of all individual local authorities were again engaged in planning delivery for 17/18.
- There is clear evidence of improved compliance for inland premises; the numbers of both poor and varying premises fell to 2% of the total number of inland premises and the number of broadly compliant premises has increased from 16.5% to 19.1% of the total.
- Through the NTS national feed sampling project which monitored the carryover of veterinary medicinal products, we have worked with more businesses to reduce their carryover. This helps address the real concerns that have been raised this year in the media about the growth of antibiotic resistant bacteria.
- Nationally we have checked 96% of all 3rd country imports.
- Production of inaugural UK Animal Feed Threat Assessment to capture current and future threats to the feed chain and to allow focus of future activity.

4.3 FSA Review of Feed Delivery Environment October 16

The FSA undertook a review of the feed delivery environment, focussing on two main elements: the NTS feed delivery programme and the effectiveness of the implementation of earned recognition. The final report was received by the NTS Board at its November meeting.

Overall the report was very positive and recognises the great improvement in delivery of official controls in the last three years; the increased value for money and the role that NTS and regions have had in making that happen. It recognised the NTS success in delivery and recommended a further three year MOU. It set out 42 recommendations most of which are for the FSA around improving earned recognition. NTS has 13 recommendations, three of which are joint with FSA and relate to process improvements.

Key areas for improvement recommended in the report are

- **Value for Money:** The report recommends that NTS review unit costs for inspection work and regional coordinator funding.
- **Effectiveness:** The report recommends developing a further set of performance indicators which will capture information on outcomes and work to validate decision making at points of entry.
- **Communications:** NTS to increase the reach of its communications and to work with FSA to clarify roles in communicating to local authorities and to help authorities to better communicate between themselves.
- **Data accuracy:** NTS to support the Agency in its work to improve the accuracy of local authority feed registers and databases.

The Programme Office has developed an action plan to implement these recommended improvements.

¹² This data was correct as at 20th May with a few figures left to add to the totals.

4.4 Overall Feed Delivery

We have delivered to 100% of our budget and 96.5% of committed activity nationally. The small percentage of non-delivery reflects where regions had committed to delivery of activity on 1st April 2016 and, due to unforeseen circumstances in the closing weeks of the year, have been unable to deliver those committed activities. For example at points of entry where the anticipated consignments have not come through the port or where planned products for sampling have not been available. Other activities have been commissioned to replace these and this additional work has ensured that the budget was spent to 100%.

This closely managed budget has been achieved by re-assigning underspend, as it has been identified in the final quarter, to other due activities. Even with this final quarter realignment it can be seen from the table below that the % of budget spent on each activity type has remained constant with just a small increase in the on farm activity budget.

A full breakdown of activities is shown in Table 2.

4.5 Patterns of compliance

Analysis of data collected as part of the risk modelling process for feed delivery from 2015/16 to 2017/18 shows that there is a clear improvement in compliance for inland premises. The numbers of both poor and varying premises fell to 0.2% of the total number of inland premises. The number of broadly compliant premises has increased from 16.5% to 19.1% of the total. This means that an additional 608 premises are now classified as having broad compliance.

The number of unvisited premises is reducing year-on-year due to NTS funding of catch-up inspections. This reduction is likely to cease in 2017/18 given that the programme is being scaled back.

In comparison, improvements in compliance on farms is less apparent, although there is no evidence of a move to non-compliance.

2017/18 modelling data recorded the lowest number of 'poor' premises for Food Hygiene at Primary Production Premises.

In line with cross government policy to reduce 'on farm' inspections we have achieved a year-on-year reduction in the percentage of farms visited from 38% in 2015/16 to 21% in 2016/17.

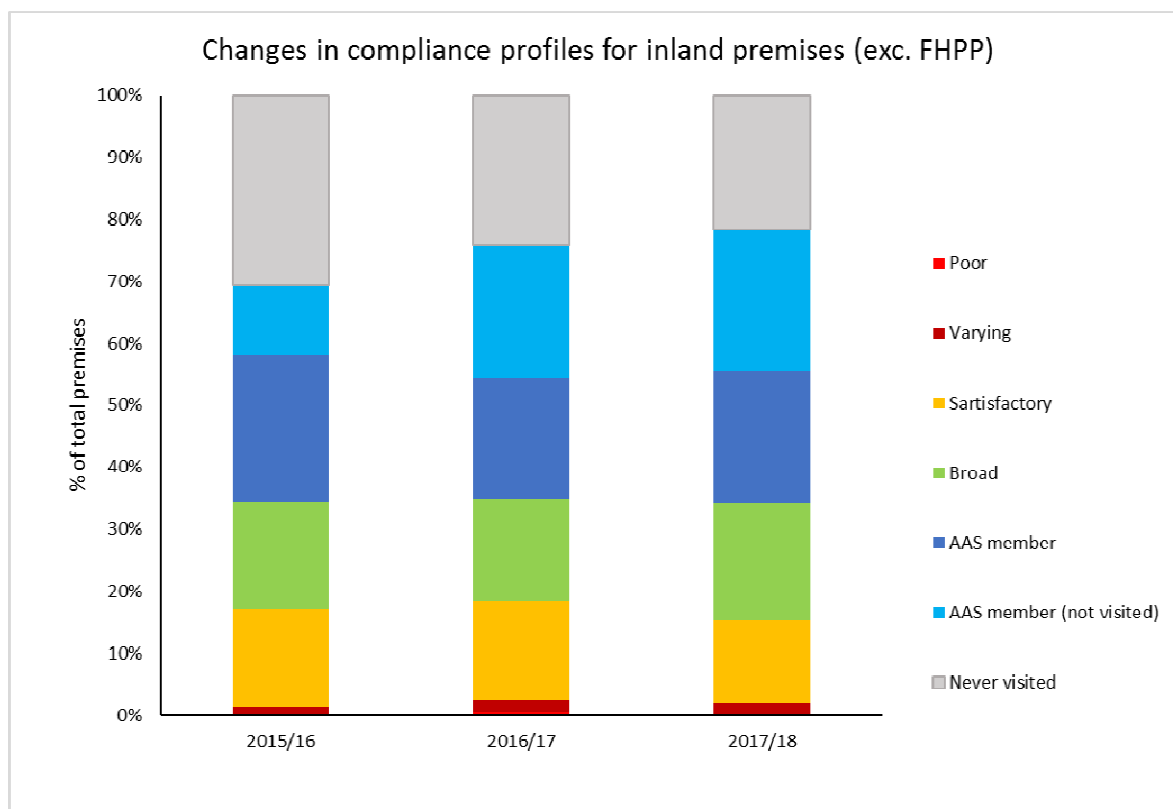


Figure 2 – Changes in Compliance for Inland Premises (excluding Food Hygiene at Primary Production Premises)

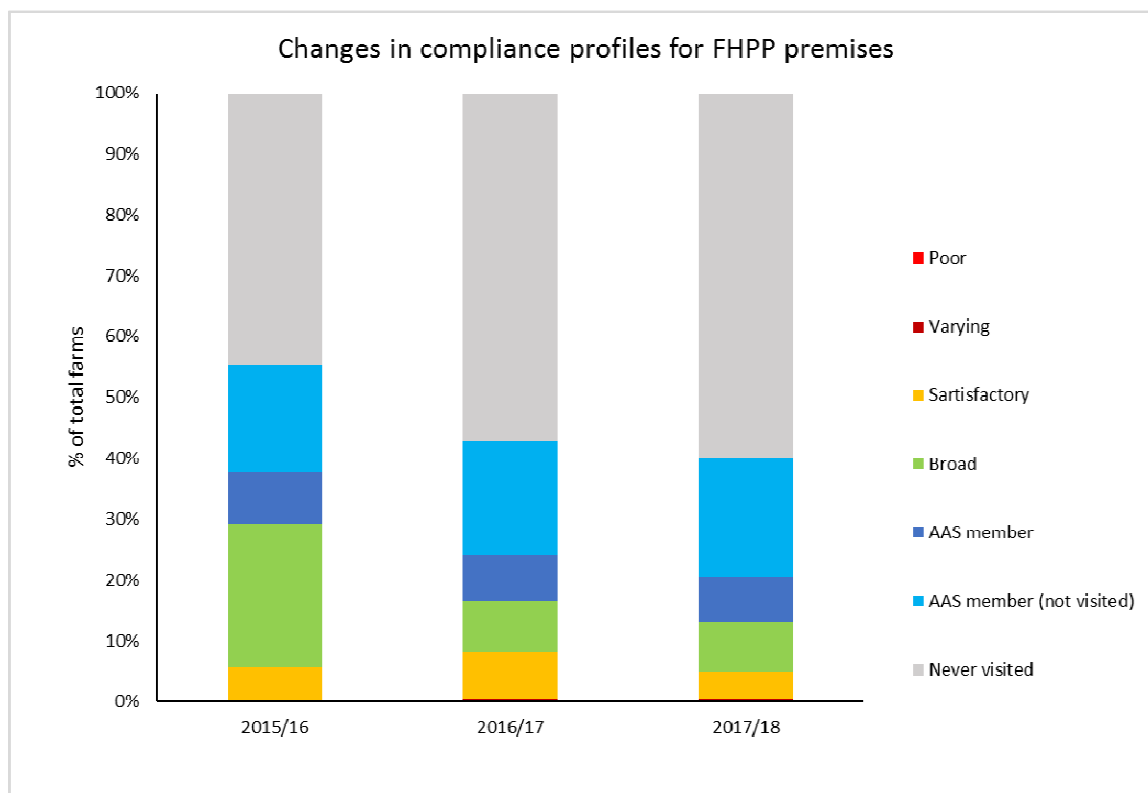


Figure 3 – Changes in Compliance for Food Hygiene at Primary Production Premises)

To supplement the data provided by the desk top exercise, NTS also work with regions, through the National Agricultural Panel, to gather information on compliance trends. On a bi-annual basis regions work to produce a report about compliance levels and trends found at inspection. We have shared the 'raw' information provided by each region at a NAP meeting and a successful discussion identified some key principles that regions should be aiming for in their reports, with the aim of improving consistency and comparability of information. Analysis of these compliance trends will be contained in the UK Threat Assessment and will be used to evidence the next set of FSA National Enforcement Priorities.

4.6 Sampling

Numbers of compliant samples

The percentage of non-compliant samples has dropped from 14.7% in 15/16 to 10% in 2016/17. This reflects the increasing compliance found in the desktop model data.

Coccidiostats Carryover

As a result of queries raised by the EC Food and Veterinary Office in 2014, local authorities have been working closely with feed businesses over the past three years to understand how risks of carryover of feed additives and veterinary medicines are being managed and to take samples to check carryover levels in the final product.

The report, detailing all the work carried out by local authorities and sampling results from the first two years of the project, was published in July 2016. It showed that during the first year of the project, local authorities found that 45% of the final products sampled for carryover of additives exceeded the maximum amounts laid down in European legislation. The level of compliance during the second year of the project had made a notable improvement, with only 20% of feed sampled at the point of sale exceeding the maximum permitted levels for coccidiostats.

This year, NTS have worked with local authorities to identify any mills that had not been sampled as part of this project and where additional sampling might be required because of previous adverse results. Samples were taken at 20 mills. In some cases sampling was not required because of changes made to controls at the mill or changes in the product lines.

Results available at the time of this report indicate that a much smaller number of final products have exceeded the carryover levels in the final product this year. Discussions are being carried out with the feed business to verify these results and resolve any business concerns before the data is included in a national report.

The level of non-compliance found during the first two years of this project provided the foundation for discussions to take place at a national level with the FSA, Veterinary Medicines Directorate, public analysts and industry representatives. This has resulted in national coverage of the issues in industry press and a commitment by the FSA to produce a standard protocol for mills to sample for carryover in their final products. It is hoped this will help to standardise the approach mills take to monitoring carryover levels and identifying potential risks, which can vary greatly.

In addition, NTS has produced guidance for local authorities about the legal requirements relating to carryover and worked with the FSA to update the sampling protocol for local authorities. The report has also initiated a focus on carryover levels across Wales, Scotland and Northern Ireland and contributed evidence to European discussions about the issue.

Audit of follow up activity

In 2016, NTS published its mini-review of local authority action taken on non-compliant samples during 2014/15. In 2016/17 we have repeated this process.

During 2015/16, a total of 374 unsatisfactory samples were recorded on FSA systems. 20 were selected for a follow up. 14 of the 20 samples were non-compliant due to labelling issues and six were identified as being non-compliant due to the presence of undesirable substances. We received responses from 15 authorities and they had acted on all non-compliant samples.

A full summary and analysis of the sample follow up work will be published on the National Agricultural Community Knowledge Hub.

4.7 Imported feed activity

2176 3rd country imports into English ports were checked and the port authorities completed 96% documentary checks on 3rd country imports. Checks were completed on 5% of “regular” 3rd country imports and 28% of “irregular” 3rd country imports. The imported feed activity has evolved into a more consistent, risk based approach to imported feed work.

A number of local authorities also make specific reference to their proactive work with port operators and importers to build relations and ensure they have a full understanding of the feed trade taking place at a port, which ensures their resources are targeted to best effect.

4.8 UK Animal Feed Threat Assessment.

In late October 2016, the FSA Investment Board agreed to provide £25,000 for NTS to develop a UK Threat Assessment for feed. This was developed by the NTS Intelligence Team, Programme Office and expert volunteers from local authorities. NTS have worked with national, regional and local delivery partners and stakeholders to develop a set of key threats to the feed environment and these will be used to shape policy and priorities over the coming year and aid decisions on the programme if further budget reductions are imposed.

This research and report has developed a picture of current and future threats to the feed environment. The threat assessment is for the whole of the UK, including Scotland, Wales and Northern Ireland.

A full version of the report and all identified threats will be published on the FSA website in due course but the top three threats identified are:

- **Organisational and political issues** including the impact of Brexit and reduction of FSA and local authority budgets on NTS ability to deliver an effective control system.
- **Use of surplus food in the feed chain** and its potential to lead to unsafe feed with negative impacts on the food chain and UK exports.
- **Inaccurate labelling** of animal feed. The presence and accuracy of this information is critical in ensuring that feed is supplied which does not affect the health or welfare of the animals, nor has an adverse implication for human health.

4.9 Unit costs review work

The FSA feed review also asked NTS to review the inspection unit costs in its recommendations and the Programme Office have researched the reasons behind the regional variations over the last 12 months. Significant background work on this was carried out during 2016/17 and a consultation paper has recently been launched to Regional Heads of Service groups which sets out options for a new approach to unit costs and also several options for future delivery to allow the programme to remain viable and cost effective in the light of current and future FSA budget reductions.

4.10 Regional work done to improve feed at LA/region level/ technical feed lead work.

Since 2015/16 funding has been provided specifically to boost regional technical feed support and the role of the regional coordinators. Below are examples of some of the work supported, and/or developed, as part of the regional working approach:

- In order to improve value for money and ensure competency a number of authorities now have joint delivery arrangements or arrangements where one authority delivery work on behalf of others and TSSE have regional feed officers.
- TSNW, NETSA, CEnTSA and TSSE have all undertaken feed training events and other regions have been providing mentoring for feed officers.
- Port of London/ALEHM are undertaking feed inspections with Thurrock food hygiene teams at mills at the docks to reduce burdens on business.
- TSEM and SWERCOTS have worked cross region to develop a suite of compliance measures which they will collate and use to focus their inspections in 2017/18 thus making them more effective.
- TSEM have been working regionally with the Veterinary Medicines Directorate and Animal and Plant Health Agency to improve coordination and the sharing of data and have developed their website, and a dedicated feed group area, to better allow for the general sharing of experiences/knowledge and advice amongst each of the region's authorities feed officers.
- TSNW have undertaken research on cattle 'licks' to determine their composition and safety and shared the results of this research nationally via the Khub.

4.11 Technical Feed policy support

As part of the delivery programme, NTS provides the secretariat and policy support for the National Agriculture Panel (NAP) and National Animal Feed at Ports Panel (NAFPP). Both are instrumental in producing guidance to support the delivery of feed enforcement in England.

NAP has met three times this year. Discussions have covered national topics and developments such as the FSA National Enforcement Priorities and the FSA review of the NTS Feed Delivery Programme, to practical issues around working with approved assurance schemes and exchanging data with delivery partners, through to technical concerns about the interpretation of legislation.

Both FSA approved assurance schemes, Red Tractor and the Agricultural Industries Confederation, have attended and presented at NAP. Relationships with both industry bodies are open and positive. NAP has worked with the Agricultural Industries Confederation on guidance relating to cash sales and carryover of coccidiostats and volunteers from NAP are working with Red Tractor on a project to update their systems including the data they provided to local authorities.

Members of NAFPP are exploring how they can use the bi annual reports to share more information about industry trends, the type of consignments being received and examples of non compliance to ensure the risk based approach at ports is better informed.

The expertise and experience of the NAP members has supported the development of the following guidance for local authorities:

Guidance on the registration of Feed Business Operators – detailed guidance to help local authorities effectively carry out their responsibility for maintaining an up to date and accurate register of feed businesses. Accurate registration is crucial to accurate desktop modelling under the NTS feed delivery programme, to enable funds to be allocated in a risk based and consistent manner across England.

Understanding the objectives of a local authority feed inspection and how to develop a regional sampling plan - provide practical support for local authorities about the objectives of a feed inspection based on the activity taking place

Feed hygiene Memorandum of Understanding between local authorities, Animal and Plant Health Agency and Veterinary Medicines Directorate – to better work together and share information. The outcomes directly benefit the farming community by helping reduce duplication of contacts, paperwork and inspections.

Cash Sales of Feed - providing advice to feed businesses on how record keeping requirements impact on cash sales. The guidance was updated in partnership with the Agricultural Industries Confederation.

NAFPP held two meetings during 2016/17 to discuss topics ranging from information sharing, technical queries about labelling, through to contributing to the development of National Enforcement Priorities and helping the FSA with a European Union visit about third country representation for importers.

The expertise and experience of the NAFPP members has supported the development of the following guidance for local authorities:

Guidance on the prioritisation and funding of imported feed work – to create a consistent, risk based approach to the imported feed work carried out by local authorities in England at points of entry and a common understanding of associated resource planning and funding. This includes linked tools to aid calculations on resource requirements.

Guidance to support consistent inland referrals – guidance for local authorities with ports to help them consistently prioritise when to refer information to inland authorities based on risk and including additional information on what action is expected by the inland authority.

The work of the Panels and communication in general is shared through the National Agriculture Community Knowledge hub. This enables day to day dialogue between local authority officers across the country and with delivery partners. The forum now has over 520 members.

The Programme Office has also worked with the FSA in the development of the following FSA policy areas:

- National Enforcement Priorities Pilot national SPOC feed registration scheme
- The development of a risk based approach to work with primary producers.
- Review of the Feed Law code of Practice.
- Review of the Food Crime Unit.

FEED PERFORMANCE DATA

	Committed activity	Delivery					Percentage delivered / (percentage target)				
ALL ENGLAND		Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Total delivered to date	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Total
Inland feed inspections	3007	408	531	771	1244	2954	14 (11)	18 (21)	26 (30)	41 (38)	99
Inland feed Alternative Enforcement Strategy activities	575	12	34	88	419	553	2 (4)	6 (8)	15 (11)	73 (77)	96
Primary Production premises inspections	4059	687	694	1030	1586	3997	17 (22)	17 (22)	25 (22)	39 (35)	98
Primary production premises Alternative Enforcement Strategy activities	345	2	3	29	316	350	1 (4)	1 (8)	8 (11)	92 (77)	102
Inland samples taken	936	71	197	265	324	857	8 (7)	21 (17)	28 (44)	35 (32)	92
Total ports activity (3 rd country imports)	2626	478	625	663	672	2434	18 (25)	24 (25)	25 (25)	26 (25)	93
Ports sampling and analysis	175	14	43	38	77	172	8 (NA)	25 (NA)	22 (NA)	44 (N/A)	99
Overall delivery %	11,723	1672	2123	2847	4638	11,317	14 (15)	18 (21)	25 (26)	40 (38)	97
Overall budget	2,326,304	321,899	418,957	578,678	926,679	2,246,213	14 (15)	18 (22)	25 (28)	40 (35)	

Table 2 – National Trading Standards Feed Delivery Performance Data

Chapter 5 – Intelligence

5.1 Background

One of the key objectives for the NTS has been to develop intelligence led working, to build the associated infrastructure for its regional and national work and to support Trading Standards services in using intelligence locally to help support local work and priorities. A key part of this has been the development and ongoing work of the Intelligence Operating Model, the intelligence framework to help Trading Standards services, regional Trading Standards groups and NTS Teams to adopt a problem solving approach to consumer and business protection work and intelligence led activities.

5.2 The Intelligence Governance Group

The Intelligence Governance Group met four times. Their work has covered a range of issues including; the development of the national strategic assessment; oversight and support for the NTS Intelligence Team and Regional Intelligence Analysts; work to update the Intelligence Operating Model; access to the Police National Database and use of the Trading Standards' intelligence databases; intelligence work tasked by the National Tasking Group; and intelligence-sharing. The Programme Office held four NTS Intelligence Network meetings that involve the Regional Intelligence Analysts and the NTS Intelligence Team.

5.3 National strategic assessment and national control strategy

The NTS Intelligence Team produced a national strategic assessment in September 2016 to enable the Board to consider it as part of their business planning processes. It provides an overview of the current and long-term issues and problems affecting, or likely to affect, the consumer and business protection landscape in England and Wales. The national priorities remain; doorstep crime, mass marketing scams, fair trading, eCrime, product safety, intellectual property and illegal money lending. The NTS Board approved the strategic assessment at their September 2016 board meeting.

The Programme Office and the NTS Teams developed a national control strategy for 2017-18 based on these agreed priorities¹³ and the underpinning information in the national strategic assessment. It informs and directs the work of the NTS Teams and other projects. Reporting of work is done via the quarterly reports that are prepared with input from all NTS Teams. The NTS Board approved the control strategy in March 2017.

5.4 Intelligence Operating Model

The Intelligence Governance Group produced a simple guide to the Intelligence Operating Model in summer 2016 to set out the benefits of the model, and explain how it the intelligence framework fits together. They revised and updated the Intelligence Operating Model Strategic Overview and Operating Procedures and appendices in December 2016.

The intelligence report used by enforcement agencies in the UK has been revised by the Chief Constables Council. The changes will help simplify partnership intelligence sharing, improve consistency and accuracy in intelligence reporting. The Intelligence Operating Model Operating Procedures and appendices therefore had

¹³ BEIS KPI 2aiii

to be revised again in March 2017 to take account of these changes. The Intelligence Governance Group worked with both Memex and IDB to ensure the Trading Standards intelligence databases were configured to account for the new intelligence report and Trading Standards services will use the new intelligence report from 1 April 2017. All Regional Intelligence Analysts have provided regional training to their local intelligence liaison officers on the new intelligence report and changes to the intelligence databases. So that the local intelligence liaison officers can roll this training out within their local authority¹⁴.

The Intelligence Operating Model e-learning is also being finalised to take account of this change and will be launched for all NTS Teams, Trading Standards staff and managers to use in spring 2017.

5.5 National Trading Standards Sanction Information Database

Since April 2014, the Sanctions Information Database has been hosted and maintained by the National Anti-Fraud Network on behalf of NTS. It is used by Trading Standards services to record all civil and criminal sanctions. NTS covers the cost of providing and maintaining the database for Trading Standards services in England and Wales. As expenses associated with access to databases are a major issue for local authorities, the free access to the Sanctions Information Database allows officers to record their work in a nationally searchable format and provides them with vital antecedent information to assist their investigations¹⁵.

SiD summary data: 01/04/2016 – 31/3/2017	Total
Active Users on 31/3/17	2771
Sanctions added since 01/04/2016	3209
Actions against legal entities	8283

Table 3 – SiD usage

The database is continually monitored with upgrades being implemented from time to time to ensure it continues to meet user needs. This year search functions were improved. The running costs remain approximately one third of the systems it replaced. In December 2016, the CMA wrote to all heads of Trading Standards services to explain their duty to notify the CMA within the Enterprise Act 2002 and the Consumer Rights Act 2015, and the legal problems that can arise if the correct procedures are not followed. They confirmed that all notifications to the CMA should be made via the Sanctions Information Database.

The National Anti-Fraud Network and NTS met with the Information Commissioners Office to review the current agreements that date back to 2014. Following legal advice there will be separate agreements for notification and data sharing. We are aiming to migrate to the new data sharing agreements by the end of May 2017.

At the January NTS Board meeting, NTS received a request about the legality of using the Sanctions Information Database in relation to approved trader schemes. The Board accepted that there is no current legal gateway for searches to be done in relation to whether a business should be an approved trader and it is not permitted in the data sharing agreements. Therefore NTS agreed that the Sanctions Information Database should not be used for this purpose.

¹⁴ BEIS KPI 4ai

¹⁵ BEIS KPI 4ai

5.6 Police National Database

The Police National Database is an intelligence handling system currently available to all UK police forces and selected law enforcement agencies, allowing these organisations to share intelligence and other information captured in local systems on a national basis. As of August 2016, the Police National Database system is handling more than 1.5 billion records and 19.5 million images.

NTS agreed that access to the Police National Database will be essential for the ongoing national, regional and local intelligence led enforcement work¹⁶. As PND provides access to a huge amount of intelligence including Organised Crime Group mapping and national flagging data that the police and other agencies hold. The Board agreed that NTS should pursue access to PND for the Regional Intelligence Analysts and NTS Intelligence Team and agreed to meet implementation costs from its 2017/18 budget. New PND members are asked to share their data wherever possible and where legally they are able to do so and NTS will have to facilitate links to Memex and IDB as the intelligence databases Trading Standards services use.

5.7 National, Regional and Local Support¹⁷

One of the key parts of the Intelligence Operating Model is the network of intelligence functions working together locally, regionally and nationally. All local Trading Standards services have received £500 funding to help support access to a national Trading Standards intelligence database that records information on the standard intelligence report¹⁸. Further work was done by the NTS intelligence network to ensure both Memex and IDB intelligence databases maintain consistent category coding for the intelligence to be recorded.

Each English region and Wales received funding of £39,270 to fund a Regional Intelligence Analyst¹⁹ to support national and regional intelligence and the work of the NTS Intelligence Team.

Suffolk County Council Trading Standards Service hosts the NTS Intelligence Team that provides national intelligence technical expertise to help identify and analyse national problems, informing the tasking and prioritisation processes of the National Tasking Group and supporting the regional intelligence network. The Team's work includes horizon scanning; assessing and analysing intelligence; producing national strategic assessments, tactical assessments, problem and subject profiles; and disseminating intelligence requirements through the Regional Intelligence Analysts²⁰. The Team provides national intelligence support for the Consumer Protection Partnership on the NTS areas of work²¹. They engage with enforcement agencies and partners to help improve intelligence led working for Trading Standards.

5.8 NTS Intelligence Team

Tasking and National Tasking Group Support

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

- 69 referral requests were received in 2016/17 (including new and ongoing requests for support, and 18 deferrals). 14 referral reviews were completed by the Team.

¹⁶ BEIS KPI 2aii

¹⁷ BEIS KPI 4ai

¹⁸ BEIS KPI 2aii

¹⁹ BEIS KPI 2aii

²⁰ BEIS KPI2aiv

²¹ BEIS KPI 2aii, 4bi, 4bii

Following the NTG meetings the Team was tasked and produced:

- Three problem profiles on counterfeit goods in markets, model agencies and rogue fish sellers. Six subject profiles related to rogue fish sellers.
- Five scoping documents on sip and twist bottles, exploding electronic cigarettes, claimed Trading Standards endorsement of hover boards, financial services used by subscription traps and technical recycling companies.
- One short report regarding subscription trap enablers.
- Five watching briefs on specific problems and six intelligence monitoring actions.

Data and Intelligence Partnership

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

- In 2016/17, there were 43,614 recorded intelligence logs on the Memex and IDB intelligence databases (Memex 30796 and IDB 12818). This is a decrease of 6% from 2015/16 in terms of annual logs but over the course of NTS year's work, the cumulative numbers of intelligence logs is increasing significantly each year²².
- There were 36,520 intelligence logs recorded against current priority areas²³, which equates to a figure of 74% of the total intelligence logs recorded. A further breakdown against the priority areas shows; 38% doorstep crime, 20% other fair trading, 13% scams, 11% intellectual property crime, 6% product safety and 12% eCrime. eCrime is taken as a total percentage across all primary areas.
- Citizen's Advice consumer complaints have decreased (as noted in the NTS 2016 strategic assessment). However, new Citizens Advice codes were introduced on 3 October 2016 and this will have an impact on reporting trends as directly comparable data may not be available. A breakdown of the consumer complaints show they relate to; fair trading/scams 83%, doorstep and cold calling 11%, product safety 5%, intellectual property 1%. Product safety and intellectual property crime consumer complaints remain under reported and the level of product safety consumer complaints is mirrored with the lack of product safety intelligence reports.
- The relationship with the National Fraud Intelligence Bureau²⁴ continues to work well. The Team have an analyst who works one day a week at the Bureau. Access to the Action Fraud data²⁵ is of great assistance to the production of problem profiles and national tactical assessments and reciprocal intelligence checks are conducted by the Team at the request of the National Fraud Intelligence Bureau when required.
- The Team continues to produce a monthly scams report for the NTS Scams Team, extracted from National Fraud Intelligence Bureau²⁶, and data relating to the most vulnerable victims to support the national doorstep crime work and NTS Scams Team.
- The Team continues to assist the Fulfilment House work by supporting a virtual intelligence cell by facilitating the exchange of intelligence within Trading Standards, with external partners in particular Her Majesty's Revenue and Customs²⁷ (HMRC), and by participating in enforcement activity to gain intelligence²⁸. This has included increased liaison with the Product Safety Single Point of Contact and with other interested agencies, including the Intellectual Property Office and Medicines and Healthcare Regulatory Agency.

²² BEIS KPI 2a ii

²³ BEIS KPI 2a iii

²⁴ BEIS KPI 4b iii

²⁵ BEIS KPI 2a ii

²⁶ BEIS KPI 4b ii

²⁷ BEIS KPI 4b iii

²⁸ BEIS KPI 2a ii

- 128 incoming Financial Crime Information Network enquiries were dealt with. This can now be used by the wider NTS Intelligence Network²⁹
- The Team acted as a Single Point of Contact to conduct intelligence checks with Operation Tivium, a five day long European law enforcement initiative targeting foreign criminals using UK roads, which resulted in 297 intelligence checks being completed³⁰.
- Organised Crime Group mapping has continued to gain momentum. There are a total of 28 NTS Organised Crime Groups within the National Organised Crime Group Mapping database. 22 are active and six have been removed. Nine Organised Crime Groups were added this year. The Organised Crime Groups relate to regional or national operations covering the work of the NTS Teams and Trading Standards services.
- The Team acts as the National Crime Agency³¹ flagging Single Point of Contact for Trading Standards. 26 applications for full flags have been set. Four interest markers have been placed (this is low as these markers are being phased out by the National Crime Agency so in future only full flag applications will be accepted). 50 applications for status checks were conducted. Eight incidents of 'deconfliction' occurred as a result of these checks that were flagged individuals associated to operations being conducted by the National Crime Agency, HMRC and the Financial Conduct Authority. This process ensures that there is no potential conflict between operations on the same target by different agencies.
- The Team continues to explore other sources of data including Resolver³². This is a private company that advises consumers on how they progress their complaints against numerous companies across a wide range of services. The Team together with the Consumer Protection Partnership³³ are involved in exploring the potential of a portal facility to this data to assist with their work. The Team currently use Repknight but are also exploring the use of COSAIN as an alternative social media data mining tool³⁴.

National Strategic Assessment Progress Update

Purpose: To lead on the creation of the NTS strategic assessment and provide information and direction for the NTS control strategy.

- A national strategic assessment and executive summary was produced for the NTS Board at its September meeting. Following approval, the full assessment was sent to the Regional Intelligence Analyst network for circulation to all Trading Standards services³⁵ in England and Wales via secure email. The executive summary was circulated to Trading Standards and other agencies by the NTS Programme Office.
- Timescales and terms of reference have been agreed for the production of the 2017/18 national strategic assessment and agreed the data collection strategy and preparation plan to ensure that the draft is produced in the timescale required.

Regional Intelligence Analyst Network Support

Purpose: To provide advisory support for the Regional Intelligence Analysts and to assess engagement across the regional network.³⁶

- Engagement between the Team and Regional Intelligence Analyst network is ongoing on a regular and ad hoc basis.

²⁹ BEIS KPI 2aiv

³⁰ BEIS KPI 2aii

³¹ BEIS KPI 4biii

³² BEIS KPI 4biii

³³ BEIS KPI 4bi and 4bii

³⁴ BEIS KPI 2aii

³⁵ BEIS KPI 2aiv

³⁶ BEIS KPI 2aiv

- All problem and subject profiles produced by the Team are disseminated to the Regional Intelligence Analysts and where appropriate to the local intelligence liaison officers.
- National tactical assessments produced by the Team continue to be sent to the regional intelligence network for dissemination to Trading Standards services in their regional group.
- The Team produces a report for the NTS Scams Team that is circulated to the Regional Intelligence Analysts for dissemination within their regional group.
- The National Fraud Intelligence Bureau data provided by the Team to the national doorstep crime enforcement project is also circulated to the Regional Intelligence Analysts for maximum benefit.

Priority Areas Support³⁷

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 continues to assist and support the NTS eCrime Team as required. Intelligence development and analysis has been provided to Operation Jasper. Problem and subject profiles have been produced or updated relating to Operation Jasper³⁸, model agencies, secondary ticketing and core power sellers, liaising with external partners including the Intellectual Property Office, HMRC, the CMA, and Trading Standards Scotland.
- **NTS Scams Team:** The Team regularly liaises with the NTS Scams Team and provides National Fraud Intelligence Bureau reports to the Scams Team on a monthly basis. These reports are distributed to the Regional Intelligence Analysts³⁹ for circulation to the local authorities in their area.
- **NTS Safety at Ports and Borders Teams:** The Team continue to provide assistance for the Single Point of Contact in relation to the use of data and intelligence for both proactive and reactive work, together with the production of monthly reports. Data inputting support was provided to help inform the NTS Safety at Ports and Borders Governance Group regarding the methodology and associated matters concerning the inputting of ports returns onto IDB and Memex⁴⁰. The Team produced a scoping document on non-cosmetic products and provided support on the production of the Single Point of Contact's Threat Assessment.
- **NTS Doorstep Crime work:** The Team continues to support this work by providing the enforcement and prevention elements with National Fraud Intelligence Bureau data. The Team's intention is to continue to support the project's work with assistance in the production of analytical products, intelligence office assistance, Organised Crime Group mapping and flagging assistance on an ad hoc basis.
- **Consumer Protection Partnership Support:**⁴¹ The Team has not been required to produce any intelligence products in this period. Close liaison is maintained with the Consumer Protection Partnership's analyst and is represented at various Consumer Protection Partnership/Citizens Advice meetings. National tactical assessments continue to be sent to the Consumer Protection Partnership Intelligence Analyst⁴².
- **National Animal Feed Threat Assessment:**⁴³ The Team was tasked by NTS to produce a National Animal Feed Threat Assessment. The first draft of this report has been produced and the Team are on track to produce the finalised report by the end of May 2017, in line with the agreed terms of reference.

³⁷ BEIS KPI 2aiii

³⁸ BEIS KPI 2aii

³⁹ BEIS KPI 2aiv

⁴⁰ BEIS KPI 2aii

⁴¹ BEIS KPI 4bi and 4bii

⁴² BEIS KPI 2aii

⁴³ BEIS KPI 2aii

Chapter 6 - National Tasking Group

6.1 Overview

The National Tasking Group (NTG) comprises three Board members and three regional representatives. Others have been invited to participate in the group with non-voting status (e.g. the CMA, the NTS E Crime coordinator and Trading Standards Scotland). It is recognised that members of the group must have the knowledge and experience to make tactical decisions.

The group meets every eight weeks to determine national consumer enforcement investigations and tasks investigations subject to available resources and in accordance with the priorities determined by the Board through its strategic assessment and control strategy. They will task and support regional requests having considered:

- The likely impact of the proposed action;
- The fit with the Board's priorities and strategies⁴⁴;
- The resource requirements, and in particular whether they are proportionate to the benefits gained;
- The risks of both acting and failing to act.

Requests for support are considered on a case by case basis. Any requests for national support have to meet the definitions and criteria specified in the current protocol. The Group will mainly task and deal with requests to support level 3 (national) cases⁴⁵, for example where there are: complex cases; cross-boundary activities; multiple defendants; high levels of consumer and business detriment and/or significant breaches of Trading Standards legislation or extensive fraud. They will also task or assist in the investigation of level 2 (Regional) cases where early action will prevent a case becoming a level 3 case or it will establish a precedent.

6.2 NTG Meetings

NTG met eight times during 2016/17 and reviewed and considered 69 referral requests. Of these, a significant proportion were ongoing legacy cases. The following is a breakdown of the decisions made by NTG this year.

- 40 approved for funding
- Four not approved
- 18 deferred pending further clarification/information
- One tasked to the NTS eCrime Team to act as lead on the CMA Secondary Ticketing Project
- Four tasked to the NTS Intelligence Team for further intelligence development⁴⁶
- Two referred back to Regional Tasking Groups for support⁴⁷

6.3 NTG Budget

The total value of referral requests made to NTG in 2016/17 amounted to £4,435,189 which far exceeded the NTG 2016/17 budget of £ 2,409,018.

⁴⁴ BEIS KPI 2aiii

⁴⁵ BEIS KPI 3fi

⁴⁶ BEIS KPI 2aii

⁴⁷ BEIS KPI 4ai

6.4 **NTG Tasking Requests**⁴⁸

A significant number of applications were made to extend funding for work that had commenced in previous years (legacy cases). Funding ranged from £80,000 up to £516,000 and cases included:-

- Fitted Kitchen Scam
- Copycat Websites
- Energy Scams
- Doorstep Crime Rogue Building
- Business Advertising Fraud
- Timeshare Scam
- Drainage Scam

The following new investigations were also funded. Funds totalled £256,000:

- Double Glazing problems.
- Home Improvements/Rogue Builders Scam
- Misleading Prices/Practices relating to sporting goods.
- Business Investment Scam

It can be seen that all of the above reflect the broad priorities for NTS work⁴⁹.

The NTG also funds the enforcement costs of any legal cases taken as part of the backstop arrangements for enforcement of the Advertising Standards Authority Code. These are detailed later in this report.

Other Tasking:

- Operation Starling support for intelligence and Organised Crime Group mapping to support EETSA with issues relating to counterfeit goods in markets.⁵⁰
- Secondary Ticketing Project, NTS E Crime Team was tasked to take the lead on the multi agency working group on Ticketing.⁵¹

5.5 **Pro-active Tasking**

NTG received regular project updates and final reports from the following tasked out work to tackle issues identified in the NTS control strategy⁵². Projects were subject to ongoing review and had progressed well.

Doorstep Crime ⁵³

Doorstep crime has consistently registered as one the highest priorities for NTS as a result of the Strategic Assessment. NTG again commissioned proactive programmes of activity to target doorstep Crime. The project was delivered in two parts. The first was enforcement based and delivered by TSNW. The second focused on prevention and safeguarding and was delivered by the NTS Scams Team. The programme of activity looked at: further building partnerships with other organisations; developing and building skills capacity for Trading Standards staff; developing intelligence gathering and dissemination; and using intelligence to target doorstep crime Organised Crime Groups.

⁴⁸ BEIS KPI 3fi

⁴⁹ BEIS KPI 2aiii

⁵⁰ BEIS KPI 2aii

⁵¹ BEIS KPI 4bii

⁵² BEIS KPI 2aiii

⁵³ BEIS KPI 4bii

The major developments and some of the key successes were as follows:-

- Identification, through enhanced intelligence gathering⁵⁴, of a major doorstep crime Organised Crime Group operating from TSNW and now subject of an ongoing investigation. A multi agency national operation with links to Scotland is ongoing.⁵⁵
- Data sharing agreements are being developed between NTS and the top 10 banks and building societies to share data on victims of door step crime and other scams⁵⁶
- Working with Financial Fraud Action UK to launch the banking protocol in London and then rolled out to a further 25 Police Authorities and associated local and regional Trading Standards.⁵⁷ (London project prevented £1.1m fraud in first 12 weeks)
- Developing relationships with Action Fraud⁵⁸ to produce, coordinate and disseminate to Trading Standards partners reports on doorstep crime⁵⁹
- Participation in the National Police Chiefs Council Adults at Risk Conference
- Joint chairing by the NTS Scams Team of the Joint Fraud Task force on Victims and Susceptibility⁶⁰. Joint working groups formed to achieve best practice, identify data protection barriers and launch the BSI Code of Practice
- Jointly working with Citizens Advice, Third Sector, Action Fraud and College of Policing to provide ongoing training and development for their staff on Door Step Crime⁶¹
- Joint Strategy with Public Health England⁶² agreed to educate health professionals on the harms associated with doorstep crime and other scams
- Guidance paper developed with the Association of Directors of Adult Social Services⁶³ on scams. Production of two e toolkits for Trading Standards professionals on enforcement and protection and safeguarding⁶⁴
- A national survey undertaken with Trading Standards professionals⁶⁵ to establish current competency levels for doorstep crime enforcement and victim support.
- Development ongoing with the National Crime Agency⁶⁶ to access suspicious activity reports which will provide invaluable evidence on this type of offending.

Counterfeit and Secondary Ticketing ⁶⁷

This work is now linked to the joint Secondary Ticketing project with the CMA, with NTS input being led by the NTS E Crime Team.

⁵⁴ BEIS KPI 2a ii

⁵⁵ BEIS KPI 4a i

⁵⁶ BEIS KPI 2a ii and 4b iii

⁵⁷ BEIS KPI 4a i

⁵⁸ BEIS KPI 4b iii

⁵⁹ BEIS KPI 2a iv

⁶⁰ BEIS KPI 4b iii

⁶¹ BEIS KPI 4b iii

⁶² BEIS KPI 4b iii

⁶³ BEIS KPI 4b iii

⁶⁴ BEIS KPI 4a i

⁶⁵ BEIS KPI 4a i

⁶⁶ BEIS KPI 4b iii

⁶⁷ BEIS KPI 4b ii

Plasticisers in Toys

This work was lead by CEnTSA. The original sampling programme established that 42 products failed due to the presence of plasticisers in excess of the legal limit. 26 of the products indicated a country of origin, in every case this was China.

31 different authorities⁶⁸ were responsible for purchasing these non-compliant samples, these were all contacted, 29 responded. Those authorities that specifically stated that they had taken a particular course of formal action were as follows: one prosecuted; four issued warning letters or cautions; three seized goods; one suspended goods; and three products were recalled.

The business responsible for first placing the product on the UK market has been identified for 35 of the 42 products. Four products were imported by the retailer to supply through its own retail premises. The remaining 31 products were introduced into the supply chain by 27 different businesses. 15 of these businesses were concentrated in just two regions, the North West and London. Given the diverse range of businesses involved in placing these goods on the UK market and the lack of barriers to new entrants identifying a single course of action which will quickly and effectively address the problem appears unrealistic. As the market is unlikely to remain static continued market surveillance would appear to be essential.

Possible approaches to consider with the identified businesses include:

- Working in conjunction with these businesses to bring them into compliance through advice and enforcement, focusing resources in Trading Standards regions where the non-compliant businesses are most prevalent.
- Establishing where they source their products to establish whether this informs any particular course of action at Government level.

It has not been possible to identify an academic study which shows that plasticisers in toys has caused adverse health effects in children. The relevant European legislation indicates that the restriction in toys has resulted from a risk based approach (the 'precautionary principle'). This group of chemicals is known to be dangerous and it is scientifically possible for them to enter a child's body via direct contact. Accordingly, in toys, there is a restriction on their presence at levels greater than 0.1%.

21 of the toys cost less than £3, so low price is linked to poor quality, whilst the existence of a market for cheap toys indicates that the financial means of the consumer may be a factor. The most effective approach to adopt when engaging with consumers is therefore likely to be one which is targeted at those who have limited means and who are therefore reliant on cheap low quality imported goods.

The report has been passed to BEIS Product Safety officials to help inform future discussions on this issue.⁶⁹

Most Complained About Traders Project

Details of this are in Chapter 3 under the Consumer Protection Partnership section.

Fulfilment Houses Project⁷⁰

Fulfilment Houses create significant problems for consumers, businesses and enforcement agencies, particularly in relation to the sale of unsafe and counterfeit products. NTS has provided funding through its' NTG for a Fulfilment House project since 2015. It has taken a phased approach supporting research,

⁶⁸ BEIS KPI 4ai

⁶⁹ BEIS KPI 2aii

⁷⁰ BEIS KPI 4biii

intelligence and financial development, investigation work on specific Fulfilment Houses, and enforcement action. NTS and HMRC have been working together to tackle the multiple risks posed by the growth of e-commerce and the Fulfilment House model in the UK. This has been mutually beneficial for both parties as shared intelligence and coordinated action can aim to achieve the most disruption for non-compliant businesses in this area. They have been holding regular face to face meetings to discuss strategy, potential targets, ongoing cases and shared intelligence. HMRC and NTS notify each other of all planned operations on Fulfilment Houses, so although they will not always be joint operations there will be an awareness of each other's risks, activities and shared intelligence where appropriate. There is also now an agreement on the lead agency on relevant cases to ensure actions are joined up, rather than unknowingly negatively impacting on the other agency's planned actions.

There have been seven joint Trading Standards/HMRC operations against Fulfilment Houses in the last year, two led by Trading Standards, with seizures of goods by at least one agency on each occasion. Two of these joint operations have resulted in the Fulfilment House closing down, disrupting both the supply of unsafe goods and tax losses. One of these was at Enfield where Enfield Trading Standards carried out an investigation of two interconnected Fulfilment Houses, on behalf of NTS, that were importing large amounts of unsafe electrical products from China for distribution in the UK and beyond. A multi-agency inspection of the two Fulfilment Houses was carried out in December 2016 and a large number of unsafe and non-compliant products were removed from the market. HMRC then served a demand for £5 million in unpaid taxes which resulted in the company being wound up by the Official Receiver a short time later. In September 2016, more than 28,000 dangerous electrical items with an estimated retail value of over £232,000 were destroyed. The NTG has agreed to support ongoing investigations, proceedings and work on Fulfilment Houses during 2017/18.

6.6 NTG Reviews⁷¹

Reviews have been undertaken into six major NTG funded cases to assure NTG of progress and value for money. NTG agreed the reviews' recommendations which included: to continue to support funding for these legacy cases; to conduct further reviews; and to capture lessons learned to be disseminated.

In terms of the case review process, the NTS Board recognised the value of critical analysis of a number of the larger cases and what could be learned from them. A review of five large cases was originally scheduled for summer 2017. However this has had to be rescheduled due to delays in completing the trials.

6.7 Tasking Conference

This was held in July 2016 and was well-attended by representatives of Regional Tasking Groups (including the Chair, Action Manager and Regional Intelligence Analyst), NTS Team Managers, NTG Members and Programme Office staff. This followed on from previous year's successful event and was designed to: develop closer working and engagement; reinforce consistency and uniformity; provide a networking opportunity; share best practice and receive feedback⁷².

Each Regional Tasking Group provided feedback from their region to include an example of a successful outcome and challenge, how they reviewed their actions and any areas for improvement. Examples of good practice and lessons learned were shared.⁷³

⁷¹ BEIS KPI 3fi

⁷² BEIS KPI 4ai

⁷³ BEIS KPI 4ai

6.8 Planning and Review 2017/18

This meeting was held on 28 February 2017 with the main purposes being to review the NTG year 2016/17, and reflect on what had been achieved and to discuss and plan what NTG hoped to achieve in 2017/18. NTG approved a number of advance referral requests for 2017/18 (predominantly legacy cases running into the next financial year). It also gave in principle agreement to a programme of pro-active tasking, which has been put together in conjunction with Regional Tasking Groups⁷⁴ and NTS Teams and is reflective of NTS Control Strategy and Strategic Assessment⁷⁵. This programme would include projects relating to doorstep crime, Fulfilment Houses, double glazing, unsafe cosmetics, used cars and counterfeit goods in markets.

6.9 NTG Performance Monitoring and NTG Protocol

Following an extended period of consultation and discussion, NTG has now approved changes to its protocol, guidance notes, referral request forms and other documents. These have been circulated to Regional Tasking Group representatives, NTS Teams and others for use from April 2017. The revised system for NTG performance monitoring was also put in place and which was aimed at eliminating duplication and increasing efficiency.

⁷⁴ BEIS KPI 4ai

⁷⁵ BEIS KPI 2aiii

Chapter 7 - National Trading Standards Regional Investigation Teams

7.1 Background

NTS commissions Investigations Teams from each region except London, East of England and the South East where a combined resource is used. The eCrime and Investigations Governance Group meets quarterly to provide oversight of the work. Representatives from each of the eCrime and Investigations Teams also meet half yearly to consider operational matters.

The Teams were formerly known as Scambuster Teams but it was agreed to a name change to better reflect the work the Teams now carry out and to address concerns raised by judges in some cases. The Teams are the primary resource for NTS in tackling serious and complex cases.

7.2 Overview⁷⁶

The Teams currently have 86 open operations with 13 Proceeds of Crime confiscation cases, following on from successful trials.

Several significant/long standing cases finally came to trial this year. Two of the largest and most complex trials, Operations Angel and Summit, finished with six defendants in each case receiving prison sentences. One case was lost, primarily on a legal technical issue.

Throughout this year, 52 operations were successfully concluded after long running investigations and trials, with 67 defendants receiving over 106 years' custodial sentences and 21 defendants were handed suspended sentences. Fines totalled £5,120. Other penalties handed down included: 95 days of community service; one simple caution; three curfews; and eleven defendants were banned from being company directors, for between five and ten years.

Consumer detriment avoided through the Teams' interventions this year was £15,341,562. Confiscation Orders were granted totalling £1,619,265 and compensation awards to victims was more than £465,000.

7.3 Investigations⁷⁷

The Teams have investigated a wide range of consumer protection breaches this year, focussing on NTS overall priorities.⁷⁸ Offences relate to doorstep crime; shoddy building and roofing work; car sellers selling clocked and/or unsafe vehicles; fraudulent lettings and property agents scams; mobility, telephone and energy (Green Deal) scams. They have prosecuted rogue traders for: fraud; money laundering; mis-selling; making misleading claims; intellectual property; and property, lettings and commodities frauds. The Teams have prevented potentially fatal counterfeit drugs and other items reaching the market. Their intervention has led to three retailers rethinking their practices. Three operations led unexpectedly to links between doorstep crime and modern slavery, and the discovery of two cannabis farms.

The Teams continue to support the local authorities⁷⁹ in their regions where appropriate and resources allow. For example, Wales provided intelligence and operational assistance to Powys County Council who had a

⁷⁶ BEIS KPI 3fi

⁷⁷ BEIS KPI 3fi

⁷⁸ BEIS KPI 2aiii

⁷⁹ BEIS KPI 4ai

highly publicised successful tooth whitening prosecution, where misleading claims were made about unsafe teeth whitening products that contained harmful levels of hydrogen peroxide. One victim received hospital treatment for burns after using one of the products.

Currently cases include a conspiracy to defraud, conspiracy to steal and conspiracy to blackmail investigation that is due for trial in September.

One investigation involves four similarly named businesses, believed to be linked. These relate to the hard selling of household appliances and accessories to vulnerable consumers across the UK. The method of sales is via either cold calling or pre-arranged appointments. Once the salesperson has gained entry to the victim's home the sales pitches are focused on selling contracts using aggressive and misleading sales practices.

Intelligence scoping for a multi-million pound operation has identified UK accounts linked to bank accounts overseas, and the identification of a possible Fulfilment House operation. Test purchases have been made. The Federation against Copyright Theft⁸⁰ has confirmed that the items contain infringing copyright material. Analysis of other products is pending. PayPal payments for all businesses were sent to an individual believed to be based in the Far East. The NTS Intelligence Team has completed an intelligence package and Organised Crime Group mapping that has been submitted to the region.

Another investigation concerns allegations of fraud by misrepresentation and possible breaches of the Business Protection from Misleading Marketing Regulations 2008 surrounding the alleged mis-selling of energy products. In this case businesses are persuaded to change supplier by entering into verbal contracts that lead to disproportionately increased bills. Consequently, some small companies throughout the UK have gone out of business. The NTS eCrime Team is working on substantial volumes of IT forensic requirements in this case.

Several cases, where there is no prospect of a successful outcome, have been closed this year either because an investigation is not as serious or large as first thought and the case is tasked back to the local authority or there is a lack of evidence to take the case further. Sometimes the decision not to proceed has been taken by the Crown Prosecution Service.

7.4 Challenges

This year the Teams have faced some difficult challenges, including:-

- Delays in cases taking up to a year to reach court and the financial cost of those delayed trials. An aborted trial for costs that could not be recouped left one Team having to hold a vacant post to cover legal bills, and deprioritising cases or returning them to the relevant local authority.
- Managing the teams' duty of care to witnesses and investigators in cases where suspects are known to use threats, violence, intimidation and involvement in use of improvised explosive devices.
- Successfully tracking down an absconding defendant.
- The age of the victims and the length of time it can take to investigate a case, track down and interview suspects. By the time the Teams are ready to take a case to trial, victims may no longer be viable witnesses due to the deterioration in their health and capabilities. One case was abandoned for this reason, though in another the team 'took the court' into two of their witnesses' homes due to their age and infirmity, which had worsened considerably since they were targeted by criminals.

⁸⁰ BEIS KPI 4biii

- Several cases where the Teams have supported investigations have been dropped by the Crown Prosecution Service, even when the detriment was comparatively high. Several of these cases related to investment fraud type issues. One had over 130 victims whose losses ranged from £2,000 to £200,000 and an estimated consumer detriment of £600,000. They also did not wish to pursue a car clamping fraud case based in East of England so a local Trading Standards service proceeded, following receipt of Counsel's advice. Defendants pleaded guilty to fraud offences, along with blackmail and received a range of custodial sentences.

These type of challenges are indicative of the serious nature of the work being undertaken by the Teams and NTS clear focus on addressing serious consumer detriment and criminality.

7.5 Case Management

The CRIMSON case management system is now widely used across the Teams. The user group met twice this year with the provider company to discuss how to develop the system further and training was provided where needed.

7.6 Liaison visits

To support the developing performance framework, visits to all the Teams and regions were conducted last summer. These focussed on risks identified and highlighted in the risk register; Proceeds of Crime arrangements; workloads; funding; and best practice. The Teams had the opportunity to feedback to the Programme Office.

A report of the findings was considered by the Governance Group and no specific policy issues or performance concerns were identified that needed to be raised with the NTS Board. However, what was apparent from the visits and the Teams' considerable successes throughout the year, is the significantly higher level of criminality and the type of offender the teams are now dealing with since NTS was first established. Also, as the complexity of cases has increased so has the burden placed by disclosure requirements in respect of legal processes, financial commitments and risks placed upon host authorities.

The whole NTS system was therefore tested as the NTG funds to support cases was fully committed at the beginning of the financial year leading to Regional Tasking Groups having to reassess the work tasked to their Investigations Teams.

Further visits are planned by the Programme Office in 2017/18.

7.7 Publicity

The Teams' successful prosecutions have generated media interest with several cases being widely reported nationally, with numerous newspaper articles and features on television and radio. The Investigations Teams have been interviewed for BBC1's *"Fake Britain"* several times and had the opportunity to take part in a documentary about PROCEEDS OF CRIME confiscations. Interviews have been pre-recorded, but not yet screened, for Channel 5's *"Hunted and Confronted"* and for ITN Productions.

Amongst others, Operations Orange, Flip, Spinnaker, Cupertino, Jaculus and Drake generated media interest locally and nationally this quarter, with the latter appearing in the Daily Mirror online and being mentioned in its "Penman Investigates" section.

The East Midlands' Operation Spinnaker generated a lot of interest, following the final sentencing of Barbara Stone and Kiera Berne, including:

- Regional BBC News (TV)
- Pre-record for BBC - Rip Off Britain
- Pre-record for Channel 5 – Hunted and Confronted
- Regional BBC Radio
- Regional and national newspapers (Daily Telegraph and Daily Mail)

Throughout the year Grayling have assisted the Teams with their media coverage. The NTS Board have agreed to increase the support provided to the Teams for 2017/18.

7.8 Research and Intelligence work update

Operation Starling was an operational intelligence development project looking at main offenders of intellectual property related crime who regularly attended major car boot fairs within one region. This work was supported by that region's local Trading Standards services⁸¹ and the Tri Region Investigations Team. Good links were forged with partner agencies, including the Anti-Counterfeiting Group and the National Markets Group.⁸²

The investigation established that many of the key targets were operating from a specific area in the UK, servicing other key markets and causing detriment across much of England⁸³.

7.9 Completed Cases⁸⁴

The following examples of cases completed this year demonstrate how the Teams and Trading Standards Services are working with business to improve standards and behaviour as well as combatting consumer detriment. This is not a complete list of all cases undertaken.

Jeffrey and James Tawse – Operation Genesis

A father and son posing as builders conned elderly and vulnerable people out of £71,000. The pair operated across south Wales from Monmouthshire to Carmarthenshire using aggressive sales tactics to intimidate victims.

- One 71-year-old man, with short term memory loss after suffering a brain injury in a cycling accident, was charged £64,500 for a three-course brick wall around his front lawn. Police were alerted after the victim withdrew £100,000 from his bank. A chartered surveyor described their work as "truly appalling", saying it should have cost £600, but recommended the wall be demolished.
- One 83-year-old woman was charged £1,450 to repair her roof, but carried out no work on it at all.
- They applied "weed proof sand" to driveways, but merely sprayed them with "sealant" that was salt water.

Following an investigation by the Wales Team, the defendants pleaded guilty to conspiracy to defraud at Cardiff Crown Court after conning 15 people, aged 50 to 97. Jeffrey Tawse, who also admitted money laundering, received a total of six years in prison. James Tawse received two years' imprisonment for conspiracy. In January 2017 an appeal against sentence was refused.

⁸¹ BEIS KPI 4ai

⁸² BEIS KPI 4biii

⁸³ BEIS KPI 2aii

⁸⁴ BEIS KPI 3fi

In sentencing the pair, Judge David Wynn Morgan said: *"You identify and prey on the vulnerable in the community in a deliberate, consistent, cold blooded way."*

They have now been ordered to pay £201,500 in a Proceeds of Crime confiscation award.

Paul and Claire Wray – Operation Flip

Representatives of the mobility company, Dreamwell Limited, misled elderly consumers into believing that they were carrying out market research. Consumers were persuaded to provide personal medical information that was later used by sales staff to mis-sell mobility-related products. Paul Wray trained sales staff to engage in aggressive commercial practices to take advantage of the frailty and vulnerability of their customers, even visiting consumers with dementia and Alzheimer's. Staff created the impression that the company had medical credentials. The products sold were unnecessary, unsuitable and expensive. Following an investigation by the Yorkshire and Humber Team, the Court heard evidence about 44 victims.

Claire Wray was found guilty of misleading, banned and aggressive commercial practices and money laundering by a jury after a week-long trial. She was sentenced to 12 months' imprisonment and was disqualified from being a company director for seven years. Paul Wray pleaded guilty to illegal commercial practices in July 2016. He was sentenced to 28 months' imprisonment and was disqualified from being a company director for nine years.

The consumer detriment in this case was more than £4 million.

Malcolm Mayes - Operation Jaculus NE

Following an investigation by the North East Team, in March 2017, Malcolm Mayes pleaded guilty to charges under the Copyright, Designs and Patents Act 1988 in respect of his business that supplied Internet Protocol Television boxes to pubs and clubs across the UK through which he facilitated the viewing of restricted intellectual property content, such as, football supplied by the English Premier League and horse racing through Sky's Racing Channel. Mayes received a 10 months prison sentence suspended for a year. Costs of £170,000 were awarded and a Proceeds of Crime confiscation order was agreed for £80,000.

The criminal benefit was determined by the court at £80,000.

Operation Smudge YAH

This prosecution by the Yorkshire and Humber Team concerned the three directors of a roofing company and their contractor who carried installation of a foam insulating product. The directors were charged with a variety of offences contrary to the Consumer Protection from Unfair Trading Regulations 2008 (CPRs), conspiracy to defraud their customers and money laundering. The contractor was charged with conspiracy to defraud and money laundering. The allegation concerned the targeting of elderly consumers to sell unnecessary and overpriced roofing installation and repair work, and carrying out that work to an unacceptably poor standard. A lengthy technical argument between experts regarding the merits of the foam treatment distracted from the selling practices.

The defence put forward a legal argument that the CPRs offences were out of time and this was accepted by the Judge. Then all parties admitted making incorrect statements but that it was borne of incompetence not dishonesty. The jury found all defendants not guilty of a conspiracy to defraud as this requires dishonesty to be proven.

The estimated consumer detriment in this case is £1.9 million.

Operation Cotton

This case related to a well-established installer of bathrooms for elderly and mobility restricted consumers in the West Midlands. There were many complaints recorded against the company, the vast majority about the installation process and failure to put faults rights etc. The managing director was interviewed as part of the consultation process for possible proceedings under the Enterprise Act, and during that interview he introduced an 'improvement plan' that he intended to implement over six months to reduce the number of complaints. Cit A records showed that complaints had dropped from an average of six per month in 2015/16 to less than one per month at the end of 2016/17. The case will not be taken further presently.

LJ Evans & Son and LJ Evans Ltd - Operation Orange

Four defendants were sentenced to nearly 12 years' imprisonment for their part in the running of a dishonest West Midlands based building firm. This case should have been concluded in July/August 2016, but due to a procedural error by the judiciary the case was abandoned on day four of the trial and was re-scheduled to start in February 2017.

As the trial date approached, it became apparent that the main witness was no longer in a fit physical condition to attend court. However he had been interviewed under the "Vulnerable & Intimidated" process, and the Team did want him to give live evidence, so they arranged for him to give his evidence via Live Link from his home. A second witness also suffered serious mobility issues just before the trial and similar arrangements were made for her to give evidence via her local Magistrates Court.

At the end of the three week trial, the defendants had either pleaded or been found guilty. Evans received five years' imprisonment. Blythe received four years' and nine months' imprisonment. Brookes received 16 months' imprisonment and Hunt received eight months' imprisonment, suspended for 18 months.

The criminal benefit of this case is estimated to be £170,000.

Khaliq and Dickinson - Operation Drake

Two defendants operated numerous buy-to-let businesses, both as landlords themselves and as agents for others. They used their properties to commit fraud, operating a variety of overlapping schemes simultaneously to defraud tenants, local authorities, mortgage lenders and property insurers.

The businesses were run from a single set of offices using numerous different companies and trading names across the North West. The defendants blurred the distinctions between the different companies and businesses, moving money and property around without any real regard to which business really owned it. The defendants frequently hid behind aliases. Approximately £50,000 counterfeit cash was seized from one defendant's home address.

Khaliq and Dickinson were charged with offences relating to the creation of forged documents, fraud against prospective tenants by taking multiple holding fees against the same properties, theft of rent, council tax fraud and insurance fraud.

The 12-16 week trial was to commence in January 2017, however the main two defendants pleaded guilty to a number of counts.

Tahir Khaliq was sentenced to 45 months' imprisonment, 10 year directors' disqualification, a £100,000 Proceeds of Crime order of which £9,500 is to be paid to the identified deposit fraud victims in compensation. Costs totalling £125,000 were additionally awarded to NTS.

Paul Dickinson was sentenced to two years' imprisonment for his involvement in the insurance frauds, to be suspended for two years. He was ordered to undertake 240 hours community service and has a supervision order with the Probation Service for the next six months. Dickinson received a six year directors' disqualification order, a £24,424 Proceeds of Crime Order and additionally ordered to pay costs totalling £15,000 to NTS.

The criminal benefit of this case was determined by the court to be £124,424.

Rizwan Hussain and Zeeshan Hussain - Operation Munich

The Tri Region Team supported the London Borough of Redbridge and the Metropolitan Police with an investigation into clocked cars, which added £6,000 to the sale price of each of 40 BMWs. Approximately £3 million was restrained including three properties and 150 vehicles. Rizwan Hussain, was the sole shareholder and director of a car leasing firm called Star Vehicle Leasing based in Tower Hamlets. His brother Zeeshan Hussain worked for him.

Numerous complaints by traders and consumers to Trading Standards concerning the sale of BMWs where, it was later established, the mileage had been fraudulently lowered. A joint day of action in January 2014⁸⁵ by Transport for London, Trading Standards, the Local Authority and the Metropolitan Police led to arrests and searches. Investigations were suspended whilst a Judicial Review at the High Court challenged the Metropolitan Police's search warrants. This was dismissed in May 2015, with the applicants ordered to pay all costs. A full investigation was resumed, working with HMRC.

The case was prosecuted by the Crown Prosecution Service who accepted pleas by Zeeshan Hussain to one offence of fraud relating to eight vehicles and discharged the case against Rizwan Hussain. Zeeshan Hussain was sentenced to eight months' imprisonment suspended for two years and ordered to complete 150 hours unpaid work and he was ordered to pay compensation to four of the victims who had bought "clocked cars" from him, totalling £20,900.

The value of rogue trading in this case was £240,000 based upon the value of the high spec clocked cars identified in the case.

Gianni Luca Falch - Operation Cupertino

In November 2016, Ireplace Limited and its sole Director, Gianni Luca Falchi, pleaded guilty to nine counts under the Trade Marks Act 1998 and Proceeds of Crime Act 2002. On Friday 17 January 2017, at Newcastle Crown Court, Falchi was sentenced to 16 months' imprisonment for his offending.

Newcastle Trading Standards began the investigation prior to tasking the matter to the North East Team. The subsequent enquiry found that Falchi had been supplying counterfeit mobile phone accessories since 2010. He sold thousands of parts branded illegally with names such as Apple, Samsung, Griffin and Belkin. His main method to supply was through eBay using over 130 different accounts, the majority in false names.

Although Falchi pleaded guilty, suggesting he had been naive in not recognising the extent of his criminality, Judge Sloan QC stated he had a duty to protect legitimate business and identified that Falchi's criminality was of such a serious nature as to require an immediate custodial sentence.

Proceeds of Crime confiscation proceedings are now ongoing.

The identified criminal benefit is calculated to be £1,471,164.

⁸⁵ BEIS KPI 4biii

Michael Phelan - Operation Lodge

The defendant in this case was charged with 34 counts of fraud and theft relating to a business franchise opportunity that never materialised. The investigation by the Central England Team found that, in return for the investment, the victims were promised support and lists of outlets for the books to be distributed, and guaranteed a certain level of earnings or they would get their money back. This single important factor gave the victims the confidence to invest in the scheme. However, once payment had been made, victims found that the books were not provided, or if they were then only in small numbers and with none of the promised support to identify suitable outlets for distribution. A five week trial began in September. The defendant absconded on day three. The Judge ordered the trial to proceed in his absence and issued an arrest warrant for the defendant. This caused considerable disruption to the trial as witnesses came from all parts of the country, some of whom had already arrived in Birmingham to give their evidence. The jury found the defendant guilty of fraud and theft and sentenced in his absence to seven and a half years' imprisonment.

The defendant was located in the Poole area via benefit payments. The Team anticipated his next money collection and identified approximately 20 possible outlets, prioritising 13 likely ones. Arrangements were made with these to alert the team if he attended. The defendant collected his money from one of the identified shops and was arrested by Dorset Police. He was given an additional six months sentence for the Bail Act offence. In total he was sentenced to eight years' imprisonment.

Over a ten year period it is estimated that the defendant's criminal benefit is over £1m.

John Green Senior, George Roy, John Green Junior - Operation Trigo

The Tri Region Team supported Buckinghamshire & Surrey Trading Standards' investigation into four defendants participating in a fraudulent roofing business. They made unsolicited visits then offered to do small amounts of work for small sums of money that led to further work for larger sums of money. A surveyor inspected work undertaken at eight properties and declared much of it as either unnecessary and/or of a poor standard and/or overpriced. One homeowner was charged £83,850 for work assessed as being worth £14,000 and another paid £22,000 for work the surveyor valued at £850.

In October 2016, after a five week trial, three of the four defendants were found guilty of a range of offences including participating in a fraudulent business, fraud by false representation and money laundering. One other defendant was given an absolute discharge.

John Green Senior received four years' imprisonment. George Roy received 21 months' imprisonment and John Green Junior was given eight months, suspended for two years, 180 hours unpaid work in the next 12 months and a curfew.

There were 68 victims with an estimated consumer detriment of £400,000 since November 2011 based on credits to a suspect's bank account.

Stephen Rosen, Gary Holzman and James Dellaway - Operation Dexter

The Tri Region Team supported this doorstep crime investigation that drew together a number of initial Trading Standards' investigations underway in Hampshire, Dorset and Isle of Wight and by several Police forces. The widespread offending included victims in the South West, South East and London regions, with over 130 victims. Under the company names Energy Foam Seal Limited and Thermarroof Limited the fraudsters cold called elderly and vulnerable residents and offered to insulate the victims' lofts. False and misleading claims were made to sell the unnecessary product which was unsuitable for the victims' roof spaces.

In November 2016, Energy Foam Seal Limited and Thermaroom Limited company director Stephen Rosen pleaded guilty to two offences of participating in a fraudulent business and five offences of fraud by false representation. He received a two-year suspended sentence and 300 hours community service. Gary Holzman, a salesman received an 18 months' suspended sentence and 200 hours community service after pleading guilty to eight offences of engaging in misleading commercial practice and James Dellaway, Company Director, received a 12 months' suspended sentence and 100 hours community service after pleading guilty to one offence of engaging in an unfair commercial practice.

Rosen also had £28,554 frozen in his bank account which will be used to partially compensate 13 victims who suffered a combined loss of £58,000. A further 19 victims were identified as part of the investigations, but combined payments of £93,860 were stopped before they were made.

The value of rogue trading in this case is £455,000.

Giles Ward-Best - Operation Spike

This investigation by the South West Team concerned the activities of Giles Ward-Best, trading as Telecom Protection Service Ltd & others from his base in Bournemouth, selling call blocker devices following a flood of complaints between 2013 and 2015. Consumers claimed they were mis-sold equipment, unable to return faulty devices or unable to cancel within the cancellation period. A considerable number of victims were elderly and often found that their phones were simply not compatible with the call blocker, or the equipment stopped the phone and internet connection from working at all, or when calls could be received, no nuisance calls were stopped.

The defendant's companies claimed that they would compile their own "do not call" lists that would be sent to direct marketing companies and claimed that anyone caught flouting this would be reported to the Information Commissioners Office. The Information Commissioners⁸⁶ confirmed that they had never received any such reports and, following consumer complaints via the official Telephone Preference Service, subsequently investigated Ward Best's activities and imposed a fine of £80,000. The defendant did not pay the fine so the Information Commissioners have begun proceedings to wind Telecom Protection Service Limited up.

Ward-Best was charged with two offences of operating a business for a fraudulent purpose contrary to the Companies Act 2006 and 11 offences against the Consumer Protection from Unfair Trading Regulations 2008. The defendant was sentenced to five years in prison and disqualified from being a director for 10 years, following his conviction at Bournemouth Crown Court. Evidence from debit and credit card use showed that 9,633 transactions had been carried out with a total value of £861,153.

The consumer detriment in this case has been estimated at £961,100.

Adam Coote, Andrew Rickard, Sahila Kauser - Operation Dwelling

In this nationwide letting fraud case, defendants used aliases and made up business names to convince unwitting landlords and tenants that they were running a legitimate enterprise, before taking large deposits and never returning them. In July 2016, all three were sentenced for conspiracy to commit fraud:

- Adam Coote, 36, was imprisoned for 28 months
- Andrew Rickard, 51, received an 18 months term
- Sahila Kauser, 34, received an 18 months' sentence suspended for two years, with 140 hours unpaid work and a 12 months' supervision order.

⁸⁶ BEIS KPI 4biii

Coote had previously served a sentence of four years for fraud after orchestrating a similar scam.

The value of the rogue trading in this case is £350,000.

Martin Sersen, David Hourigan, Richard Brundrett, Matthew Leak, Nicola Brodie and Karen Stocks - Operation Angel

Six people have been imprisoned for their part in unfair trading practices relating to a number of kitchen businesses operated in Oldham, which cost consumers some £2.6 million. The businesses were found to have unlawfully used the B&Q trade mark to mislead consumers and made false claims about the quality of their kitchens, their sales and delivery procedures and the nature of their after sales service.

Between February 2011 and August 2014 more than 1,700 complaints were made to the Citizens Advice Consumer Helpline about businesses operating under a variety of trading names.. Six defendants were prosecuted in a lengthy and complex trial by the Yorkshire and Humber Team.

The Court heard evidence from a sample of more than 300 customers who complained to the Citizens Advice Consumer Helpline. Examples of these complaints include:

- A significant quantity of the kitchen units, components and appliances sold by the business to retail customers were substandard.
- A significant number of kitchens were advertised and/or sold to customers as being 'last year's' B&Q stock when this was not so.
- Much of the internet advertising used by the business was misleading.
- Customers were required to pay cash (or banker's draft) without any proper opportunity to check the kitchens.
- Calls to 'customer service' lines and other forms of correspondence often went unanswered or were put onto continuous hold, cut off or rudely rebuffed.
- Customers who embarked upon legal action found further obstructions thrown in their way and judgements, when obtained, were often ignored or found to be impossible to enforce.
- Some customers were falsely told that they were purchasing high quality German-made appliances such as 'Neff' but were then supplied with cheap, Chinese-made appliances that came with a worthless guarantee and a helpline telephone number that did not work.
- Fake stories from fictitious customers were planted on the internet to extol the high quality and fantastic service supposedly received from the business names used by the defendants.

Five of the defendants, who pleaded not guilty to all allegations, were acquitted of offences relating to fraud and money laundering but all were convicted of Consumer Protection from Unfair Trading Regulations 2008, Nicola Brodie was also convicted of trade marks offences. All received custodial sentences as follows: Martin Sersen - 15 months; David Alan Hourigan - 18 months; Richard Brundrett - nine months; Matthew James Leak - six months; and Nicola Brodie - 12 months. Karen Stocks, who had pleaded guilty to trademarks and Consumer Protection from Unfair Trading offences at the outset of the trial, was sentenced to nine months.

Vance Miller, whom the defendants claimed was the person behind the businesses, remains at large and is believed to be living abroad. A warrant for his arrest was issued by Magistrates in December 2013.

In sentencing the defendants His Honour Judge Leeming said *"Over the period of offending £2 million had been spent by the defendants to advertise high quality kitchens at bargain prices. Adverts had been placed in various publications using the name B&Q and more widely on the internet, however all contact details lead straight to Maple Mill and the indirect control of Vance Miller. On any view a kitchen was an important purchase for anyone regardless of their financial means. Customers were attracted by reference to such famous names as Moben by the sales representatives and designers, substandard appliances were ordered*

and supplied after the customer heard the word Neff and linked it to the high quality German maker. All defendants must have known that what they were doing by following Vance Miller's instructions was deceptive. Many of them (the customers) were looking forward to receiving an immaculate or their dream kitchen. The reality was far from that. Customers were unable to inspect goods on delivery as they were flat packed and bubble wrapped and phone calls (from customers) were not answered. I've heard weeks of evidence. The kitchens were effectively rubbish".

The consumer detriment in this case amounted to £2.6 million.

Gareth Bryan, Martin Jacks, Tyrone Beard, Marcus Reading, Simon Davies, Michael Sean Sumner, Christopher Russell and Mohammed Zulbair Ditta - Operation Summit

The East Midlands Team collated evidence relating to 97 victims from across the East Midlands, Yorkshire and Cambridgeshire to form the case for the prosecution in relation to building work.

In June, Gareth Bryan and Martin Jacks, both from Nottingham, admitted three counts of fraudulent trading under companies called Premier Roof Coatings, Premier Wall and Drive Coatings and PRC Home Improvements. Bryan also admitted money laundering and concealing criminal property. They were both sentenced to two years' imprisonment suspended for two years.

This followed the sentencing in June 2015 of five other defendants, from Nottinghamshire and West Yorkshire, investigated as part of the operation, who were responsible for similar fraudulent activities trading as Tilesfield Coatings Ltd and Nationwide Roof Coatings Ltd. They were sentenced to a total of 18½ years' imprisonment as follows: Tyrone St John Beard – six years; Marcus Reading – four and a half years; Simon Davies - 18 months; Michael Sean Sumner - 18 months; Christopher Russell - 18 months and Mohammed Zulbair Ditta – three years.

The estimated fraud is £1,319,438 for both groups of defendants.

Martin Marcus – Operation Deception

The Tri Region Team supported Barnet Trading Standards in this investigation into a fraudulent letting agent. The case, which took four years to reach court, investigated the activities of Martin Marcus who fronted a string of letting agencies and used numerous aliases between 2009 and 2015 to pocket £221,000 from more than 60 tenants and landlords, using the proceeds to fund a lavish lifestyle.

The investigation followed a string of complaints from: other lettings agents about lifting photos of properties they were advertising, and then marketing the properties himself; landlords not getting their rents; tenants not getting a property nor their deposit back; tenants being given keys that Marcus had no legal right to be letting; and properties being let out repeatedly, with deposits being taken from multiple tenants for the same property.

The trial in April 2016, at Harrow Crown Court, saw Marcus and four other defendants facing fraud charges whilst his wife was charged with money laundering. After the trial started, Marcus pleaded guilty and the trial continued in relation to the other defendants. After a six week trial and lengthy deliberations, the jury found the remaining defendants not guilty in relation to all charges. Martin Marcus was sentenced to four and a half years' imprisonment after admitting five counts of fraud. Prior to sentencing the court heard impact statements from some of the victims. Many of the victims were vulnerable, on benefits or with English not their first language. Most were desperate to rent and naive as to the potential risks, leaving some without a home and others unable to care for ill relatives.

Consumer detriment in this case is £221,000.

Ian Hadden - Operation Fluorine

The North East Team supported Redcar and Cleveland Borough Council's investigation into a builder who left at least seven families with unfinished homes and thousands of pounds out of pocket. In June 2016, Ian Malcolm Hadden t/a Hadden Loft Conversions and Joinery pleaded guilty to 15 offences under the Consumer Protection from Unfair Trading Regulations 2008. He was sentenced to nine months' imprisonment on each of the 15 offences to run concurrently and suspended for two years and ordered to pay £1000 compensation to each of six complainants.

Consumer detriment in this case is £121,650.

Operation Amber

The Wales Team investigated David Govier, co-director of Get Green Today Ltd, a marketing company that cold-called people to persuade them to have an assessment to make their homes more energy-efficient, claiming to be associated with the government's former Green Deal scheme and conned UK-wide consumers out of £187,000. In November 2015, Govier, following a guilty plea, was sentenced to 12 months in prison for one count of knowingly engaging in commercial practice and distorting behaviour and three counts of engaging in a commercial practice that contained false information under the Consumer Protection from Unfair Trading Regulations 2008. He was also ordered to pay back £28,000 under a Proceeds of Crime action which was completed in April 2016.

The consumer detriment amounted to £187,000.

National Trading Standards Regional Investigation Management Data

General Outcomes	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Total
Number of Operations commenced	3	6	8	5	22
Number of Operations concluded	17	11	11	13	52
Number of Operations concluded where the Teams gave assistance to another Agency	8	8	5	3	24
Number of successful prosecutions	10	4	8	7	29
Number of victims	4,136	631	11,602	444	16,813
Consumer and business detriment avoided through the Investigations Teams' intervention in the above operations (percentage 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	£5,214,462.16	£801,598.00*	£4,135,576.00*	£5,189,924	£15,341,562.16
Number of defendants convicted (imprisonment, suspended sentence, fines, community penalties)	33 ¹	7	13	14	67
Total fines imposed	£2,500.00	0	£2,620.00	0	£5,120.00
Total custodial sentences imposed	17 (36yrs)	4 (8yrs 6m)	8 (32yrs 6m)	9 (29yrs 2m)	38 (106 yrs 2m)
Total suspended sentences imposed	11 (17yrs 9m)	2 (2yrs 6m)	4 (5yrs 2m)	4 (4yrs 2m)	21 (29yrs 7m)
Community service penalties	4 (650 hrs)	3 (470 hrs)	4 (780 hrs)	2 (390 hrs)	13
Other penalties	-	-	-	-	17
Written warnings	1	1	-	1	-
Simple caution	3 (2 x 5yrs + 1 x 6yrs)	-	-	-	-
Ban on becoming a company director	-	-	4 (1 x 8yrs + 1 x 10yrs + 2 x 5yrs)	4 (1 x 7yrs + 1 x 9yrs + 1 x 10yrs + 1 x 6yrs)	-
Curfews	2 (8pm-6am)	-	1 (9pm-5am)	-	-
Compensation awards to victims (*to be paid from POCA confiscation)	£200,306.00	£190,800	£43,847.64	£30,400	£465,353.64
Court costs awarded	£21,200.00	£1,000.00	-	£310,000	£332,200
Enterprise Act Undertakings	-	-	-	-	-
Enterprise Act Orders	-	-	-	-	-
POCA Confiscation awards (Imprisonment in default)	8 (£1,398,048)	1 (£1,500)	2 (£15,293.64)	3 (£204,424)	14 (£1,619,265.64)
Publicity (includes press releases issued, TV, Radio, Article Local news items)	Features on BBC's Fake Britain and filming a documentary	Several features on BBC's Fake Britain & cases reported in newspapers	Press coverage and BBC's Points West	Features on ITN, and BBC's Fake Britain & Rip Off Britain, Ch. 5 Hunted & Confronted, & cases reported in newspapers	

*Figures corrected as updated since quarters 2 & 3.

Table 4 - National Trading Standards Investigations Teams' Management Data

Chapter 8 - National Trading Standards eCrime Team

8.1 Background

The Board commissions the provision of the NTS eCrime Team (Digital Evidence Unit and associated investigations) via the Yorkshire and Humber Trading Standards Group. The eCrime and Investigations Teams Governance Group meets quarterly to provide oversight of the work.

8.2 Overview

The Team has been working on 12 active cases throughout the year. The team has eight active investigations⁸⁷ including three copycat website cases, one “there are faults on your computer” scam case, and a breakout fraud case where internet traders have failed to supply electrical goods, with 800 victims and an estimated consumer detriment of £500k. The Team is also investigating an on-line lettings agency scam, with consumer detriment of £120k, and a case where the suspects are operating a bogus recruitment and DBS checking service. They have targeted at least 600 vulnerable people seeking low skilled jobs. One suspect has previously been prosecuted by the Team for on-line fraud.

One of the copycat website trials starts in early April, whilst final preparations continue for another trial which is scheduled to start in summer 2017/18. Both of these are large complex cases with multi week trials and multiple defendants⁸⁸.

Five cases have been closed this year. Two cases were determined by simple cautions and one by a warning letter re lack of cancellation rights. One was passed back to the local authority. Operation Horace concluded with two convictions, detailed below.

Following conviction in Operation Toto, in 2015/16, for Business Protection from Misleading Marketing Regulations 2008 offences, the Team are following up Proceeds of Crime confiscation proceedings.

The third and fourth phases of Operation Jasper⁸⁹ took place this year. The work programme for secondary ticketing has been finalised and further work to support academic research into online intellectual property infringement has been carried out.

8.3 Online content and web site takedowns:

During the year the Team has worked to formalise the process for having payment services suspended⁹⁰ or removed from suspected scam websites and have been in discussion with Citizens Advice as to how they can assist with the process.

The Team successfully trialled an automated process to identify suspected scam accounts. This resulted in over 500 Twitter accounts being taken down. The Team continued to collate information for a further phase of takedowns.

⁸⁷ BEIS KPI 2aiii

⁸⁸ BEIS KPI 3fi

⁸⁹ BEIS KPI 4ai

⁹⁰ BEIS KPI 4biii

In the latter part of this year, the Team has dealt with a similar Microsoft “tech support” scam where a significant number of websites and Twitter accounts linked to the scam were identified. The Team has continued to collate intelligence and consumer reports. Consumers were being duped into paying for unnecessary technical support services by companies purporting to represent major printer manufacturers (Epson, HP etc.). The companies appear to be operating out of call centres based in India. Consumers would contact the call centres after having found the telephone number when doing an internet search. The consumer would be presented with an official looking technical support website that claimed to resolve problems with their model of printer. Over 140 websites were linked to the scams which were submitted for domain suspension and/or take down by the relevant domain registries and hosting companies⁹¹. A number of UK Freephone numbers linked to the scam were also disabled.

8.4 Economic and Social Research Council

Work continues with Teesside University on research into the financial and distribution networks associated with the online sale of counterfeit goods⁹². The aim of the research is to identify the physical and monetary supply chains for products that are ultimately sold to UK consumers through e-commerce sites and on social media platforms. A number of Trading Standards teams, along with colleagues from the Police Intellectual Property Crime Unit Anti-Counterfeiting Group and Intellectual Property Office have been interviewed. The Team is grateful to those that have supported this work to date. It is anticipated this initial research will form the basis of a further submission for funding of a more detailed piece of research to be carried out.

8.5 European Union e-Enforcement Expert Group and European Consumer Centres

Work has continued with colleagues from consumer protection agencies across the European Union⁹³ in an effort to provide a co-ordinated response to the ongoing challenge of subscription based scams (subscription traps). One area where the Team has made considerable progress, in the latter part of the year, is in pushing for a greater emphasis on payment service providers to better prevent consumers being inadvertently caught in a subscription trap.

As a result, proposals have been included as part of the Payment Services Directive II which would require payment service providers to seek explicit pre-authorisation from the consumer before the first payment in a series. The authorisation would require them to clearly set out the payment terms to be agreed between the consumer and the trader. This would most likely be by way of a text message or similar. Without the consumer's consent, the payment services provider could not then authorise the payment to the trader. This is a significant step forward.

The Team contributed feedback on the draft version of the Directive, which they provided by way of the e-Enforcement Expert Group and European Consumer Centres.

8.6 National Markets Group and Operation Jasper⁹⁴

Subsequent to the first two phases of Operation Jasper that took place in 2015-16, phase three took place in June 2016 and phase four in the last quarter of 2016-17. Overall, the consensus amongst partners was that

⁹¹ BEIS KPI 4biii

⁹² BEIS KPI 2aii

⁹³ BEIS KPI 4biii

⁹⁴ BEIS KPI 4ai and 4biii

Operation Jasper continues to deliver a worthwhile and successful work programme to tackle the sale of counterfeit and unsafe products on social media.

Whilst the Team continues to target individual sellers on Facebook and Instagram, the latest phase of the operation grew to cover other larger traders identified as part of the supply chain. As a result, two large operations were led by Swansea and Walsall Trading Standards. Swansea Trading Standards targeted several commercial vehicles on the M5 identified from previous analysis of Automatic Number Plate Recognition camera records. Walsall Trading Standards targeted a number of traders in connection with Bescot Market. The two operations netted thousands of counterfeit items with a value of several million pounds. The items included potentially unsafe electrical and cosmetic products. A further 20 operations against individual Facebook and Instagram traders are also underway.

As a result, phase five of Operation Jasper will look to further develop the work to tackle traders who are supplying Facebook sellers. The Team anticipate a greater focus on “buy and sell” pages and Facebook Marketplace.

8.7 Competition and Markets Authority and secondary ticketing⁹⁵

During the second half of the year, the Team has worked with the CMA to tackle secondary ticketing platforms as part of the Consumer Protection Partnership. This is detailed in an earlier part of this report.

8.8 Digital Evidence Forensic Support

The Digital Evidence Unit has continued to work on national investigations throughout the year providing:

- Forensic work in support of 28 local authority, eCrime or Investigations Teams led investigations⁹⁶
- Checked 88 PCs, 95 mobile phones and 183 other devices submitted for forensic examination
- Taken down more than 180 websites

Recent cases include investigations being run by North East Lincolnshire, Cambridgeshire and Caerphilly. They have checked 13 PCs, 18 mobile phones and 21 other devices (iPads, memory sticks etc.) submitted for forensic examination.

This year the Team has worked towards achieving ISO 17025 accreditation for the Digital Evidence Unit. This is a standard that all digital evidence labs will be expected to achieve from October 2017 onwards. The lab has fully embedded a new workflow, case management and exhibit handling system. This is the next phase to achieve ISO 17025 accreditation. In due course, this will allow the Team to publish information on the secure area of the eCrime Team’s web site that will provide an update on the progress of cases and exhibits submitted to the forensic lab for processing.

8.9 Training and equipment provision (maintaining local capability)⁹⁷

Throughout the year, the Team has worked on filming and editing the content for the intermediate internet investigation e-learning modules. Final versions of these modules are almost complete. It is anticipated that the training will be made available in the first quarter of 2017/18.

⁹⁵ BEIS KPI 4bii

⁹⁶ BEIS KPI 4ai

⁹⁷ BEIS KPI 4ai

The Social Media and Open Source course content is being refined. Publication of this course has been slightly delayed and it is expected that the training will be available in summer 2017/18.

Initial work is underway to produce a hard copy internet investigations manual to support both the basic and intermediate internet investigations e-learning modules. It is provisionally planned to publish the manual in summer 2017/18.

8.10 Communications

The Team continues to proactively develop its media presence, particularly online. This once again increased. The Team's social media activity for 2016/17 amounts to:

- 3,568 tweets
- 11,300 re-tweets
- 2,956,000 impressions (this is how many people would have seen the eCrime Team's original tweets altogether)
- 2,782 people "favourited" the team's tweets
- 11,000 links posted were clicked through to read that content
- 55,498 unique visitors have viewed pages on the website

The Team were featured on BBC's *Inside Out* in relation to Operation Jasper. The same feature was also covered on BBC Radio in Sussex, Surrey, Kent and York. The Team has also filmed a piece for BBC's *Fake Britain* which will be broadcast later in 2017.

The Team's work featured in a further 15 print and online media sources, including the BBC web site, *The Times*, *Daily Mail*, *Daily Mirror*, *The Sun*, *Computer Weekly* and *Good Housekeeping*.

8.11 Completed Cases

Ramiro Depass - Operation Horace

Over 100 complaints concerning an on-line Blue Badge scam were made to the Citizens Advice and Action Fraud helplines over an eight-month period in 2015/16, triggering an investigation by Team.

The scheme worked by diverting those searching online for Blue Badges to apply via a copycat website operated by Impetus Solutions Limited and the sole company director, Ramiro Rohan Depass. Disabled drivers were charged £49 for these non-existent badges, which are normally bought from the local council for £10. Badges were never issued. Many of the victims identified would be classed as vulnerable.

Depass pleaded guilty to misleading consumers, contrary to the Consumer Protection from Unfair Trading Regulations 2008. He was fined £1,230, ordered to pay £5,139 compensation to 102 of his victims, and pay prosecution costs of £4,847.37 and a victim surcharge to the Court of £120. Impetus Solutions were fined a further £4,000 with a victim surcharge of £120.

8.12 Ongoing Cases

The Team has a range of ongoing investigations including:

- UK consumers targeted by call centres in India to fix supposed problems with their home computer. Consumers are pressured into purchasing expensive and unnecessary annual support packages.
- A series of websites that had been offering various electrical goods for sale (TVs, digital cameras etc.). Analysis of complaints suggests that consumers did not receive the exact product they ordered or, in many cases, they received no goods at all. Over 800 consumers appear to have been affected by the websites.
- The operation of a 'copycat' passport website and a series of other misleading (although not 'copycat') websites.
- Investigations into two companies operating so called 'copycat' websites. The sites purport to offer assistance with services such as passport applications, driving test bookings, self-assessment tax returns and payment of the London congestion charge.
- Several individuals running websites offering bogus recruitment and DBS checking services. Over 600 victims have been identified so far, with aggravating factors, as many of the victims are vulnerable people seeking low skilled jobs.

National Trading Standards eCrime Management Data

General Outcomes	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Total
No. of eCrime Team operations commenced	3	1	1	0	5
No. of eCrime Team operations concluded	1	1	2	1	5
No. of operations where the eCrime Team gave assistance to another local authority/agency	7	9	6	8	30
Estimated Potential fraud uncovered	£150,000	£320,000	£300,000	£250,000	£1,020,000
Enforcement Outcomes of eCrime Team Operations					
No. of defendants convicted	0	0	0	2	2
Total fines imposed	0	0	0	£5,230	£5,230
Total custodial sentences imposed	0	0	0	0	0
Total suspended sentences imposed	0	0	0	0	0
Community service penalties Unpaid community work	0	0	0	0	0
Other penalties Simple caution	2	1	0	0	3
Disruptive activity/intervention	0	0	0	0	0
Compensation awarded to victims	0	0	0	£5,139	£5,139
Court costs awarded	0	0	0	£4,847	£4,847
POCA confiscation awards	0	0	0	0	0

Table 5 – NTS e-Crime Team Management Data

Chapter 9 - National Trading Standards Safety at Ports and Borders

9.1 Background

For 2016/17, NTS commissioned work at the following ports and borders: Southampton, Felixstowe, Tilbury Docks and London Gateway, Heathrow, East Midlands, Manchester and Stansted airports, and the two postal hubs at Coventry and Langley; all of which are now fully operational. Intelligence and referrals were provided to all ports and borders except Stansted and East Midlands by the NTS Single Point of Contact unit based in Suffolk with the seconded Border Force Officer based at East Midlands Airport providing referrals from the Anti-Smuggling Net to Stansted and East Midlands⁹⁸. The work is overseen by the NTS Ports and Borders Governance Group.

Further information from the three main areas of activity is detailed below (Suffolk, Southampton and the Single Point of Contact) as these have the highest level of risk and funds. However case studies and statistics are supplied that cover the work at all the NTS funded ports and borders. NTS is as always grateful to all the inland authorities⁹⁹ who so often make the vital link in the chain of custody for imported goods checked at the border. They assist in ensuring the goods do not re-enter the supply chain and often can then work with their business to try to ensure future compliance. Without this vital work, NTS would not have the impact it has on product safety in the UK.

9.2 Border Force Seconded Officer at East Midlands Airport¹⁰⁰

The seconded Border Force officer¹⁰¹ who targets and selects consignments for Trading Standards from the Anti-Smuggling Net moved across to the Fast Parcel Targeting Team within UK Border Force in quarter one of this year. This move was in response to the need for NTS to have wider access to UK Border Force operational systems and in order to increase resilience in the seconded officer's absence. This also meant that other members of the targeting team were able to make referrals and the wider targeting team have been able to maintain service provision to both Leicestershire and Essex Trading Standards during periods of leave taken by the Border Force secondment.

The volume of referrals to Leicestershire Trading Standards is controlled through liaison with Border Force. This planning enables the Trading Standards team to respond to all of the referrals and examine all of the consignments concerned.

The operational teams were able to intercept a wide range of non-compliant and unsafe products throughout the year which would otherwise have found their way into the supply chain.

Leicestershire Trading Standards has overhauled its database recording to remove the need for double entry of data for different purposes and to enable full remote out of office recording during examinations at East Midlands Airport. This means officers no longer need to record data on a separate Excel spread sheet in addition to the team's database recording, and all data is now recorded solely on the database at the port. The database is now configured to enable reporting to NTS and the Single Point of Contact.

⁹⁸ BEIS KPI 4ai

⁹⁹ BEIS KPI 4ai

¹⁰⁰ BEIS KPI 3ev

¹⁰¹ BEIS KPI 4bii

An electrical portable appliance tester was purchased to carry out increased screen testing, and reduce laboratory testing costs.

9.3 Single Point of Contact¹⁰²

Emerging trends and threats identified by the Single Point of Contact Team this year include: an increase in businesses with directors based outside the country; an increase in importers who do not have a dedicated web presence, largely because they are internet based sellers; a clear increase in the number of importers who, given the range and diversity of the products they import, could be said to be operating under a fulfilment house business model and continuing threats from unsafe hover boards.

The steel project carried out this year by the Team was very successful in providing the Department for Communities and Local Government¹⁰³ and BEIS with data and information to inform parliamentary questions and Government discussions with UK steel manufacturers¹⁰⁴.

Throughout this year the Team has continued to make an important contribution to the One Government at the Border¹⁰⁵ project, particularly the data pipeline work stream. However due to the BREXIT discussions this project has now been put on hold and key issues will be picked up by the newly formed Border Planning Group.

The Team supported more than six pieces of proactive work for the Health and Safety Executive¹⁰⁶ including those relating to timber, asbestos, Intense Pulsed Light machines and fans. Information obtained by the Team also enabled the identification and targeting of consignments of fireworks in this year's joint project.

In the summer, the jewellery project, initiated and managed by the Team, identified 33% failure rates from the 60 samples. Some samples had over 6,500 times the permitted level of cadmium and some more than 300 times the permitted level of lead.

This year, the Team has developed and commenced work with HMRC¹⁰⁷ Common Freight Simplified Procedures/Customs International Trade Excise team to identify the nature and extent of the risks associated with use created by the Common Freight Simplified Procedures and Authorised Economic Operator systems.

The Team is also working with the HMRC National Clearance Hub to carry out a 'light-touch' review of the process introduced in 2015 for importers to send documentation direct to the Single Point of Contact rather than via the National Clearance Hub.

The Team continued to provide support to other Market Surveillance Authorities¹⁰⁸ in the legislative areas of timber, eco-design and energy labelling, machinery, biocides and pesticides and the registration, evaluation and restriction of chemicals.

Throughout the year the Team has worked on the Advanced Freight Targeting Capability pilot at maritime border points. A full evaluation will be presented to the NTS Board in due course¹⁰⁹.

¹⁰² BEIS KPI 3ev

¹⁰³ BEIS KPI 4biii

¹⁰⁴ BEIS KPI 2aii

¹⁰⁵ BEIS KPI 4biii

¹⁰⁶ BEIS KPI 4biii

¹⁰⁷ BEIS KPI 4biii

¹⁰⁸ BEIS KPI 4biii

¹⁰⁹ BEIS KPI 2aii

In the autumn, as part of the Single Point of Contact led market surveillance project, a total of 211,952 sunglasses were assessed, of which 10,200 (5%) were unsafe and 155,453 (73%) were non-compliant.

By way of potential new products and safety threats, the following products were assessed as unsafe during the latter part of 2016/17: baby monitor, car jump set, wireless doorbell, projector, dog training collar, action camera, facial steamer and ride on motorbike.

9.4 Suffolk Trading Standards Work at Felixstowe

Throughout the year the Suffolk Trading Standards Team at Felixstowe faced increasing challenges from businesses where there is no identifiable entity within the European Union to take responsibility for the compliance of goods. In addition, the Team saw more consignments being entered for free circulation at Felixstowe for delivery in other European Union Member States, sometimes where there is no consignee/importer to take responsibility for dealing with non-compliances.

Problems of managing goods destined for fulfilment houses take up the majority of the Team's time, with businesses now stating that they will no longer manage non-compliances at their storage locations.

The Team has worked with the Single Point of Contact, UK Border Force Freight Targeting Team and other Trading Standards border authorities to pilot use of the Advanced Freight Targeting Capability System alongside the Customs Handling of Import and Export Freight system.

In the last quarter, 25 requests for feedback from inland authorities were issued with a response rate of 80%. This is much improved and is up from the 54% in quarter three. 100% of these respondents took some form of action with 45% of referrals resulting in the destruction of the consignment while a further 30% of product categories referred were returned to the point of origin.

All nine consignments of self-balancing scooters examined in the summer contained unsafe products, which demonstrates a continuing safety concern.

The joint compressor project with the Health and Safety Executive¹¹⁰ was completed in the spring of 2016 and showed an increase in levels of non-compliance compared with the previous project. Ten samples were submitted for testing of which five were unsafe and five non-compliant.

This year the Team supported an EETSA¹¹¹ project assessing levels of Chromium VI in gloves.

The Team is contributing positively to work related to fireworks through attendance at the Fireworks Enforcement Liaison Group and representing the UK at the Pyrotechnics European Administrative Cooperation Group¹¹².

The joint fireworks border project with the Health and Safety Executive and the Health and Safety Laboratory¹¹³ showed very high levels of compliance with only two products having major faults. However, no importer was able to show a Declaration of Conformity upon request.

¹¹⁰ BEIS KPI 4biii

¹¹¹ BEIS KPI 4ai

¹¹² BEIS KPI 4biii

¹¹³ BEIS KPI 4biii

9.5 Trading Standards South East (TSSE) work at Southampton and External Temporary Storage Facilities

During the year, Southampton and the Single Point of Contact continued to discuss the best approach to containers arriving through the Port of Southampton for delivery to a specific fulfilment house. For purely practical aspect the facilities at Southampton do not permit full turnouts and the lack of labelling other than barcodes on external packaging effectively prevents any meaningful targeted examination.

Outer packaging marked solely with barcodes is a potentially increasing problem that has been seen this year. Without access to the appropriately programmed barcode reader officers are reduced to randomly opening packages. This is costly in terms of officer time and the damage to packaging presents a cost to business. Should this trend become established it will be imperative to develop a relationship with fulfilment house operators and relevant local authorities to deliver interventions at a point where barcode readers are available.

Southampton hosted senior central government officers from Turkmenistan as part of British Standards Institute¹¹⁴ consultancy work on improving market surveillance at border points. This enables the Turkmenistan government to explore options to deliver their own controls and to more fully understand the European Union/UK market surveillance regimes. Providing information at contrasting levels including strategic, policy and technical, usefully challenges Southampton officers to improve understanding of the market surveillance objectives and procedures.

9.6 Case Studies

This does not represent details of all unsafe products found. These are examples used to highlight the breadth and nature of work carried out.

Medicines

A consignment of skin numbing products was referred to Leicestershire Trading Standards at East Midlands Airport by Border Force. The Team considered that legal requirements may be covered by the Medicines and Healthcare Regulatory Agency so they were contacted and subsequently confirmed that the products were a medicine. This meant that the products needed to be licenced before supply. In addition, other labeling breaches were found. The detained products were passed to the Medicines and Healthcare Regulatory Agency¹¹⁵. The invoice with the consignment stated that the products had a value of £30,000.

Cosmetics

In January 2017, a consignment of illegal cosmetic products from China was examined by Essex Border Sheriffs at Stansted Airport, and detained pending destruction. The face 'plumping' cream had been imported by a London-based beauty therapist who wished to diversify their business by branching out into their own range of cosmetics. Unfortunately however the entrepreneur had not done their research and many of the strict legal requirements in place to safeguard consumers from putting unsafe products on their skin had not been complied with. The list of non-compliances is too long to list in full detail, but the breaches of legislation included:

- No third party cosmetic product safety assessment of the night cream by a toxicologist or pharmacist.
- No evidence that the product had been made according to principles of good manufacturing practice.
- No traceability by way of a name and address of a responsible person in the European Union, and by not having any batch identification or best before date

¹¹⁴ BEIS KPI 4biii

¹¹⁵ BEIS KPI 4biii

- Some of the ingredients were not being readily identifiable
- Packaging was printed with a CE European conformity mark, which is an irrelevance for this type of product, and potentially misleading by implying an approval that the product does not have
- The formulation included a banned preservative

The out-of-pocket importer has now been put in touch with their local Trading Standards service¹¹⁶ in London so that they can receive further advice on how to get it right in the future.

Warwickshire Trading Standards identified a package containing illegal skin lightening creams at the Coventry Postal Hub that was destined for a premises in Thurrock. The items were seized and the local Trading Standards service was advised. They identified a grocery store being operated from that premises with the illegal items on sale. A number of skin lightening creams containing hydroquinone and mercury were seized. They also found some African bitters on which the importer had evaded duty. They are now¹¹⁷ in the process of conducting a formal investigation with a view to taking legal proceedings against the trader.

Warwickshire Trading Standards identified a batch of 50 teeth whitening products with the highest level of hydrogen peroxide ever seen by the Team, a massive 35%, and prevented these from being distributed by an importer in South Ayrshire.

Insecticide

In February 2017, Essex Border Sheriffs were contacted by local UK Border Force at Stansted Airport who had opened a package described on the official import documents as 'used geography books'. In fact the parcel contained insect killing strips with the active ingredient dichlorvos, a chemical which has been banned for use in the European Union since November 2012. The illegal fly-killing products were manufactured and sent from the USA. Border Force lacked the power to deal with this consignment of dangerous biocides, and following a conversation between the Health and Safety Executive and Trading Standards, the Essex Border Sheriffs decided they were best placed to detain and prevent these banned products from entering the market. As the packaging made it clear that the product was intended for domestic use against flying and crawling insects, Trading Standards were the competent authority under biocides legislation. The question was then, how to safely dispose of it. There are limited options for destruction of such chemical-based products, incineration at high temperature was recommended. Fortunately in an excellent example of partnership working, Border Force¹¹⁸ agreed that if the Border Sheriffs used their powers to detain the products they would arrange for their incineration along with various seized drugs that they had recovered from the airport. The importer was based at a private address in Flintshire, so it's likely that these pesticides would have been sold on one of the large online retail sites.

Electrical

In March 2017, the Single Point of Contact referred a consignment of mobile phone chargers imported from China by a company based in Manchester to Thurrock Trading Standards. Previous consignments from the importer had been non-compliant. Officers sampled three products and had concerns about the pin dimensions on one of the chargers. The container was held pending test results which later showed that two of the chargers were unsafe. 20,700 units were destroyed at the border. Interestingly, the importer was first discovered in January 2016 during manifest searches. This is a good example of how manifest searches can help to identify high risk importers for Single Point of Contact profiling.

¹¹⁶ BEIS KPI 4ai

¹¹⁷ BEIS KPI 4ai

¹¹⁸ BEIS KPI 4biii

The Single Point of Contact referred a consignment of LED floodlights to Thurrock Trading Standards. These were imported from China by a high risk importer known to use fulfillment houses. Officers sampled one product and identified a number of non-compliances. They found the import declaration was inaccurate and there were in fact several models of LED floodlight in the container. Samples were submitted for testing and found to pose a serious risk, so the consignment was refused entry under the regulation on accreditation and market surveillance. Over 6,500 units will now be destroyed by the importer.

At Heathrow airport, several consignments of LEDs were identified, all originating from the same address in China and destined for an address in southern England. All the LEDs were non-conforming in terms of labelling. Due to this and the lack of supporting test documentation the decision was made to submit several samples for testing. 30% failed due to a lack of information for rated frequency, rated power shown on the items and the breakdown isolation not meeting the insulation requirements. After discussion, the importers requested release with a view to modification by a company in Leicestershire. Leicestershire Trading Standards¹¹⁹ confirmed that the company could only destroy or export back to origin and had no capacity for modification. Following an influx for the same importer address and branded LEDs during February and March a decision was made to seize the non-conforming goods at the border with a view to destruction. The importers voluntarily forfeited approximately 1000 items including LEDs, power adapters and facial steamers, with an approximate total value of £31,000.

A consignment was referred to the Suffolk imports team at Felixstowe from the Single Point of Contact. Five different types of plugs and adapters were sampled from the consignment. The Team worked in conjunction with North Tyneside Trading Standards¹²⁰ to ensure that the importer was contacted and that any potentially unsafe and non-compliant items were identified and dealt with accordingly. The importer decided that the goods could not be brought into compliance and decided to destroy the goods at the border. A total of 41 cartons of plugs and adapters were destroyed which contained approximately 2050 individual items.

In February 2017, a consignment of electrical items was imported through Manchester Airport by a business outside of the Manchester area. One sample of a charger was taken and the consignment was subsequently released to the importer. The charger was sent to the test laboratory for examination and was found to be unsafe. This was referred to the home authority of the importer. They have since advised that they were unaware of the company and carried out an inspection as a result of the referral. They had already taken action upon receiving a letter from Manchester Trading Standards and the remaining stock had been quarantined. Advice has been given by the home authority and the importer has been added to their high risk inspection list.

At Southampton, UK Border Force reported a container which had triggered their intervention following an X-Ray scan based on intelligence. The X-Ray showed a significant variation in density through a section within the container. On full turnout this transpired to be a shipment of hover boards rather than the expected tobacco. These items were non-compliant, certification was absent and protracted discussions with the consignee ensued.

In May 2016, approximately 300 stun guns were intercepted at Felixstowe following a Single Point of Contact referral. Customs seized the Stun guns from the consignment and the matter was quickly escalated to the National Crime Agency¹²¹. In addition, the consignment contained 200 hair straighteners and 560 hair dryers that were tested as unsafe with 1800 LED headlamps being non-compliant. The consignment was destined for Italy so information was reported to the Italian authorities.

¹¹⁹ BEIS KPI 4ai

¹²⁰ BEIS KPI 4ai

¹²¹ BEIS KPI 4biii

In June 2016, a company based in West London imported a consignment of electric scooters, inspected by Thurrock Trading Standards. With an original folding design and a top speed of 25km/h, this is the first time these scooters have been seen at our ports. They are similar to hoverboards as they are fitted with a lithium battery and supplied with a dangerous charger. The scooters should comply with the Machinery Directive but were non-compliant and posed a serious risk of electric shock. Thurrock officers oversaw the destruction of this product.

At East Midlands Airport, 200 chargers branded as 'Apple' were detained and the chargers failed the gauge test, and the pins also failed as they were too close to the periphery of the plug. The importer was notified of the failures and detention, and agreed to forfeit the items which were then destroyed/recycled. The inland Trading Standards authority was notified of the seizure.

Personal Protective Equipment

Suffolk Trading Standards at Felixstowe discovered a previously unknown importer bringing in grow room lenses (declared as sunglasses) to be used in hydroponics. Essentially these protect eyes from the glare of the LEDs used in a 'grow room'. Labelling on the product stated protection from glare, other supplier's websites claimed infra-red and ultra violet protection. The importer originally made them as a marketing tool but demand was so high they decided to sell them. They had not considered that these might be personal protective equipment as the items were not European conformity (CE) marked and they could not provide any evidence of assessment against personal protective equipment requirements. The importer is now being advised by their local Trading Standards service¹²².

Toys

Buckinghamshire and Surrey Trading Standards identified a baby gym that failed the security test for small parts. This included facial features which fitted into the truncated cylinder, which together with some loose small parts presented a choking hazard. The importer of this product was based outside of the UK, an increasingly common occurrence, which poses further challenges.

A consignment of toys, party goods and child swimming aids were detained at East Midlands Airport as there was no safety labelling. A referral was made to the inland Trading Standards authority and they visited the business as it was unknown to them. It was found that the business was a new fulfilment house, and had 25 Chinese based clients. The inland authority found a number of returned hover boards in the warehouse and seized these along with toys. The authority¹²³ will be working further with the business to address the issues found to prevent unsafe items reaching the market.

Suffolk Trading Standards Team at Felixstowe examined a container full of toys for a UK based garden centre. A number of 'Marvel' branded items were examined. In total 40 cartons equating to 1,920 items were referred to UK Border Force who seized them. The brand holder confirmed the items as counterfeit and advised a total detriment of £57,600. The importer identified in the cartons agreed to the items being destroyed.

Hillingdon submitted a sample of LED balloons for test. The balloons failed toy safety regulations as the mini lithium cell battery could be easily removed from the battery compartment presenting choking and ingestion hazard. There were 1000 of these.

In May 2016, a company based in North London imported a consignment of 1,500 plush toys inspected by Thurrock Trading Standards at the external storage facility at Tilbury. Officers sampled two products and found that both were not marked with required information such as European conformity (CE) marking,

¹²² BEIS KPI 4ai

¹²³ BEIS KPI 4ai

manufacturer's details, batch number and age warning. Samples were submitted for testing and one of the products, a monkey plush toy, failed a seam tension test and released a filling material which poses a choking hazard to small children. All 956 units were destroyed under the supervision of the home authority¹²⁴. The whale plush toy was ordered to be re-labelled prior to sale.

Mixed Consignments

In January 2017 a consignment of sunglasses and jewellery was imported via Manchester Airport by a business known to Manchester Trading Standards¹²⁵. This business had previously imported unsafe jewellery into Manchester from China. Sunglasses and jewellery were sent to a test laboratory for examination and the sunglasses failed on labelling requirements. These were subsequently destroyed by the company. A meeting has since been held with the company and all matters have been addressed. The jewellery sampled was found to be compliant, thus showing the previous issues raised had been addressed by the company.

The Single Point of Contact Team referred a consignment to Suffolk Trading Standards which was identified as containing 576 unlicensed medicines and 46 unsafe incense burners. The 'Itch Relief Cream' was referred onto the Medicines and Healthcare Products Regulatory Agency. Their test report identified that the cream contained eight times the permitted level of Clotrimazole. The referral is now the subject of a Medicines and Healthcare Products Regulatory Agency investigation. The test report for the incense burners identified a wide range of non-compliances which made the product highly dangerous, including access to live parts, risks of the element touching metal parts, exposed conductors having contact with metal parts, no means of cord anchorage, dangerous fuse. The department is waiting to hear the outcome of the referral to Birmingham Trading Standards¹²⁶, as the Home Authority, who have agreed to follow up with the importer.

¹²⁴ BEIS KPI 4ai

¹²⁵ BEIS KPI 4ai

¹²⁶ BEIS KPI 4ai

National Trading Standards Safety at Ports Management Data

	Apr – Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Total
	Number ; %; Monetary Value ¹²⁷	Number ; %; Monetary Value	Number ; %; Monetary Value	Number ; %; Monetary Value	Number ; %; Monetary Value
Samples Received					
TSSE	48	69	75	72	264
SUFFOLK	139	122	77	113	451
OTHER ¹²⁸	108	229	113	160	610
Compliant					
TSSE	5; 10%	6; 9%	15; 20%	11; 15%	37; 14%
SUFFOLK	23; 17%	24; 20%	24; 31%	17; 15%	88; 20%
OTHER	13; 12%	52; 23%	19; 17%	16; 10%	100; 16%
Non-Compliant					
TSSE	24; 50%	40; 58%	37; 49%	51; 71%	152; 58%
SUFFOLK	61; 44%	33; 27%	27; 35%	49; 43%	170; 38%
OTHER	40; 37%	83; 36%	46; 41%	75; 47%	244; 40%
Unsafe					
TSSE	19; 40%	23; 33%	23; 31%	10; 14%	75; 28%
SUFFOLK	55; 40%	65; 53%	26; 34%	47; 42%	193; 43%
OTHER	55; 51%	94; 41%	48; 42%	69; 43%	266; 44%
Total non-compliant and unsafe samples					
TSSE	43; 90%	63; 91%	60; 80%	61; 85%	227; 86%
SUFFOLK	116; 83%	98; 80%	53; 69%	96; 85%	363; 80%
OTHER	95; 88%	177; 77%	94; 83%	144; 90%	510; 84%
Unsafe items prevented from entering the supply chain (seized, forfeited, returned to point of origin).					
TSSE	7,495; (£231,970)	18,630; (£576,599)	13,410; (£415,040)	1,827; (£56,546)	41,362; (£1,280,154)
SUFFOLK	60,252; (£1,864,799)	102,664; (£3,177,451)	30,493; (£943,758)	134,623; (£4,166,582)	328,032; (£10,152,590)
OTHER	51,625; (£1,597,794)	40,350; (£1,248,833)	33,974; (£1,051,495)	54,332; (£1,681,575)	180,281; (£5,579,697)

¹²⁷ Calculated on Matrix Figure of £30.80 as per its independent report in 2014, plus inflationary increase based on Office for National Statistics Official Consumer Price Index Figures Apr 14–Mar 15; 0%; Apr 15-Mar 16 0.5% (£30.95). Figures not released until May each year so quarter 1 figures amended at quarter 2 each year to reflect this.

¹²⁸ These figures do not contain any data from Hillingdon in quarter 4.

Non-compliant items identified, held or reworked					
TSSE	132,311; (£4,095,025)	188,184; (£5,824,295)	148,075 (£4,582,921)	495,661; (£15,340,708)	964,231; (£29,842,949)
SUFFOLK	263,857 (£8,166,374)	37,778; (£1,169,229)	33,545; (£1,038,218)	508,304; (£15,732,008)	843,484; (£26,105,829)
OTHER	10,067 (£311,573)	42,935; (£1,328,838)	72,889; (£2,255,915)	47,321; (£1,464,585)	173,212; (£5,360,911)
Total unsafe/non-compliant items prevented from entering supply chain.					
TSSE	139,806; (£4,326,996)	206,814; (£6,400,893)	161,485 (£4,997,961)	497,488; (£15,397,254)	1,005,593; (£31,123,103)
SUFFOLK	324,109 (£10,031,174)	140,442; (£4,346,680)	64,038; (£1,981,976)	642,927; (£19,898,590)	1,171,516 (£36,258,420)
OTHER	61,692 (£1,909,367)	83,285; (£2,577,671)	106,863; (£3,307,410)	101,653; (£3,146,160)	353,493; (£10,940,608)

Table 8 – Safety at Ports Management Data

Overall % unsafe/non-compliant of all samples taken and results received = **83%** (1,100/1,325);

Since 1/4/16, Total monetary value equates to the saving to society of each product taken out of the supply chain calculated at £30.95 (see footnote 13) = **£78,322,132**

	Serious Injury Avoided	Fires Prevented	Lives Saved
Well-Being Detriment ¹²⁹	1,772	1,519	5

Table 9 – well being detriment from NTS Safety at Ports Interventions

¹²⁹ Calculated based on the methodology from the Matrix independent report 2014

Chapter 10 - National Trading Standards Scams Team

10.1 Background

Mass Marketing Scams, which are often targeted specifically at vulnerable or disadvantaged consumers, cause approximately £5-10 billion of detriment to UK consumers. It is estimated that for every £1 of funding received in 2016/17, the Team has saved consumers £50.39.¹³⁰

The NTS Scams Team is commissioned from TSSE and hosted by East Sussex Trading Standards Service. During 2016/17, the work has been overseen by the NTS Central Governance Group.

The Team approaches and enters into a service level agreement with a local Trading Standards service¹³¹ and, capacity allowing, that local authority commits to engaging with the victims identified in their geographical area. In total, the Team has 181 (91%) local authorities signed up, 150 (89%) of which are in England and Wales¹³². The local authorities feed back to the Team at four week intervals, allowing consumer detriment and savings made for the individual, as a result of that intervention, to be measured. Where a local Trading Standards service is unable to support the project then the Team will approach other agencies in the area to try to ensure the victims get the help they need. In 2016/17 there were 3,286 confirmed victims. Despite the reductions in resources at a local level, support for this work remains very high with only two local authorities asking for a reduction in the number of referrals they are willing to take. However The Team has received requests to extend the standard 4 week timescale for feedback to be provided.

10.2 Key Achievements

The Team has achieved some remarkable successes this year, including:

- Identifying more than 3,200 victims;
- Receiving over 123,000 pieces of consumer intelligence (victim lists, single victims)¹³³;
- Completing 268 interventions this year. There is a marked rise in the final quarter due to the rise in Royal Mail opinions and work at Heathrow;
- Encouraging a goods supplier¹³⁴ to cancel a £50k contract once they were aware of the nature of the mail they were facilitating entering the system, resulting in an annual saving of £250k to UK consumers;
- Supporting a Dutch investigation¹³⁵ where intelligence showed one of the company's principals used an aircraft to pick up money in Holland. This led to the US Treasury Department's unprecedented move to block all company property or interests subject to U.S. jurisdiction, while investigations continued, preventing the company from operating, thus disrupting the criminal activity of sending fraudulent mail to UK residents; and
- Investigating a Vancouver-based firm accused of transnational crime/global money laundering, through "mail fraud schemes" for 20 years. One company was processing cheques for over 50 companies suspected of engaging in Mass Marketing Fraud, with one company making over £38 million a year. The Team highlighted this at the International Mass Marketing Working Group meeting in Brussels in October 2015; this led to a profile of the company being built the banks concerned to freeze and close accounts.

¹³⁰ Calculated on £23,099,644.01 predicted and actual savings to consumers divided by the total spend. £23,099,644.01 /£393594.

¹³¹ BEIS KPI 4ai

¹³² Calculated on 200 Local Authorities, 31 in Scotland.

¹³³ BEIS KPI 2aii

¹³⁴ BEIS KPI 4biii

¹³⁵ BEIS KPI 4biii

- Work with the Information Commissioners Office¹³⁶ looking at targeting list brokers in the UK who have been identified as providing repeat victims lists to scammers;
- Worked with Border Force¹³⁷ to obtain a repeat victims lists with around 25,000 names on it. The Team processed this for referral to local authorities¹³⁸;
- Worked with financial institutions and local Trading Standards¹³⁹ to close subscription trap scams;
- Identified numerous companies using a company as a forwarding agent for scam mail. Estimates suggested that in excess of 100,000 mailings a month were coming into the UK from this source. The mailings have now ceased; and
- During the past six months worked with the Royal Mail¹⁴⁰ identifying mail at entry points and the Team has given more than 300 opinions, resulting in 600,000 pieces of mail being returned to sender.

10.3 Research

At the beginning of 2016-17, the Team held a round table event at the Open University offices in Camden that was attended by eight research professionals. It was a valuable opportunity to share the findings of past research and to create links with current and future research within financial scamming. Subsequently the Team attended a workshop based on the beginnings of a research project that then secured substantial funding.

The Team supported Bournemouth University's research into scams and scam victims¹⁴¹ throughout the year. Amongst other things the research aimed to: define a victim; establish the cost of being scammed; determine whether early intervention allowed scam victims to remain independent and living in their homes longer than those with later or no intervention; and develop good practice guides and advice for professionals in the field. The findings have recently been published, in *"Financial Scamming Key Findings - the Value of Early Intervention by Trading Standards"*.

The Team also contributed to a new book that will be launched at the Chartered Trading Standards Institute's Conference in June 2017. The Team also supports, and is cited in, future research proposals for the University and looks forward to continuing this strong partnership.

10.4 Friends Against Scams¹⁴²

Friends Against Scams is a national initiative designed to change people's perceptions of scams and scam victims. Consumers can attend a face-to-face awareness session or complete online learning to learn more about scams and scam victims.

In September, Friends Against Scams won a Counter Fraud Government Award for Excellence in Fraud Awareness. It was recognised for the potential the initiative will have at a local, regional and national level.

Friends Against Scams is now established as a national initiative amongst local authorities and related organisations and the recruited Friends, SCAMchampions, SCAMBassadors reflect this. To date, there have been over 70 awareness sessions around the country which have been hosted by the Friends Against Scams

¹³⁶ BEIS KPI 4biii

¹³⁷ BEIS KPI 4biii

¹³⁸ BEIS KPI 2aii

¹³⁹ BEIS KPI 4ai

¹⁴⁰ BEIS KPI 4biii

¹⁴¹ BEIS KPI 2aii

¹⁴² BEIS KPI 4ai

team, local authorities and independent SCAMchampions. Since the launch, 5,297 Friends have been recruited and discussions are ongoing with several partner organisations.

The development of the SCAMchampion resources and training package has increased the number of SCAMchampions who have been able to run sessions and promote Friends Against Scams in their communities. The impact on the number of SCAMchampions has been considerable and there are now 75 approved and accessing resources but almost 400 who have registered their interest on the website.

The Team is supporting NatWest's¹⁴³ SCAMBassador event in April 2017, which will provide an invaluable opportunity to recruit additional SCAMBassadors and build relationships with the existing 42, who are registered with Friends Against Scams. NatWest continues to drive Friends Against Scams internally and the Friends Against Scams team has been delighted to support a range of events for the bank.

Local authorities have gone from strength to strength and many are confidently running their own successful sessions and recruiting SCAMchampions to continue to spread the message. Local authorities have provided excellent feedback, enabling the development and improvement of resources and procedures surrounding the campaign.

In the last 3 months of the year, there were 33,190 unique visitors to the website this quarter with 1,197,889 hits in total. Website traffic continues to be driven by local authorities and related organisations, making it a priority to advertise the website further.

10.5 Against Scams Partnerships¹⁴⁴

This year the Team has worked alongside two local authorities (East Sussex and the Isle of Wight) to launch Against Scams Partnerships, an initiative to bring key partners together to develop and deliver an action plan to tackle local scams. The East Sussex Against Scams Partnership was launched in March with an initial 29 local partners. The toolkit is in final draft and will be circulated to all local authorities once it is finalised.

Against Scams Partnerships demonstrate that community partnerships are vital in the development of scam free communities. The Team envisages that these types of partnerships can be replicated, with England and Wales becoming "scam free" countries.

10.6 Home Office Joint Task Force

The Team has been asked by the Home Office to co-chair the Victims and Vulnerability or Victims and Susceptibility strand of the Joint Fraud Task Force group¹⁴⁵. This is co-ordinated by the Team and Victim Support Services. The aim is to significantly improve the service that victims of fraud receive and the protections offered to those who may be more susceptible to becoming a victim. The objectives are to:

- Develop a defined multi-agency response for victims of fraud;
- Develop a national roll out of the Banking Protocol;
- Develop and implement a new minimum standard for the treatment of those people who are vulnerable or more susceptible to fraud;
- Improve data sharing between key agencies to better support victims and potential victims;
- Introduce fraud protection measures for bank customers including:
 - caps on the amount payable to new payees

¹⁴³ BEIS KPI 4biii

¹⁴⁴ BEIS KPI 4ai

¹⁴⁵ BEIS KPI 4biii

- notification text messages on particular account activity
- tailored warning messages
- opting out of faster payments
- Consistent approach to victims under the Code of Practice for Victims of Crime (2015).

10.7 Doorstep Crime Project

The Team was allocated funding by the NTG this year to continue the “prevent and protect” work on doorstep crime. This is detailed in Chapter 6.

10.8 The Care Act

The Care Act 2014 puts adult safeguarding on a legal footing. Therefore local authorities have a legal duty to follow up any concerns about either actual or suspected adult abuse or there is a risk of a Safeguarding Adults Review.

S.42 of the Act requires local authorities to make enquires, or ask others to make enquiries, when they think an adult with care and support needs may be at risk of abuse or neglect in their area and to find out what, if any, action may be needed.

The Team currently has over 300,000 confirmed and potential scam victims in its data base. The average age of a scam victim is 75. Scams (letters, phone calls or doorstep crime) are financial abuse, so there is a duty to make enquiries about these identified consumers.

In illustrating the types of abuse, the Act explicitly mentions financial abuse, as this is not commonly understood to be in the scope of abuse. Victims of scams are victims of financial abuse.

10.9 Publicity

This year the Team launched:

- Scams Team Smart Guides - a quick guide to scams and the Team’s work.
- Scams Awareness Month posters - five different posters designed to warn people about phone, mail, internet and doorstep crime; these were very well received by local authorities.
- Scams Team Law Enforcement quarterly bulletin – detailing the Team’s investigative work.

In the summer, the Team supported a Back Bench debate on scams and the impact it has on victims. Many of the MPs attending the event wore their Friends Against Scams badges and shared their SCAMBassador status on social media.

The findings of an independent external review into the NTS Scams Team, commissioned by the NTS Board, and carried out by Rand Europe, were announced, generating considerable media coverage.

This work area is a source of most of the media and journalist enquiries received by NTS. Among many others it featured in the Sunday Times and The Economist in articles concerning vulnerable victims and dementia/mental health concerns. Altogether this year, the Team has featured in more than 40 press articles, 29 radio interviews and three TV appearances. It has 1,785 Twitter followers and 871 Friends Against Scams Twitter followers.

10.10 Royal Mail¹⁴⁶

Following on from the Daily Mail coverage the Team was invited to meet the Minister, Margot James, the Parliamentary Under Secretary of State at BEIS. Since that meeting, it has been agreed that there will be an industry-wide response to clamp down on scam mail supported by an industry-wide code of practice which has been written and all mail providers have been encouraged to sign up.

The Team started work with Royal Mail identifying mail at entry points in the last six months, and the Team has given more than 300 opinions, resulting in 600,000 pieces of mail being returned to sender.

The Team delivered “train the trainer” training to Royal Mail personnel at Gatwick in March 2017. Subsequently, Royal Mail went ‘live’ on providing opinions with the Team’s support.

In the Spring, the Team was asked to run the Royal Mail’s Work Time Listening and Learning. This is currently being evaluated. It is hoped to align it with the Friends Against Scams campaign.

10.11 Working with Partners¹⁴⁷

The Team actively engages with national partner agencies: Public Health and Adult Social Care, the Police, Royal Mail, several other mail service providers, National Fraud Intelligence Bureau, Financial Fraud Authority, Citizens Advice, Information Commissioner, the Home Office, Think Jessica, Age UK, the Pensions Regulator, the Office of the Public Guardian and the British Bankers Association. This maximises the impact of protecting and preventing the exploitation of people by Mass Marketing Scams.

The Team’s international partnerships are thriving. It leads on mail scams and work with the International Mass Marketing Fraud Working Group to develop better data sharing and joint investigations.

10.12 Best Practice, Information and Training

The Team:

- Is testing the new Flare system, which will provide more efficient data handling;
- Is working with the Wales Older People’s Commission¹⁴⁸ on the Wales Against Scams Partnership;
- Have 955 e-learners¹⁴⁹. The e-learning is currently being updated;
- Have 523 users¹⁵⁰ of the Knowledge Hub;
- Remains on the steering group for a BSI Publicly Available Specification that aims to help organisations improve their ability to protect a potential or existing customer from financial harm caused by a malicious third party. This is now linked with the Joint Fraud Taskforce.

During the year the Team organised a series of events for local authority Trading Standards staff to meet the Team to explore how they could work more effectively together.

¹⁴⁶ BEIS KPI 4biii

¹⁴⁷ BEIS KPI 4biii

¹⁴⁸ BEIS KPI 4biii

¹⁴⁹ BEIS KPI 4ai

¹⁵⁰ BEIS KPI 4ai

10.13 Call blocker work

NTS received final confirmation of a £500,000 DCMS¹⁵¹ grant to fund call blockers and tackle the issue of nuisance calls. The contract was awarded to TrueCall and the project will start in April focussing initially on protection of consumers with dementia.

10.14 Interventions

Examples of the Team's interventions include:

- Work with mail providers¹⁵² who have withdrawn from dealing with large mailers of clairvoyant scam mailings, which has seen a huge decrease in clairvoyant scams being received by Mail Marshals.
- Worked with a local authority¹⁵³ and Border Force¹⁵⁴ to detain 162,000 items of scam mailings destined for UK business;
- Obtained an additional 7,000 items of scam mail in partnership with a local authority¹⁵⁵;
- Worked with mail processors to identify and return numerous pallets of scam mail to the senders;
- Worked with postal providers¹⁵⁶ to ensure they are not handling scam mail;
- Recovered £2,500 for a bank customer who had been repeatedly targeted by mail scams;
- Closed two account through MoneyGram¹⁵⁷ where victims were identified as sending money to scam lotto providers in Canada;
- Supported a mail processor¹⁵⁸ who agreed to withdraw from handling mail from a known scam company;
- Worked to obtain criminal bank account information to investigate where the money is going.
- Continuing work with the Information Commissioners Office¹⁵⁹ looking at targeting list brokers in the UK who have been identified as providing repeat victims lists to scammers.
- Work with financial institutions and local Trading Standards services¹⁶⁰ to close subscription trap scams.
- Enquiries identifying numerous companies using a company as a forwarding agent for scam mail; estimates suggest in excess of 100,000 mailings a month were coming into the UK from this source of identified scam companies. The mailings have now ceased.
- Identified several investment frauds and handed the case to National Fraud Intelligence Bureau¹⁶¹ for action.
- Removed a debit/credit card facility for a scam company.
- Work continues with airlines¹⁶² to identify the mail before it reaches the mailing system. Partnership working continues to identify potential victims, victim lists, seized mail and single victims.

Internationally

¹⁵¹ BEIS KPI 4biii

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¹⁶² BEIS KPI 4biii

- An international contract was cancelled with a scam company, as a result UK Mail returned 40,000 items and US Mail returned 70,000 items along with approximately 16,000 items to other worldwide locations - further investigations are ongoing;
- Assisted Canada Post and Vancouver Police¹⁶³ with enquiries into companies targeting UK victims;
- Assisted Dutch and American authorities¹⁶⁴ to close down 300 PO Box addresses in the Netherlands that were the return addresses for scam mail;
- Mail sent in by mail marshals¹⁶⁵ has enabled the Team to identify several scam companies based in the USA; intelligence has been handed to the US Postal Service which is looking to close them down; and
- The Team worked with airlines to identify the mail before it reaches the mailing system.
- Receipt of scam mail sent to Australia from UK victims. The Team is currently processing and sorting it into local authority areas to be referred out.¹⁶⁶
- Assisted with enquiries into a company operating an Indian call centre targeting elderly victims regarding health supplements and links with their own GPs. The company has been liquidated.
- Provided intelligence to the US Postal Service¹⁶⁷, which resulted in a restraint order by the US Government being made against 25 companies: this means that they cannot produce, market or distribute the mailings identified.

¹⁶³ BEIS KPI 4biii

¹⁶⁴ BEIS KPI 4biii

¹⁶⁵ BEIS KPI 4biii

¹⁶⁶ BEIS KPI 4ai

¹⁶⁷ BEIS KPI 4biii

National Trading Standards Scams Team Management Data

General Outcomes		Apr – Jun 2016	Jul - Sep 2016	Oct – Dec 2016	Jan – Mar 2017	Totals for 2016/17
Disrupt UK based enablers of Mass Marketing Fraud	Number of successful disruption/enforcement actions that have been supported or are as a result of the NTS Scams Team and its work.	3	8	6	251	268
	Number of successful disruption/enforcement actions delivered through the International Mass Marketing Fraud Group and our international partners	3	4	2	1	10
Through Effective Partnership identify the silent victims of scams and facilitate an intervention for a consumer	Number of key partners signed up to the project. Increase awareness of mass marking scams in all organisations that deal with potentially vulnerable people or have an interest in scams	0	5	0	3	8
	Number of Authorities TS/Organisations signed up with Service Level Agreements (LAs)	3	1	2	1	7
	Number of scams victims identified	851	1177	353	905	3,286
	Number of pieces of consumer intelligence received (victim lists, single victims)	711	11721	25697	84,876	123,005
	Consumer detriment, specifically:					
	Estimated consumer detriment	£895,934.32	£24,988,842.05	£5,588,123.83	£3,186,664	£34,659,564 (£10,548 average loss based on 3286 confirmed victims)

	Consumer Savings					
	Estimated consumer savings from interventions with victims	£339,198.92	£409,367.00	£1,389,367.83	£1,321,047.00	£3,458,980.75
	Actual savings to consumers	£6386.33	£12,339.61	£20,381.67	£39,174.65	£78,282.26
	Other results of interventions Cancelling Mail contracts and Investigative/disruptive work	£3,685,250*	£3,400,000*	2,627,803*	£9,849,388*	*£19,562,441
	Total savings					£23,099,674.01
Educate Practitioners on how to assist victims of scams and provide them with workable tools	Number of press releases and media opportunities seized.	19	13	25	16	73
	Number of people signed up to the E learning	7	14	10	4	35
Raising awareness	Number of people recruited to the Friends against scams campaign	60	225	3102	1910	5,297
	Number of Against Scams Partnerships	0	0	0	1	1

Table 10 National Trading Standards Scams Team Management Data

*This saving is calculated on mail that has not been able to enter the UK postal system and be delivered to victims and contracts that have been cancelled with suppliers.

Chapter 11 - National Trading Standards Illegal Moneylending Teams

11.1 Background

NTS commissions work to tackle illegal moneylending activity via two national Teams. Birmingham City Council provides the NTS England Illegal Moneylending Team and the shared service of Cardiff, Bridgend and the Vale of Glamorgan provides the NTS Wales Illegal Moneylending Team.

For 2016/17 funding for the Teams was protected at 15/16 levels. For 2017/18 the Financial Conduct Authority will introduce a new levy on consumer credit firms. These funds will be used to wholly fund the enforcement of illegal money lending throughout the UK from 2017/18 and matters are on track to achieve this. Treasury has asked NTS to retain the oversight and governance role for this work until 31/3/18. The management and governance of the Illegal Money Lending Teams will be transferred to be fully governed by the FCA and HM Treasury from 2018/19 onwards.

The work of the Teams is overseen by an Illegal Money Lending Governance Group which, for 2016/17, includes representatives from the FCA and HM Treasury.

11.2 Victim Work¹⁶⁸

The England Team continue to support victims and witnesses, in terms of safety, emotional wellbeing and financial inclusion. For example, the Team supported a lady who was desperate to help a homeless man who was using loan sharks. They worked with her to help find him accommodation, and access the support he needed to get off drugs and feel safe enough to disclose information about the lender.

Another example of work with victims includes a case involving a taxi driver who borrowed money a few years ago. The debt was repaid and he has now given a statement as he does not want others to go through what he did with the loan shark. Further investigation identified another victim of this loan shark who had also repaid the money but “went missing” in December 2016. A further victim is also a taxi driver and continues to pay the loan shark every Friday. He is currently sleeping on his parents couch and has his son living with him too. He has now applied to the housing providers for a property for himself and his son. He also has a daughter whom he would like to have staying with him. He is planning on putting the child benefit he now receives into a credit union account and has been persuaded to go to his doctor regarding his depression. Yet another victim has also borrowed money from this same loan shark. He continues to pay the loan shark and has numerous loans. He also has a tax bill for not supplying his tax return on time. The England Team have gained advice about this and told him he needs to resubmit the tax form before they will consider an appeal and also referred him to the Revenue and Customs Team that supports those suffering from anxiety and depression. He has now been to his doctor and been prescribed medication for depression and referred to a counsellor.

In Wales, the Client Liaison Officers were engaged in helping victims throughout the year, in one case helping those awarded compensation in a concluded case who were continuing to experience problems with benefit entitlement as a result. The officers assisted in making representations to the Department for Work and Pensions concerning the nature of the payments received. In another case, the officers assisted a victim to apply for a Debt Relief Order for her legitimate debts. Client Liaison Officers continued to support the victims in a case in which they were anxious as the defendant’s sentencing date approached. Compensation was awarded to four of them. One victim was assisted with her application for Personal Independence Payment.

¹⁶⁸ BEIS KPI 3dv

11.3 Intelligence Gathering

The LIAISE Team generated 269 pieces of intelligence¹⁶⁹ in 2016/17, mostly through training, strategic relationships with partner agencies and weeks or months of action. Some of these have led to warrants being executed, others are being investigated, and some have been passed back to the LIAISE Team to develop through community working.

For the first time the England Team now has a dedicated website www.stoploansharks.uk. This was completed in January but has not officially been launched yet. The website is aimed at victims and partner agencies and includes a reporting form, videos about the victim journey and resources for partners to download. Since it was completed in January the site has had nearly 4000 visitors.

11.4 Awareness Raising Work ¹⁷⁰

There are now over 5150 schools delivering Illegal Moneylending lesson plans. Work is now taking place to extend this project. Funding is being sought for resources to be developed that can be delivered by youth workers in a non-educational setting.

In 2016/17 the England Team trained over 10,400 frontline staff. Training included information on how to spot the victim of a loan shark and how to actively signpost them for support. Of those trained, 97% said they found the training to be very useful and relevant¹⁷¹.

The 3 organisations that won the Stop Loan Shark Champions Awards 2016/17 in England were:

- Work out Your Money – Havant Citizens Advice Bureau which worked to deliver the Stop Loan Shark lesson plans to 100 children from eight schools and adapted it for delivery to adults.
- Hull and East Yorkshire Credit Union - Stop Loan Shark campaign in Goole and Hull which works in schools, supermarkets and a credit union incentive scheme and finally
- Shotton Colliery Community Centre which ran a week of action and promoted a credit union incentive with fantastic results as reported below:

“People that had never been able to save joined the Incentive Programme and found it very easy to keep coming into the centre during the 10 weeks putting as much as they could afford¹⁷². One lady was overjoyed that her Christmas Dinner expenses would be sorted out and she could afford a Turkey and the trimmings as it was her first year on her own and did not know how she would cope. Young people also joined the Credit Union and one young girl wanted to save for a mobile phone. Her brother told her not to save as she could get a new phone on contract, she decided to join as she had never had a mobile of her own which had not been passed down, each time this girl saw the Centre Manager she would give her half of her baby sitting money. One young lad decided to withdraw some of his savings in December so that he could buy his mam a Christmas present as he had never bought something that she had not paid for herself. He has continued to save and is now looking forward to his holiday.”

¹⁶⁹ BEIS KPI 2aii

¹⁷⁰ BEIS KPI 4biii

¹⁷¹ BEIS KPI 3dvii

¹⁷² BEIS KPI 3dvii

In addition the following nine projects received a Highly Commended presentation: Sefton Migrant Worker Project; Coventry Citizen's Advice Bureau; St Joseph's Theatre; Taunton Partnership; Knowsley Financial Inclusion Partnership; Accord Housing; Northwards Housing; Your MK (Milton Keynes); and Dorset Police.

The second National Stop Loan Sharks week ran from 12th-18th December 2016. The week was launched by a press campaign and saw agencies all over the country tweet pictures of themselves in Stop Loan Shark masks, with tweets about illegal lenders reaching 1.2 million people. The Team tweeted facts about illegal lenders as the twelve days of Christmas and now have 2,600 followers.

Partnership development in 2016/17 has focused around issues identified as leading to a vulnerability towards illegal money lending. The Team have partnered with the NHS Credit Union to target healthcare workers, particularly from migrant communities, who are at risk of using loan sharks. A pilot incentive scheme at Macclesfield hospital has just launched.

There were multiple cases in 2016/17 where the illegal money lending was based around casinos. In addition there were cases where victims had borrowed from an illegal lender previously unconnected with illegal lending, but who had borrowed due to problem gambling. The Team have worked with Gamcare to train all their advisors, and to ensure information is given to clients for mutual referral. Pilot projects in casinos are going to take place later in 2017.

Nationally, the England Team is also working with the Ministry of Justice as part of the roll out of the Prison Reform Act. A framework is being developed that will be sent to all prison governors with recommendations around work streams that help increase safer custody, and that look at debt issues that affect prisoners. The Team is going to be included in this framework which will be rolled out later in 2017.

Work is underway with the National Association for the Care and Rehabilitation of Offenders, who are going to use the Team's lesson plans as part of their 16-24 education programme, and staff training is being rolled out across the country. Six sessions have been set up so far. The Team is also looking to launch credit union incentive with their clients.

An interview with National Prison Radio reached 79,000 Prisoners. Proceeds of Crime money has been spent on two further projects with the Prison Radio Association. The first is a four week campaign featuring 20 sound bite adverts about the dangers of borrowing from an illegal money lender. The second project is a video for a new app, "Straightline", which is being developed to help prisoners upon release.

In Wales, the principal activities by sector for the year were as follows:

- Registered Social Landlords: the Team gave a presentation at the national conference of Tai Pawb (an umbrella group promoting equality and social justice); the Team undertook training for frontline staff at both Pobl Housing and the North Wales Housing Association. During the school summer holidays, the Client Liaison Officers attended a series of 'fun days' across Wales run by Tai Ceredigion/Cantref, Merthyr Housing, Hafod Housing, and Pembrokeshire Housing, which were all very well attended by tenants. Numbers were monitored at the Tai Conwy fun day, showing that 127 families engaged. Training sessions were carried out for Gwalia Housing (Caerphilly), Monmouthshire Housing Association, and for over 70 staff at the combined Pobl Group/Charter Housing. A presentation was given to a new Tenant Information Exchange group in Caerphilly.
- HM Prison Parc asked the Team to engage with both the resettlement and the offender management teams. Contact has also been established with the award-winning 'Invisible Walls Wales' initiative at Parc. Suitable materials re illegal lending have also been passed to HM Prison Cardiff.

- A full training session was held for 30 staff and volunteers at Swansea Citizens Advice Bureau and 55 staff at Denbighshire Citizens Advice Bureau.
- Presentations were given to both the South and Mid Wales and the West Wales Financial Capability Forum.
- Local Authorities: the financial inclusion team at Swansea council worked with the Team on an awareness raising in the staff canteen, followed by training sessions for over 80 front line workers. Neath Port Talbot council invited the Team to take part in several awareness raising days for adult learners. Several training sessions for council staff took place in Pembrokeshire, Gwynedd and Ceredigion. The Client Liaison Officers attended four fun days organised by Anglesey Council, each of which was attended by over 100 members of the public. A presentation was made to a Bridgend Older Persons' project. Events were organised by Neath Port Talbot Council and Anglesey Council. Presentations were given at two Universal Credit meetings in Flintshire and Denbighshire. Social workers in Neath Port Talbot were given training, as were trainee social workers in Bridgend. Two sessions were held for schools in Bridgend, and a public facing Wellbeing event in Denbighshire was well-attended.
- Communities First and other community events: The Team attended five Swansea C1st events and one in Merthyr Tydfil. The Client Liaison Officers reinforced the link made in December with the Rhyl North C1st Team by jointly hosting a fun day attended by 813 members of the public. At Christmas, an event was organised in a deprived area of Cardiff, which was very well attended. Training was given to the Rhyl North C1st, C1st groups in Bridgend, Swansea and Caerau in Cardiff. A public event was attended in Splott, Cardiff.
- Welsh Government civil servants visited the Team for a presentation and discussion of activities including participation in the Welsh Government's Financial Inclusion Strategy. A meeting took place with staff at the office of the Commissioner for Older People, to explore opportunities for joint working. This led to a presentation to the North Wales Safety Forum, and the submission of an article for the Commissioner's newsletter. One of the Client Liaison Officers is again to be a core member of the Welsh Government's new Financial Inclusion Steering Group.
- All frontline workers for Barnardo's in the Newport and Merthyr Tydfil area have been trained, as have Merthyr Carers and all new recruits to Stepchange, the debt advice charity. A Client Liaison Officer attended the launch of a Children in Wales report on poverty. A link was established with the Welsh head of the Civil Service Benevolent Fund, raising awareness of the Team's work. Information was given out at Crosskeys College Freshers' Fair, and a presentation was given to the North Wales Money Advice Group. Three training sessions were undertaken for Age Connects in Conwy and Denbighshire.
- 17,486 leaflets were delivered in a carefully targeted initiative across areas of Caerphilly, Merthyr Tydfil, Cardiff, Swansea and Rhondda Cynon Taf. The areas were selected as being of particular interest to the Team because anecdotal information about loan shark activity had been received.
- Proceeds of Crime Act: the principal event during the final quarter of the year was the adjudication of the many applications for awards from Proceeds of Crime Act funds for initiatives to raise awareness of the loan shark problem. Ten organisations from across Wales were successful, and were awarded their lump sums at an event in Llandrindod Wells. These were: Cartrefi Conwy – online information, literature for tenants, road shows, mail drops etc.; Neath Port Talbot Homes – information leaflet, DVD's, social media etc. ;Menter Laith Caerffili – Short film; The Parent Network – children's book; Dynea Neighbourhood Watch – Funday; Ponthafren Association & Citizen Advice Powys - Loan Shark awareness drama; Denbighshire County Council – 3 short films; Social Publishing Project – Wales wide

leaflet drop; Blaenau Gwent Flying Start – Community Funday; and St Mellons Housing Compact – 15 community events, calendar, short film.

11.5 England Cases

Many cases involve close work with the relevant local authority¹⁷³.

Jermaine Boothe

Jermaine Boothe, aged 43, who had previously pleaded guilty to illegal money lending and Proceeds of Crime offences and was sentenced to nine months in prison, had assets amounting to £17,551 and was ordered to pay back this amount within three months or face a default sentence of eight months. Mr Boothe was investigated by the Team, working in partnership with Enfield Council and the Metropolitan Police. Mr Boothe advertised his illegal loan business in a local newspaper. Borrowers believed the business to be legitimate as he issued loan agreements and receipts for payments. Wood Green Crown Court heard how Mr Boothe made a total of over £67,000 through his illegal money lending business.

Wai Lun Cheung

Wai Lun Cheung, 47, was sentenced to 38 months in prison following a hearing at Durham Crown Court. At a subsequent hearing he was ordered to pay back £60,000. Mr Cheung, of Bowburn was investigated by the Team, working in partnership with Durham Trading Standards and Durham Constabulary. He pleaded guilty to illegal money lending and money laundering offences between March 2007 and August 2014 at the earlier hearing. The court was told that Mr Cheung frequented casinos in Teesside and Leeds, becoming involved in and then administering a savings scheme within the Chinese community. Mr Cheung charged interest on a weekly basis. He also made additional loans. These activities required a consumer credit licence, which Mr Cheung did not have. The Team seized documentation and £24,000 in cash.

One victim borrowed £3,000 over two loans and had to pay £150 a week. The original £3,000 remained outstanding until she could pay it off in full. She had paid £6,500 in interest when Mr Cheung contacted her and said she owed £13,000. Text messages sent to this borrower included *“If you do not call by now, I will send someone down to catch you. By the time, don’t beg my mercy”*. Mr Cheung admitted making loans of £85,580 on which he charged interest, and £59,370 without interest. There were also a large number of cash deposits into his account, of which it was agreed a third related to illegal activity.

Douglas Smith

Douglas Smith, 32, who operated as a loan shark in Essex, was ordered to pay back £76,500 following a hearing at Basildon Crown Court. He was given an eight months’ suspended sentence for two years, a curfew for four months, a supervision order for two years and was made to attend a ‘Thinking Skills’ programme at an earlier hearing. He must pay the amount in the next three months or face a prison sentence of two years. His criminal benefit was assessed as being £87,759. Smith was investigated by the Team working in partnership with Essex County Council Trading Standards and Essex Police. He had been running a money lending business between July 2012 and his arrest in February 2014 without the required licence. Documentation was recovered which showed that Douglas had issued 151 loans to at least 70 people totalling over £56,000. The loans ranged from £100-£1,200 and the interest charged varied between 50% and 70%. The total amount paid back to Smith before his arrest was £87,759 with £42,382 outstanding. £51,048 was seized at the time of Smith’s arrest, all of which was forfeited.

¹⁷³ BEIS KPI 4ai

Zayarit Mahmood and Javid Iqbal

Two men from Oldham were sentenced to 14 months following a hearing before at Minshull Street Crown Court. Zayarit Mahmood, 42, and Javid Iqbal, 37 were investigated by the Team, working in partnership with Oldham Trading Standards and Greater Manchester Police. They had pleaded guilty to illegal money lending at an earlier hearing. The court was told that the defendants would stalk Casinos and ensure they were in a position to either offer immediate cash loans to gamblers in the region of £1,000, or seize repayments if a borrower was seen to make a winning. The loans were effectively rented out at the rate of £300 for any part of a month, for every £1,000 borrowed, until the capital loan was repaid. For example, if £1,000 were borrowed in the casino and, on the same night, winnings were obtained in excess of that amount, £1,300 would be repaid to the defendants that same evening. The total amount of capital and interest repayment from loans over the period was over £200,000.

Mark Constantine

Mark Constantine was sentenced to 12 months' imprisonment, suspended for two years following a hearing at Plymouth Crown Court. He was investigated by the Team, working in partnership with Plymouth Trading Standards and Devon and Cornwall Police. He had pleaded guilty to the offence of lending money without the required licence at an earlier hearing. Mr. Constantine previously held a consumer credit licence but relinquished it in July 2011. He continued selling cars on hire purchase and also gave loans after this date, until his arrest in 2015. Records show he had nearly 50 clients, mainly taxi drivers, who were looking for finance to purchase vehicles. Mr. Constantine took some form of security from most of his victims, often keeping the spare key and the registration document of the vehicle he sold them until the final payment was made. From July 2011 until May 2015 he received payments of nearly £450,000.

Financial analysis showed that Constantine charged high levels of interest for his car loans. One victim told the Team that they were charged £5,000 interest for a £3,000 loan. Upon sentencing Mr. Constantine, Judge Lawrie QC said *"You were extending loans to people who were vulnerable, they need protecting. You made money out of people's desperation and there was a coercive element."*

Donna Whyte

Donna Whyte, 43, was sentenced to eight months in prison following a hearing at Worcester Crown Court and ordered to pay back £11,600. She was investigated by the Team, working in partnership with Worcestershire Regulatory Services and West Mercia Police. She pleaded guilty to illegal money lending at an earlier hearing. Whyte had around 50 regular victims, often with multiple loans each, ranging from £100-£400. She charged 50% interest and had lent out £33,000 from January 2012 until her arrest in March 2015. Upon sentencing, Mr Recorder Desmond said *"You continued to run the business even when in prison for other offences. You used your influence to involve others in the business, collecting payments. On release from prison you demanded at least one customer make up payments missed whilst you were in prison by way of a penalty. You have shown no remorse. The Court of Appeal has stated that these offences need a significant sentence to deter this activity which exploits the vulnerable."*

Thomas Johnson

Thomas Johnson, aged 41, who operated an illegal money lending business in the Brinnington area of Stockport was sentenced to 33 months in prison following a hearing at Minshull Street Crown Court in Manchester on 28th July. Mr Johnson had been lending money since 2010. It is likely that in this period he had a total of 100 customers and received an excess of £200,000 from his illegal loan business. Mr Johnson often offered out short term loans, typically over 7 days, with a standard rate of 100% interest charged for every £1 he loaned out. He would then double the loan balance of his victims if a payment was missed.

Johnson said that no-one got away without paying and that he even tracked someone down in Spain to repay a debt. The stories of violence were graphic. The victim described how he was very stressed, couldn't concentrate at work and had stopped paying rent and council tax. He threatened to put the man in a wheelchair, and told him he had a space to bury his body. He made the victim drive around to collect loan payments from others, and told him the loans were issued on behalf of a well-known local criminal. Johnson persuaded the victim to sign a Hire Purchase agreement for a car, saying he would knock £700 off the debt if he did this and that Johnson would make the payments every month and pay the insurance. The victim signed a finance agreement for nearly £8,000 for a car which Johnson drove away. The car, which the victim has never driven, was later repossessed, leaving the victim with a debt of £8,000.

Mr Johnson was sentenced to 30 months for illegal money lending and money laundering offences, and a further three months for outstanding community orders from previous offences.

Samuel Bromfield

Samuel John Bromfield, 60, of North Muskham was sentenced to 12 months in prison following a hearing at Lincoln Crown Court on 27th September. Mr Bromfield conducted an illegal money lending business from his business premises over a period of nearly three years. He had been lending since at least 2011, providing over 940 loans to over 100 different individuals in that time. He had received at least £142,154 in repayments from that illegal business. He loaned at least £166,046 on which he charged interest of £53,491 with at least £71,977 owed to him at the time of his arrest.

On sentencing his honour Judge Heath Q.C said *"You unlawfully engaged in an illegal money lending business without a licence when you knew very well you needed one. These stringent rules exist to protect vulnerable people. You knew you wouldn't get a licence because of past County Court Judgments. You engaged in illegal activity by running a profitable and unlawful money lending business. Therefore, I sentence you to 12 months' imprisonment."* At a further hearing on 24 March 2017 Mr Bromfield was ordered to pay back £43,000 in Proceeds of Crime following a hearing at Lincoln Crown Court.

Ian Carroll

Ian Kevin Carroll, 58, of Gillingham, was sentenced to 16 months in prison following a hearing at Maidstone Crown Court on the 15th September. He had received over £191,800 in loan repayments from June 2012 to September 2015. Financial investigations showed that Mr Carroll issued a total of 282 loans to at least 71 individuals during this period, some of whom might be financially vulnerable. The operation had been going on for a number of years, with Mr Carroll making a profit of around £30,000.

Mr Carroll's interest rates on the loans were extremely high, and would at times result in the borrower paying back at least double what they borrowed. The loans either related to the supply of cash or domestic appliances that were agreed verbally. The only paperwork that would be issued to the borrower would be a payment card, which would be amended each week to show the repayments and how much was outstanding. One victim described how she had bought a cooker from Mr Carroll and was told it cost £400. After making a year's worth of repayments at £36 a month, the victim raised with Mr Carroll that she had paid in excess of the apparent value to which he replied "you've still got a long way to go". Before the operation was detected, the victim had made 21 repayments totalling £756. They understood the payments were due to be for three years, making a total repayment of £1,296.

At a further hearing at Maidstone Crown Court on 28 March 2017, Mr Carroll was ordered to pay back £55,000 in Proceeds of Crime and given three months to pay the money or face a default sentence of an extra 11 months in prison.

Dr Arjan Damjibhai Savani

A Harrow doctor received a ten month prison sentence, suspended for two years on 18th October for running an illegal money lending business. In addition he must complete 120 hours of unpaid work. Dr Savani, a 49 year old Consultant at Central Middlesex and Northwick Park Hospitals in Harrow, had issued loans, totalling more than £1 million to hospital colleagues over a period of approximately five years between January 2011 and December 2015. During a search, loan records were found which demonstrated that the loan shark had received payments totalling more than £880,700.

Dr Savani knew his victims could ill afford the payments and was aware that the Filipino community places a great deal of importance on honour and the non-repayment of a debt would be shameful to the victim. Dr Savani did not declare any of his income from the money lending business and in total he had received interest in excess of over £280,300. He had lent money to more than 90 individuals and had issued more than 270 loans during his period of operation. Dr Savani was ordered to pay back £525,000 in Proceeds of Crime on 17th March 2017. He must pay the money within three months or face a default sentence of five years in prison.

Christopher Bisanz

Christopher Bisanz aged 50, from Lower Cambourne, Cambridge, who operated an illegal money lending business over an extended period, was sentenced to 18 months imprisonment, suspended for two years on 28th October and ordered to carry out 250 hours of unpaid work. The court was told that at the time the Team intervened, there was evidence of 78 loans outstanding to 33 separate individuals from the paperwork connected to illegal money lending that was recovered during the raid in December 2015, as well as over £12,000 in cash. He was charging interest of between 30% and 100%. Mr Bisanz was further ordered to pay back £160,000 on 9th February following a hearing at Cambridge Crown Court. He must pay the money within three months or face a default sentence of nine months in prison.

Carol and Philip Fawcett

Philip Fawcett was found guilty of six counts of illegal money lending at St Albans Crown Court on 24th November following a four day trial. Carol Fawcett had pleaded guilty to offences of illegal money lending at an earlier hearing. They were sentenced at St Albans Crown Court on 6th January. Carol Fawcett, 54 of Welwyn Garden City was handed a two year community order and ordered to carry out 80 hours unpaid work after pleading guilty to eight counts of illegal money lending between March 2006 and February 2014. Philip Fawcett, 64, also of Welwyn Garden City was ordered to carry out 60 hours unpaid work after being convicted.

During searches, officers recovered cash totalling £9,940, over 100 cheques in the names of others totalling nearly £18,000, diaries and documentation and assorted jewellery, some of which had been left as security by victims for the loans. The Court was told that between the 1st March 2006 and the 26th February 2014, assisted by Mr Fawcett for much of the period, Carol Fawcett ran a money lending business, issuing more than 440 cash loans to members of the Filipino community. The loans ranged from £50 to £3,500, with repayments of over £375,000 made to the loan sharks during their period of operation.

Patrick Angus Frederick Gilham and Thongsai Gilham; Anthony Crosby and Saisunne Crosby

Appearing in Reading Crown Court on 4th November, Patrick Gilham aged 50 and his wife Thongsai Gilham aged 40 of Froxfield Down were each sentenced to six months, suspended for 18 months. Both were also ordered to carry out 150 hours of unpaid work. Anthony Crosby aged 71 and his wife Saisunne Crosby aged 54 of Bracknell each received the same sentence of six months, suspended for 18 months at an earlier

hearing. Following a further hearing in March 2017, Anthony Crosby was ordered to pay back £50,000 in Proceeds of Crime. He was given one month to pay the amount or faces a nine month default prison sentence.

The Crosbys had been money lending since at least 2011. They had issued 15 loans to 15 different people in that time, together amounting to loans of at least £30,000. One victim discovered that the meeting between her and the Gilhams was secretly recorded and the recording was used to discredit the victim's good character, calling her a bad person and telling the Thai community not to talk to her. Mrs Gilham also used Facebook to broadcast the victim's unpaid loan. Patrick Gilham was ordered to pay back over £24,000 in Proceeds of Crime at a further hearing in February 2017.

Michael Francis, Gary Azzopardi, Jason Wesmorland, Lisa Elms

These defendants ran a sophisticated illegal money lending business across Manchester. They were sentenced on 28th November. Michael Francis, 56, was sentenced to four years, six months. He was separately sentenced for offences relating to the production of cannabis. He has been ordered to pay back £20,000 Proceeds of Crime. Gary Azzopardi and Jason Westmorland were sentenced to nine months, suspended for two years, a two month curfew and 150 hours unpaid work. Simon Mortimer prosecuting told the court how Azzopardi and Westmorland worked as collectors for 'Piggy Bank Loans'; Azzopardi to pay off a loan that he had taken out as a customer of Francis.

Lisa Elms was sentenced to a 12 month community order and a two month curfew for her role as an administrator in the business which the court heard was a role she had taken on to pay off a £500 loan from Francis. The evidence seized demonstrated a total of 390 different people had taken out loans from 'Piggy Bank Loans' with a typical interest rate of 60% being charged on each loan. Charges of £40-£80 for missed payments meant people's debts soon spiralled out of control.

Paul Vincent Dillon, Darren Roberts

Two loan sharks, who jointly operated in different areas across Greater Manchester, were sentenced at Manchester Crown Court on 30th November. Paul Dillon, 35, was sentenced to 16 months, suspended for two years for his leading role in the illegal consumer credit business. Mr Dillon was also sentenced to 200 hours unpaid work and a 12 month curfew. He was also sentenced for offences relating to the possession of Class C drugs. Darren Roberts, 45, received a 12 month supervision order. Records showed at least 150 separate names of customers who had received at least one loan. There were approximately 2,000 separate transactions over a 12 month period. The typical interest rate was 50% and, over the 12 months covered by the records alone, the enterprise had made a minimum profit of between £50,000 and £100,000. The Court heard a number of text messages, including threats sent by Mr Dillon as well as some of the replies highlighting how vulnerable some of the victims were.

John White

John White from Newcastle, was sentenced to 18 months, suspended for two years following a hearing on 6th December. He pleaded guilty to two counts of illegal money lending and one count of Proceeds of Crime. Mr White had been operating an illegal money lending business for a period of over three years. He had approximately 50 customers and was charging £40 interest per £100 borrowed. Evidence recovered during searches demonstrated that the defendant had issued loans totalling over £28,000. He had received repayments of over £39,000. The Court heard how one victim had borrowed £100 in May 2012. She was hit with the £40 interest charge per fortnight until the whole amount was repaid. The victim's debts increased to between £3,500 and £4,000 with interest rising to between £600 and £900 per fortnight. She became so depressed that at one point, she even considered suicide.

Bulpha Curran

On 3 February 2017, Bubpha Curran, aged 47, of North Shields was sentenced to 12 months, suspended for two years, after pleading guilty to two counts of illegal money lending between 3rd March 2012 and 9th February 2016 at an earlier hearing. During searches, notebooks containing loan details and customers' bank details, luxury watches and over £1,800 in cash was recovered. The court was told how over a period of nearly four years, Curran had received over £28,700 by way of repayments. She had issued 130 loans totalling £69,500, including an additional 24 loans for goods totalling over £9,500. At the time of her arrest, Curran had an outstanding balance of £65,900 on loans. One victim, who borrowed £1,000 from Curran in 2013, had to pay interest of £100 per month until the capital sum could be paid in full. The victim had taken out several loans from the loan shark to pay hospital fees in Thailand. At the time of Curran's arrest, the victim was in debt to the loan shark in the sum of £4,000, having had to make payments of £400 per month. Curran's victims had approximately five loans each.

11.6 Wales Cases

Lynn Mansel Davies

On 23rd September at Cardiff Crown Court, loan shark Lynn Mansel Davies, 58, from Neath pleaded guilty to two counts of illegal money lending to five victims over a seven year period. The Wales Team was made aware of this criminal activity through an anonymous call to their hotline telephone number claiming that he was lending money without a Consumer Credit Licence and charging £500 interest on every £1,000 he lent to his victims. The five victims were often charged a rate of £50 a week for every £140 lent, but the court learned that the interest charged could sometimes be random depending on how much he thought he could 'fleece from his victims'.

Cash transactions via the bank were kept to under £5,000 so that these cash withdrawals were not deemed suspicious by the authorities. The court heard that he was using a property in Briton Ferry, owned by a very vulnerable man who couldn't read or write' to stash his cash from his crimes, while running a thriving car business and receiving significant state benefits. His bullying behaviour was raised in court, especially in relation to his daughter, as through an eye witness account the court heard that when she could not pay her father, he told her that he would '*smash her boyfriend's head in if it wasn't paid in that day.*' During the time of the offending, Lynn Mansel Davies received £1,656 a month through state benefits as well as having free use of a mobility car from the Department of Work and Pensions. On 17th March 2017 he was given an 18 month custodial sentence for each offence, to run concurrently, and suspended for two years after he paid back almost £10,000 to his vulnerable victims. He will also have to carry out a 20 day rehabilitation work course and have a two month curfew.

National Trading Standards Illegal Money Lending Management Data

	England Q1	England Q2	England Q3	England Q4	Total England	Wales Q1	Wales Q2	Wales Q3	Wales Q4	Total Wales	Total
Intelligence											
No. of pieces of intelligence received:	139	111	125	170	545	10	4	11	9	34	579
Hotline	64	57	62	82	265	5	0	7	4	16	281
Email	19	37	17	27	100	0	0	2	0	2	102
Website	0	0	0	2	2	0	0	0	0	0	2
Text Message	0	0	0	0	0	0	0	0	0	0	0
Police	23	21	32	31	107	2	0	0	2	4	111
Trading Standards	9	7	8	3	27	1	0	0	0	1	28
Other Council Services	0	0	0	0	0	1	1	1	1	4	4
Crimestoppers	0	0	0	0	0	0	0	0	0	0	0
CAB	2	0	5	3	10	1	0	0	1	2	12
Credit Union/FCA	0	0	0	3	3	0	0	0	0	0	3
Liaise/SIPO Work	21	51	73	80	225	0	0	1	1	2	227
Other	1	2	1	3	7	0	2	0	0	2	9
No. of Operations Commenced	73	57	58	88	276	3	2	4	3	12	288
No. of suspected illegal money lenders identified	106	106	133	143	488	3	2	4	4	9	497
Arrests:											
A. For Illegal money lending	23	14	11	20	68	0	0	0	2	2	70
B. For other offences relating to illegal money lending	0	2	0	0	2	0	0	0	1	1	3
C. In total	23	16	11	20	70	0	0	0	2	3	73
Prosecutions:											
A. No. of cases where proceedings have been instituted/charges brought	2	1	0	3	6	0	1	0	0	1	7
B. No. of individuals who have been charged or had proceedings instituted against them for illegal money lending	3	1	0	3	7	0	1	0	0	1	8

	England Q1	England Q2	England Q3	England Q4	Total England	Wales Q1	Wales Q2	Wales Q3	Wales Q4	Total Wales	Total
C. No. of individuals who have been charged or had proceedings instituted against them for other offences	0	0	0	0	0	0	1	0	0	1	1
D. Total no. of individuals who have been charged or had proceedings instituted against them	3	1	0	3	7	0	1	0	0	1	8
Other Enforcement Actions:											
A. No. of cases where other enforcement actions have been taken	3	2	2	5	12	0	1	0	0	1	13
B. No. of individuals who have had other enforcement actions taken against them for illegal money lending	4	2	3	5	14	0	0	0	0	0	14
C. No. of individuals who have had other enforcement actions taken against them for offences other than illegal money lending	1	0	0	0	1	0	2	0	0	2	3
Custodial Sentences:											
A. No. of cases where custodial sentences have been handed out	5	4	8	2	19	0	0	0	1	1	20
B. No. of individuals who have received custodial sentences	6	5	15	2	28	0	0	0	1	1	29
Non-Custodial Sentences:											
A. No. of cases where non-custodial sentences have been handed out	0	0	2	1	3	0	0	0	0	0	3
B. No. of individuals who have received non-custodial sentences	0	0	2	2	4	0	0	0	0	0	4
Total value of loans made by illegal money lenders	£8,216,400	£1,200,650	£231,850	£60,000	£970,890	£17,000	£37,000	£187,000	£400,000	£641,000	£10,349,900

	England Q1	England Q2	England Q3	England Q4	Total England	Wales Q1	Wales Q2	Wales Q3	Wales Q4	Total Wales	Total
Financial value of associated criminal activity:											
A. Total value of benefit fraud identified and reported/prosecuted	0	0	0	0	0	0	0	0	0	0	0
B. Total value of other criminal activity identified and reported/prosecuted	0	0	0	0	0	0	0	0	0	0	0
C. Total value of all criminal activity identified and reported/prosecuted	0	0	0	0	0	0	0	0	0	0	0
Assets/Proceeds of Crime Act											
A. Amount of cash seized	£72,204	£10,365	£5,952	£17,740	£106,261	0	0	0	0	0	£106,261
B. Estimate of assets restrained under POCA	£500,000	£1,200,000	£242,917	£873,000	£2,815,917	0	0	0	0	0	£2,815,917
C. Total criminal benefit of IML (assessed by prosecutor)	£558,012	£2,389,464	£393,274	2,402,306	£5,743,056	0	0	0	0	0	£5,743,056
D. Amount awarded by Confiscation/Forfeiture Order	£305,997	£9,081	£57,000	£244,324	£616,402	0	0	0	0	0	£616,402
E. Compensation awarded to victims	0	0	£3,000	0	£3,000	0	0	0	0	0	£3,000
F. Total criminal benefit of IML (agreed by the court)	£598,012	£325,257	£393,274	£897,125	£2,213,668	0	0	0	0	0	£2,213,668
G. Total amount of money laundered by loansharks	£598,012	£325,257	£393,274	£184,230	£3,158,849	0	0	0	0	0	£3,158,849
H. Total amount of money laundered by offenders other than loan sharks	0	0	0	0	0	0	0	0	0	0	0
Victims											
Total no. of victims identified	916	871	99	71	1,957	8	7	10	109	134	2,091
Direct/actual savings to victims at point of intervention (illegal debt to loan shark only)	£8,216,400	£320,000	£173,640	£23,000	8,733,040	0	0	0	0	0	£8,733,040
No. of victims with illegal debts written off at the point of intervention	432	350	99	71	952	0	0	0	0	0	952
No. victims provided with direct and indirect support,	217	521	394	178	1,310	8	7	10	60	85	1,395
Total value of victim debts, assessed through intensive casework support	£131,938	£162,493	142,197	£207,408	£644,036	£18,000	£23,000	£33,000	£283,000	£357,000	£1,001,036

Table 11 – Illegal Money Lending Management Data

Chapter 12 - National Trading Standards Estate Agents Team

12.1 Overview

The NTS Estate Agency Team is hosted by Powys County Council with support from Isle of Anglesey Council. The Team consists of a team leader and three investigators, with support from administrative staff, legal services, financial investigation, and an adjudication function provided by external contractors and senior officers of Powys and Anglesey Councils.

The Team took over the functions of the Office of Fair Trading in relation to the Estate Agents Act 1979 from the 1 April 2014. As the lead enforcement authority for the Act, its responsibilities include the issuing of prohibition and warning orders, and the management and approval of the UK's consumer redress schemes. The Team is also responsible for providing sector-specific advice in relation to the obligations and responsibility of businesses under the Act, as well as maintaining a public register of prohibition and warning orders issued.

The Team works to ensure that those individuals or businesses who are considered unfit to engage in estate agency work are prevented from doing so in the future, and ensures that consumers have recourse to an effective redress scheme if things go wrong in their dealings with an estate agent. Working with colleagues and other stakeholders, including businesses, trade associations and other networks, is a key part of the team's overall strategy to ensure that estate agency work in the UK is carried out in the best interests of clients and businesses, and buyers and sellers are treated honestly and promptly in a fair marketplace.

Governance is provided via the NTS Central Governance Group.

11.2 Adjudication

One of the main challenges this year has been the introduction of the new adjudication process which was introduced following a judicial review decision in the High Court. The Team now employs the services of an external barrister to carry out the bulk of the adjudication cases, in particular those where oral representations are requested. The facility to carry out a small proportion of adjudications by the existing panel of Powys and Anglesey adjudicators has been retained to provide some resilience to the system.

11.3 Casework, complaints and enquiries

The Team investigates a wide range of cases and includes offences of insider trading, kidnapping, fraud, theft, violence, and breaches of the Estate Agents Act such as failing to declare a personal interest in property. Complaints and referrals are received from members of the public, industry, Trading Standards colleagues and other enforcement agencies, concerning the activities of individuals and businesses across the UK. The Team also initiates cases following monitoring of news websites, social media etc.

The second half of the year saw a sharp rise in complaints received, this resulted in 75 more complaints received in total this year than in 2015/16, an increase of 44%. As a result the number of cases for investigation has also risen.

Section 3 of the Act allows the Team to issue a prohibition where they are satisfied that a person has committed an offence involving fraud or other dishonesty, or violence. In total for the year the Team issued 12 prohibition orders and one warning order.

Throughout the year the Team defended four appeal cases. In two cases the prohibition orders subsequently took effect successfully, the results of the other two cases are still awaited.

In the final quarter of the year the Team received two applications to have a prohibition order revoked. These are first such applications to be received by the Team, and are currently being considered.

The Team also carried out an enforcement project in conjunction with HMRC to tackle businesses not signed up for redress and/or anti-money laundering provision.

Pickering, Cainen and Davey

The Team issued prohibition orders against four individuals that have been prosecuted by the police for mortgage fraud which involved stealing and inventing identities, setting up dummy companies and falsifying documents. They were sentenced to a total of 17 years four months' imprisonment: Pickering - six years; Cainen - eight years; John - three years and four months; and Davey - 12 months, suspended for two years, and 200 hours unpaid work.

Whilst Davey was the only one who was involved in estate agency work when she was convicted, it was decided that there could be a risk that they may wish to engage in estate agency work in the future and that they would not be considered fit to do so given their convictions. Consequently, all have been prohibited by the NTS Estate Agency Team from carrying out estate agency work and added to the Estate Agents Public Register, which provides details of individuals and/or businesses who are currently prohibited from engaging in estate agency work or who have received a formal warning under the Estate Agents Act 1979.

Case study

This case involved a man who was charged with fraudulently abusing his position as an estate agent, to which he pleaded guilty. The offence occurred over a period of five years in the course of an estate agency and lettings business operated by the defendant and involved approximately £40,000 and numerous victims. The defendant was served with a prohibition order by the NTS Estate Agency Team and subsequently lodged an appeal against the order. The Team applied for an order to strike-out the appeal, and the tribunal found that there was no reasonable prospect of the appeal succeeding. The tribunal also decided that, having regard to the offence he was convicted of, the appellant acted unreasonably in bringing the appeal and costs were awarded against him. The prohibition order subsequently took effect.

11.4 Stakeholder engagement and other activities

The Team has had a busy and successful year, among other activities members of the Team:

- Met with members of the Property Ombudsman Council and Board to discuss areas of common interest and how to work together to address and tackle issues in the estate agency industry¹⁷⁴.
- Sat on an expert panel¹⁷⁵ at the Property Ombudsman national conference, and gave presentations at National Association of Estate Agents and Royal Institution of Chartered Surveyors regional conferences.

¹⁷⁴ BEIS KPI 3giv and 4biii

¹⁷⁵ BEIS KPI 3giv

- Given a presentation on the work of the Team to a delegation from Singapore's Ministry of National Development at the Singapore High Commission in London.
- Given evidence at the consultation on the potential introduction of compulsory Client Money Protection.
- Agreed a Memorandum of Understanding on partnership working with HMRC Anti Money Laundering supervision team¹⁷⁶.
- Received national media coverage in relation to its public statement and work on 'portal juggling'.
- Met with representatives from the Committee for Advertising Practice and Advertising Standards Authority¹⁷⁷ to discuss issues relating to 'portal juggling' and property listing descriptions.
- Met each of the three redress schemes¹⁷⁸ providers together to continue the process of promoting greater liaison, consistency and sharing of best practice and to prepare for a programme of audit/reviews.
- Issued supplementary guidance to the estate agency industry on the legal duty to join an approved redress scheme¹⁷⁹.
- Continued discussions with the Law Commission¹⁸⁰ about their ongoing project looking at 'event fees' in retirement properties.
- Continued to meet and work with stakeholders¹⁸¹ (local Trading Standards, Advertising Standards Authority, HMRC, Chartered Trading Standards Institute, Which?, redress schemes, property portals, consumer organisations, professional bodies) to improve liaison between enforcement agencies and other partners in the estate agency industry.

¹⁷⁶ BEIS KPI 3giv and 4biii

¹⁷⁷ BEIS KPI 3giv and 4biii

¹⁷⁸ BEIS KPI 3giii

¹⁷⁹ BEIS KPI 3giii

¹⁸⁰ BEIS KPI 4biii

¹⁸¹ BEIS KPI 3giv 4ai and 4biii

National Trading Standards Estate Agents Team Management Data

	Apr – Jun 2016	Jul – Sep 2016	Oct – Dec 2016	Jan – Mar 2017	TOTAL
Complaints received	34	52	76	84	246
Requests for advice received	23	21	29	36	109
Other enquiries received	1	17	5	6	29
Media enquiries received	3	2	3	4	12
Prohibition orders issued	3	3	0	6	12
Warning orders issued	0	1	0	0	1
Prohibition orders taken effect	3	2	5	1	11
Warning orders taken effect	3	0	1	0	4
Appeals against formal orders received	1	0	0	0	1
Applications to revoke or vary a prohibition or warning order	0	0	0	2	2

Table 12 – Estate Agents Team Management Data

Chapter 13 - Advertising Standards Authority

13.1 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 (implementing the Misleading Advertising Directive) provided a legal backstop for misleading non-broadcast advertising via the Office of Fair Trading. This backstop power transferred to NTS in April 2013.

NTS established liaison arrangements with the ASA for complaint advice through London Borough of Camden to ensure there is a legal backstop in place continues, with Camden delivering three days per month ongoing liaison. Any additional funding that is required in pursuing enforcement cases is provided via the NTG.

Liaison between ASA and Camden continues, with the two organisations meeting regularly.

12.2 Casework¹⁸²

NTG provided funding for four cases where the ASA could not bring traders into compliance. One case was completed and there are three ongoing cases, two relate to health claims and one to copycat website. These are all likely to require further funding in 2017/18.

Operation Lannister (Misleading Health Claims - Products eliminating viruses, fungus and bacteria). This case is now complete. ASA referred this to NTS because the trader would not comply with ASA rulings. Following guilty pleas by the owners to offences under the Consumer Protection from Unfair Trading Regulations and Food Safety Act, they were fined £1,000 each and ordered to pay £7,000 costs, as well as a £100 victim surcharge. Moreover, the defendants agreed to forfeit £7,000 cash seized on the day of the warrant.

Referrals have continued to flow in during the last quarter, with some websites quickly choosing to come into compliance on being contacted by LB Camden Trading Standards. Some online retailers have needed a significant amount of support to ensure they are complying with the law, but on the whole the majority of traders have accepted the need to comply with consumer protection legislation.

Discussions are just commencing on how the ASA are going to refer over a number of non-compliant homeopaths who are not following the guidance received by their industry and this is likely to be a significant area of work going into this new financial year.

All referred cases appear on the ASA website.

¹⁸² BEIS KPI 4bii

NATIONAL TRADING STANDARDS PROGRAMME OFFICE STRUCTURE 2016/17

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Support for Chairman
National Trading Standards Board Meetings
Strategic Policy support to Association of Chief
Trading Standards Officers
Grants and Budgets
Animal Health Outbreaks
Oversight of all Programme Office work

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Panel; National Animal Feed at Ports
Panel
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Programme Officer (0.4 FTE)
07817216341
Food Standards and Labelling Panel
Jennifer.attfield@actso.org.uk
07977205043
Feed Delivery (0.4 FTE)
Gwyneth.rogers@actso.org.uk
Feed Expert Groups (0.3 FTE)

ANNEX 2 – Funding 2016/17

The grant from BEIS was £13.24 million. This was allocated by the Board as follows

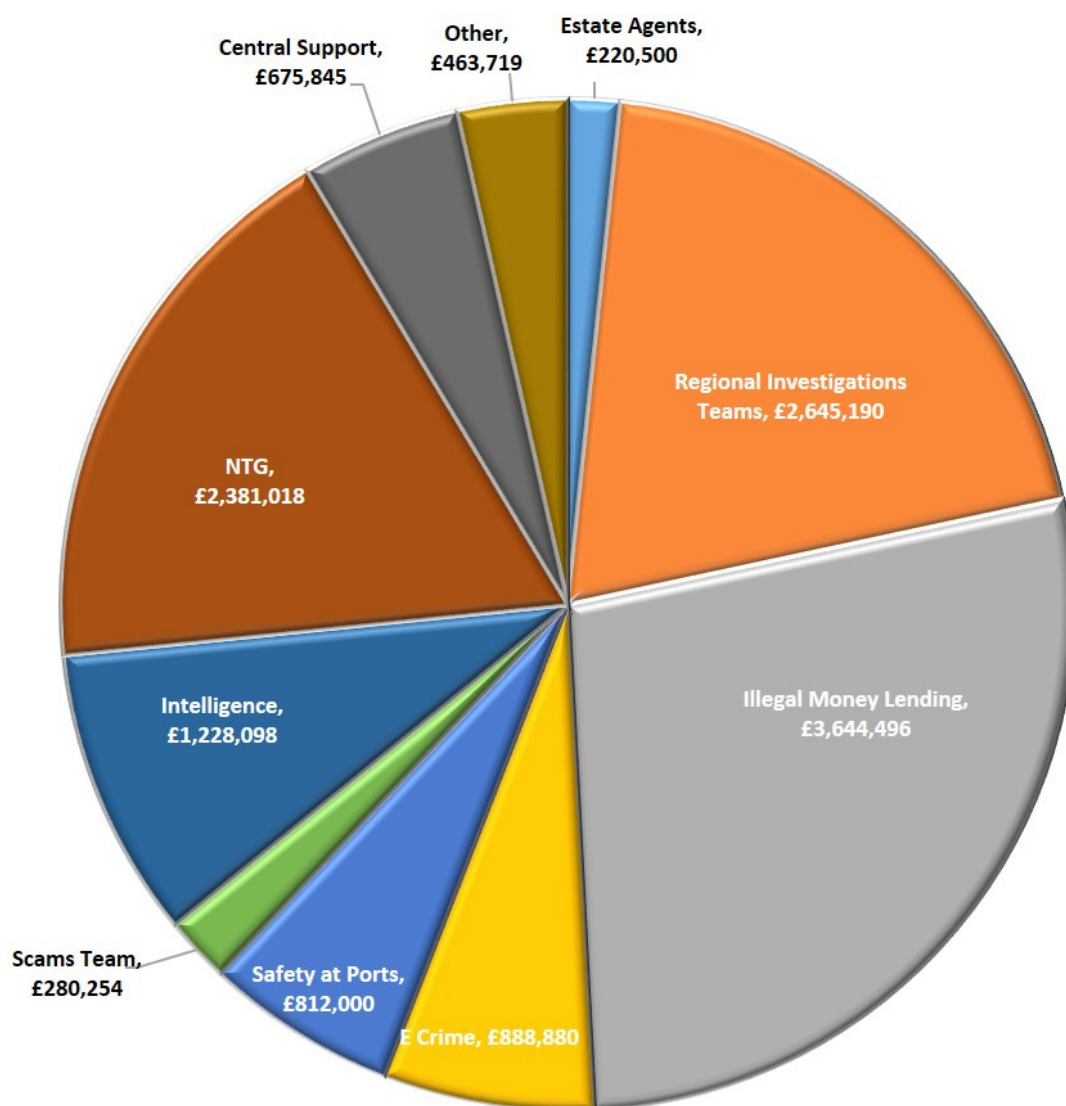


Figure 4 – BEIS Grant funding 2016/17 as allocated 1/4/16

Other	£	Central Support	£	Intelligence	£
Sanctions database	27,000	Programme Office	513,305	NTS Intelligence Team	512,458
ASA Liaison	18,400	Chair Costs	50,000	Regional Intel Analysts	392,700
TSI Conference	4,000	TSI Finance	112,540	Other Intelligence	37,840
Contingency	14,486			Local Intelligence Dbases	82,600
Communications	142,283			Memex/12/IDB/PNC/Crimson	202,500
Regional Coordination	257,550				
	£463,719		£675,845		£1,228,098

Table 13 - Additional Breakdown of Costs

The funding from FSA for feed work was £2,700,000, which was allocated as follows

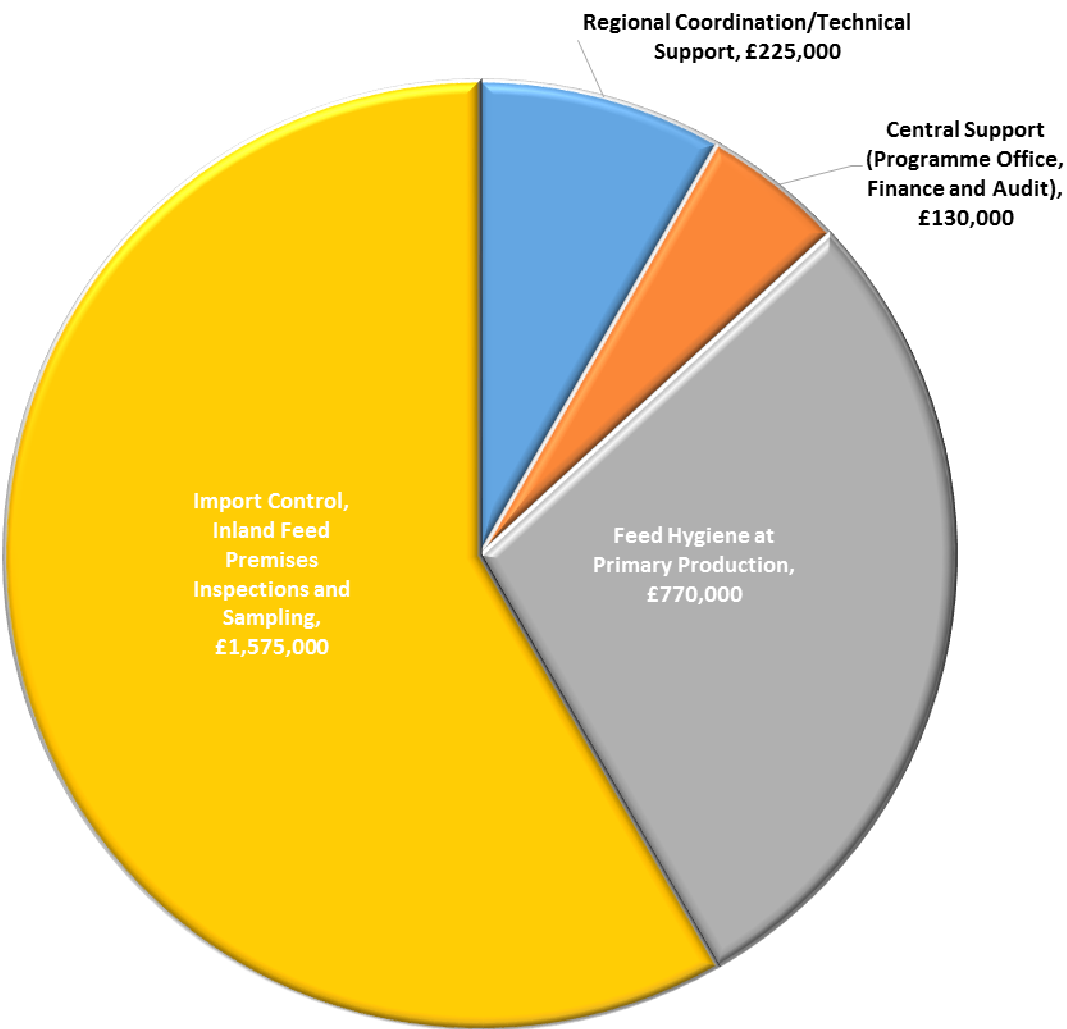


Figure 5 – Feed Funding 2016/17 as allocated 1/4/16

ANNEX 3 – Actual Spend 2016/17

The grant from BEIS was £13.24 million, spent as follows:

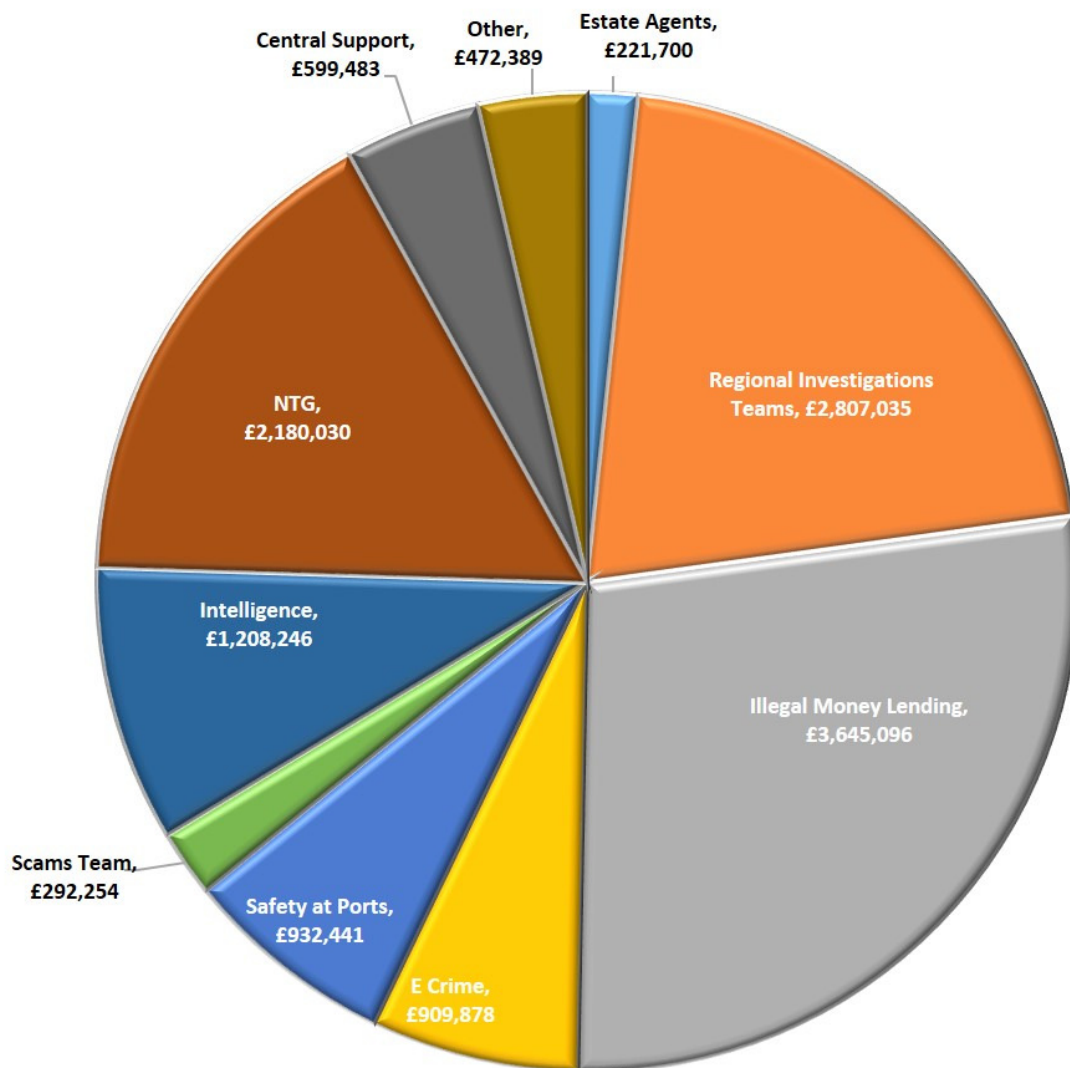


Figure 6 – BEIS Grant funding final spend - 2016/17

Other	£	Central Support	£	Intelligence	£
Sanctions database	26,143	Programme Office	440,351	NTS Intelligence Team	520,048
ASA Liaison	18,400	Chair Costs	46,592	Regional Intel Analysts	392,700
CTSI Conference	3,826	CTSI Finance	112,540	Other Intelligence	23,815
Contingency	6,750			Local Intelligence Dbases	82,500
Value for money	0			Memex/I2/IDB/PNC	158,104
Regional Coordination	306,050			Crimson Case	31,079
Communications	111,220				
	£472,389		£599,483		£1,208,246

Table 14 – Additional breakdown of costs

The funding from FSA for feed work was £2,725,000 spent as follows:

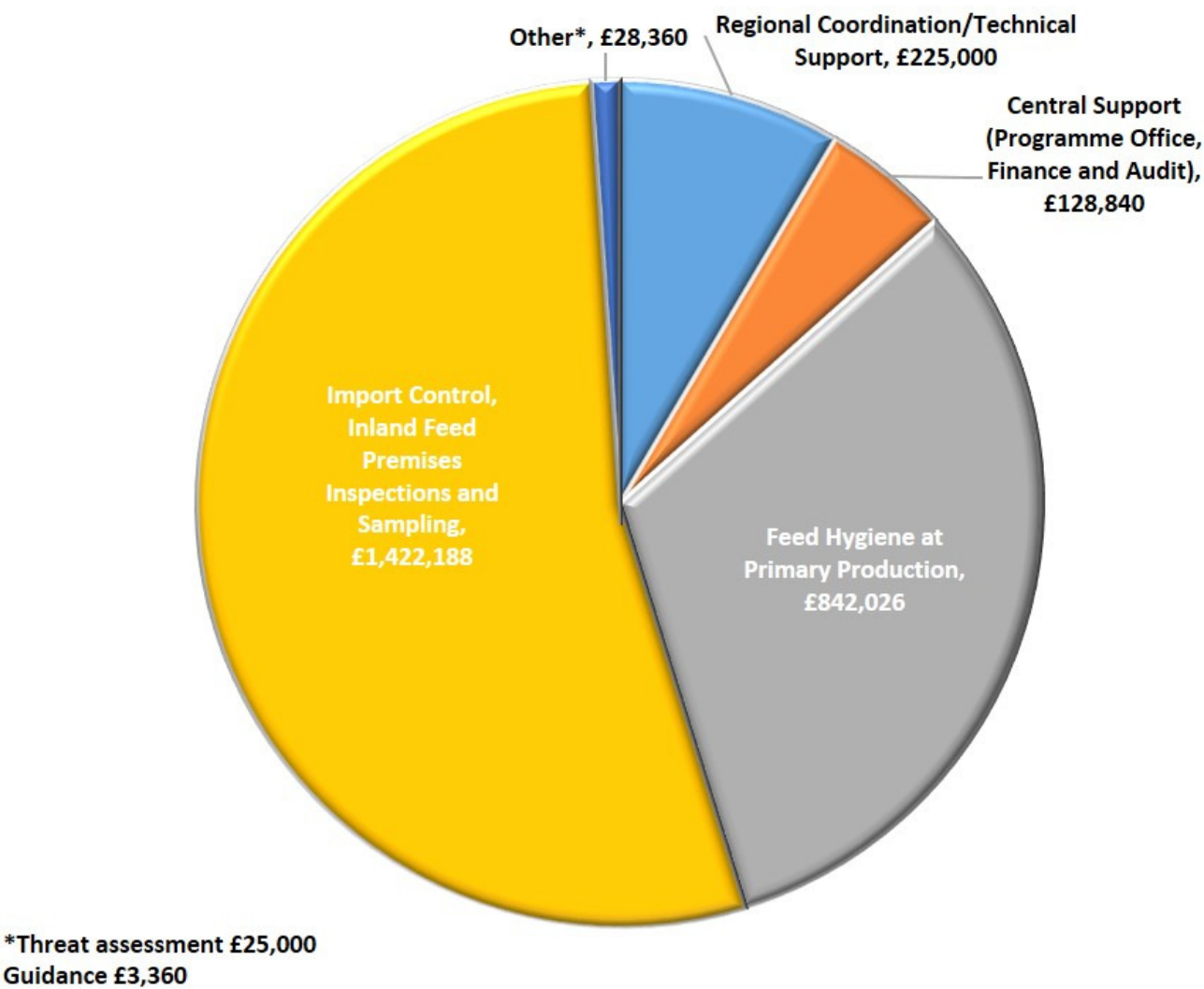


Figure 6 – Feed Funding final spend 2016/17

Annex 4 - Impacts and Outcomes Measures for BEIS related work.

Objective	Outcome	Key Performance Indicator	Performance (for quantitative data, this will be listed here, for narrative references there will be a short summary or reference to footnotes)
1. GOVERNANCE AND, TRANSPARENCY:			
Activity: a) Ensure and demonstrate effective governance transparency arrangements for the work of NTS - to our partners, the UK Government and the National Audit Office.	<ul style="list-style-type: none"> NTS activities are transparent, accountable, due to robust governance procedures and activities. Each work-stream and enforcement project has efficient and effective oversight – allowing for optimum performance. Risks and issues which may negatively affect NTS overall performance and/ or reputation prevented from materialising through active management. 	<p>NTS role, activities and governance are clearly presented through NTS website.</p> <p>(i) Business Plan and Annual Report: (a) Sets out objectives to protect consumers (b) Reports measurable performance against objectives (c) Highlights effective governance of NTS/ Projects.</p> <p>(ii) Evidence of effective and proactive risk/ issue management.</p> <p>(iii) Annual report to demonstrate positive cost/ benefit ratio of NTS work for each major work-stream.</p>	<p>External website available at http://www.nationaltradingstandards.uk This has information about key work areas, reporting and contact details, governance processes, press releases, campaigns, business plans and annual reports.</p> <p>Business plan and annual report have 4 overarching objectives. Annual report reports all measures as agreed with funding Government Departments. Each section in the annual report outlines the governance group that is responsible for the operation of that workstream.</p> <p>NTS Board agrees a risk register at the beginning of each year. This is then updated quarterly by Chair and Vice Chair with any new significant risks being reported to the Board.</p> <p>Positive impacts identified in the NAO report of the NTS value for money.</p> <p>Total cost benefit is £126,516,408 detriment tackled for a spend of £13,268,821 i.e. £9.52 for every £1 spent</p> <p>Cost benefit for each operational work area receiving over £1 million funds, as follows</p>

			<p>E Crime £1,020,000 detriment for £909,877 i.e. £1.12 for every £1 spent but there is overlap and significant benefit from e crime work that links to the RIT figures.</p> <p>Regional Investigation Teams £15,341,562 detriment for core spend of £2,807,035 i.e. £5.47 for every £1 spent. This excludes funds allocated via NTG.</p> <p>Safety at Ports and Borders Teams £78,322,132 for a spend of £932,441 i.e. £84 for every £1 spent.</p> <p>Illegal MoneyLending Teams £8,733,040 detriment for £3,645,096 i.e. £2.40 for every £1 spent. This excludes funding provided separately via the FCA.</p>
2 INTELLIGENCE:			
<p>Activity:</p> <p>a) Monitor and enhance the framework for sharing intelligence, and the use of intelligence in order to identify and tackle emerging threats more efficiently and effectively.</p>	<ul style="list-style-type: none"> Intelligence gathering systems are fit for purpose, leading to reduction in size of intelligence gaps, and accurate identification of detriment picture. NTS use accurate intelligence to effectively prioritise action against areas of emerging/ high detriment. High quality intelligence is shared with local and regional Trading 	<ol style="list-style-type: none"> Constructive partnership with Trading Standards Scotland to ensure effective use of MEMEX. Evidence/ examples of how intelligence gaps have been reduced during reporting year. Nature of existing gaps shared with CPP to consider further action. Clear alignment between control strategy and strategic assessment and majority of resources applied to those priorities 	<p>NTS has a contract with CoSLA and partners in a working group for system developments etc. Roles of CoSLA have been clarified in writing and approved by the Board.</p> <p>Positive impacts identified in the NAO report of the NTS role in and use of intelligence. See footnotes referenced 2a(ii) on pages 6, 22-29, 35, 46, 52, 61, 62 and 71</p> <p>NTS Board agreed SA in September 15, agreed budget in principle aligned in principle to those priorities via core budget Teams, budget</p>

	<p>Standards – enabling them to effectively tackle non-national threats.</p> <ul style="list-style-type: none"> NTS Intelligence systems/ usage are secure and compliant with data protection legislation. 	<p>iv. Evidence of examples of subject and problem profiles that have been shared via the Regional Intelligence Analyst Network.</p> <p>v. Evidence of testing intelligence databases (and the use of) to ensure:</p> <p>(a) Information is stored securely in line with law.</p> <p>(b) Effective remedial action is taken to address issues.</p>	<p>confirmed against those principles in march 16, control strategy drafted in line with those principles and issued. See footnotes referenced 2a(iii) on pages 4, 20, 23, 25-27, 31, 32, and 45</p> <p>See footnotes referenced 2a(iv) on pages 6, 22, 24, 25 and 28</p> <p>Intelligence databases are owned either by Memex or by EETSA Ltd so they test in accordance with their obligations. NTS intelligence Team has data handling protocols as agreed by Suffolk CC, each Regional Intelligence Analyst is governed by their employing local authority data security policies and data protection obligations and NTS Programme Office staff are governed by data security policy as approved by ACTSO Ltd Board of Directors.</p>
<p>3 ENFORCEMENT</p> <p>Activity: Ensure effective delivery of national and cross boundary enforcement projects</p>			<p>Positive impacts identified in the NAO report of the NTS role in cross border enforcement and other front line work.</p>
<p>a. Operational delivery of the regional Investigation Teams to tackle consumer detriment</p>	<ul style="list-style-type: none"> Consumer detriment is being tackled as Regional Investigation Teams take effective action against rogue traders whose regional/ cross-regional activities are beyond the reach on individual local authorities. 	<p>i. Number of operations commenced in the period.</p> <p>ii. Number of consumers affected.</p> <p>iii. Number of successful prosecutions.</p> <p>iv. Value of detriment avoided.</p>	<p>22</p> <p>16813</p> <p>29 cases 67 defendants</p> <p>£15,341,562</p>
<p>b. Operational delivery of ECrime Unit to tackle consumer detriment.</p>	<ul style="list-style-type: none"> ECrime Unit addresses detriment through monitoring, investigating, and tackling online consumer 	<p>i. Number of operations commenced in the period.</p> <p>ii. Number of operations where the Team gave</p>	<p>5</p> <p>30</p>

	and business frauds – through proactive unilateral action, and in partnership with/ on behalf of other stakeholders.	assistance to another local authority/ agency. iii. Number of successful prosecutions. iv. Value of detriment avoided.	2 £1,020,000
c. Provide support to local authorities to identify Mass Marketing Scams and work with victims.	<ul style="list-style-type: none"> Scams Team tackle detriment caused by mass marketing scams through: <ul style="list-style-type: none"> (i) Disrupting the operations of perpetrators behind mail scams. (ii) Working in partnership with agencies across the country to identify and support victims of mass marketing fraud. (iii) Providing guidance, best practice and acting as a centre of excellence to assist local authorities in supporting local victims and taking local enforcement action. 	i. Number of successful disruptions/ enforcement actions. ii. Number of pieces of advice provided to local authorities/other organisations. iii. Value of detriment avoided. iv. Annually report level of victims support provided by local authorities and flag key issues of concern	238 No longer recorded due to increase in website social media, knowledge hub and newsletter methods of providing advice responsive, ongoing and efficient support. The Team also supports LAs with investigative work and guidance on companies and cases this sort of official advice was given 48 times last year. £23,099,674 3,286 confirmed victims based on direct feedback from LAs. Despite reductions in local resources only 2 LAs have requested any reduction in the no of referrals they wish to receive under their service level agreement.
d. Operational delivery of Illegal Money Lending Teams to tackle consumer detriment.	<ul style="list-style-type: none"> Consumer detriment is tackled through disruption of Illegal money lending activities and prosecution of loan sharks. Victims of loan sharks are provided with support. Awareness of the dangers of loan sharks is raised via educational initiatives within local communities. 	i. Number of operations commenced in the period. ii. Number of illegal lenders identified. iii. Value of detriment avoided. iv. Number of victims affected. v. Number of victims supported & description of general support given vi. Number of successful prosecutions. vii. Evidence of increased awareness of dangers of loan sharks following IML educational events	288 497 £8,733,040 (direct/actual savings at point of intervention) 2091 1395 see also footnotes referenced 3d(v) on page 70 33 individuals across 29 cases See footnotes referenced 3d(vii) on page 71. It should be noted that many activities take place but there is no formalised regular evaluation across the workstream. This was something NTS had planned to address but given the governance is with FCA/HMT from next April, they wished to develop their

			own performance and impact measures so this has not been taken forward by NTS.
e. Provide resources at key Ports and Borders to prevent consumer detriment caused by the import of unsafe and non-compliant goods.	<ul style="list-style-type: none"> Dangerous/ non-complaint goods are prevented from entering the country and causing harm in the consumer market. 	i. Number of samples taken. ii. % of samples found to be unsafe/ non-compliant. iii. Number of unsafe and non-compliant products removed from UK market. iv. Value of potential harm prevented by ensuring unsafe and non-compliant goods not released into supply chain. v. Evidence of supporting stakeholders through SPoC and East Midlands Airport vi. Number of lives saved, fires prevented, serious injuries avoided	1325 83% 2,530,602 £78,322,132 See footnotes referenced 3e(v) on pages 51 and 52 5 lives saved, 1519 fires prevented, 1772 serious injuries avoided
f. Managing the National Tasking Group to assess and resource appropriate cases.	<ul style="list-style-type: none"> NTG supports consumers and businesses through supporting and funding work in areas where the can the biggest impact can be made, or where there is greatest need for action. 	i. Evidence how the Board is more effectively taking on large, complex and national investigations and assessing by costs and risks involved. ii. Annual assessment of impact to demonstrate that the resource invested providing good value for money. iii. NTG tasking aligns with control strategy and strategic assessment and majority of resources applied to those priorities	The Ecrime and Investigations Governance Group run an ongoing and specific risk register in relation to ongoing cases in order to address risks. See footnotes referenced 3f(i) on pages 5, 26, 27, 30, 32, 35 and 43 Majority of NTG funded cases taken by Regional Investigations Teams and E Crime so the impact is included on the value for money calculations for those Teams NTG priorities for each year are directly determined by the NTS priorities and control strategy. NTG allocated £2,180,029.78. 74% was spent on fair trading/scams related issues. 19% was spent on doorstep crime related issues. 3% was spent on intellectual property related issues. 4% was spent on product safety related issues.

g. Provide enforcement of the Estate Agency Act .	<ul style="list-style-type: none"> Consumers and businesses by are protected through effective oversight of the Estate Agents Act (1979). 	<ul style="list-style-type: none"> i. Number of warning and prohibition orders issued. ii. Number of redress schemes approved/ approval withdrawn. iii. Demonstrate that Powys is effective monitoring the estate agent redress schemes. iv. Evidence of provision of advice, guidance and expertise in the application and interpretation of estate agency legislation - shared with colleagues across the enforcement community. 	<p>13</p> <p>0 (no applications received, 3 redress schemes in place) See footnotes referenced 3g(iii) on page 85</p> <p>See footnotes referenced 3g(iv) on pages 84 and 85</p>
4 STRENGTHENING THE CONSUMER LANDSCAPE			
Activity: a) Leading the coordination, collaboration and communication of local, regional and national Trading Standards enforcement.	<ul style="list-style-type: none"> Local authority Trading Standards services are supported through national tasking and intelligence to tackle NTS identified national enforcement priorities within their communities. 	<ul style="list-style-type: none"> (i) Evidence NTS coordination ensures Trading Standards Community work effectively together to tackle harm occurring: <ul style="list-style-type: none"> (a) Nationally (b) Regionally (c) Locally 	<p>Positive impacts identified in the NAO report of the NTS role in improving the landscape overall and in particular the linking of local regional; and national issues. See also footnotes referenced 4a(i) on pages 3, 6, 21, 22, 26, 28-32, 35, 43, 46, 47, 51, 53, 55-58, 61-63, 65-67, 74 and 85</p>
b) Supporting the Consumer Protection Partnership and the wider consumer landscape	<ul style="list-style-type: none"> The CONSUMER PROTECTION PARTNERSHIP is stronger as a result NTS membership and contributions - more able to identify, prevent and tackle consumer detriment. Collaboration with stakeholders across the landscape (this might be individual ASA, FSA, CONSUMER PROTECTION PARTNERSHIP members, NFIB, and others) tackles rogue traders. 	<ul style="list-style-type: none"> i. NTS is bringing worthwhile issues and intelligence to the CONSUMER PROTECTION PARTNERSHIP for consideration, and feeding in the work of non-members. ii. NTS is taking individual and collective responsibility for effective delivery of CONSUMER PROTECTION PARTNERSHIP work. iii. Evidence of effective work with non- 	<p>NTS participates in strategy, operational, intelligence and communications groups for CPP. CPP Chair can comment on value of input. See also footnotes referenced 4b(i) on pages 5, 6, 22, 25 and 28</p> <p>This year NTS led on the need for and then the delivery of the Most complained About Trader report and with CMA on secondary ticketing. See also footnotes referenced 4b(ii) on pages 5, 22, 23, 25, 27, 28, 45-47 and 51</p> <p>See footnotes referenced 4b(iii) on pages 23,</p>

		<p>CONSUMER PROTECTION PARTNERSHIP members to strengthen landscape and tackle consumer harm.</p> <p>NB. This might be through a mix of case studies, and a stakeholder perception survey</p>	<p>24, 29, 33, 35, 38, 40, 52-56, 61-63, 65-67, 71, 84 and 85</p> <p>No survey undertaken this year as NAO interviewed many stakeholders as part of its field work</p>
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Table 15 –BEIS indicators for 2016/17

ANNEX 5 – Detriment Calculations

Detriment figures quoted in the introduction to this report are calculated as the sum of the following

1. Consumer and Business Detriment avoided through NTS Regional Investigation Team actions (£15,341,562)
2. Potential Fraud uncovered by the NTS E Crime Team (£1,020,000)
3. The value to society of unsafe and non compliant goods taken out of the supply chain. These are calculated at £30.95 per item, based on independent research conducted by Matrix in 2014 with appropriate inflationary increases based on retail price index. (£78,322,132)
4. The direct/actual savings to consumers from NTS Illegal MoneyLending Teams activities. (£8,733,040)
5. Total Savings to consumers by the NTS Scams Team which is calculated by combining the below figures:
 - Detriment recorded by Trading Standards, (The amount of money that a victim has lost to scams that is calculated by the visiting TS officer. E.g. A TS Officer visits Mary who advises them that she has been responding to scam mail for the last three years, sending off £50 per month. This would be submitted by the TS Officer as £1800 detriment for Mary. All TS feedback to us on a figure for each of their victims (if there is one/they can calculate one)
 - Savings recorded by Trading Standards,
 - Savings recorded by the Team based on actual money returned and (“actual savings to consumers”);
 - Savings estimated from disruptive work (based on 18% return rate and an average £25 spend by victims) (“other results of interventions etc.”)

(£23,099,674)

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