

**NATIONAL  
TRADING  
STANDARDS**

Protecting Consumers  
Safeguarding Businesses

# ANNUAL REPORT

## 2022-2023

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## Executive Summary

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During 2022/23, National Trading Standards Teams and workstreams:

- Did **4,328** Feed interventions
- Dealt with **£252,451,145** in consumer and business detriment<sup>1</sup>
- Had **22** people convicted of offences
- Had prison sentences totalling **45 years** handed down
- Had **£35,000** fines imposed
- Obtained **£134,797** in compensation for victims
- Obtained **£6,309,177** in POCA
- Took down or suspended **408** websites/social media sites
- Seized illicit tobacco with a revenue value of **£7,627,526**
- Issued **26** warning notices, penalty notices or monetary penalties in relation to Estate and Letting Agents

**Between 1/4/14 (when all NTS Teams were fully functional) and 31/3/23, NTS tackled £1,380,239,063 in detriment from a core spend of £114,895,259<sup>2</sup> million: £12.01 impact for every £1 spent.**

This executive summary covers key outcomes for the year and examples of activities.

NTS received a total of **£17,876,873** from eleven different Government Departments and Agencies.

All appeals have now been completed in the **cross border enforcement case** and the Court of Appeal upheld the right of local authorities to investigate and prosecute for cross border cases under the Consumer Rights Act 2015.

The Government issued its response to its Command paper: '*Reforming Competition and Consumer Policy: Driving growth and delivering competitive markets that work for consumers*'. **There were no proposals for change of status to NTS.**

Local authorities delivered **4,328 feed activities** for the NTS Feed Delivery Programme which equates to 95% of that committed to in April 2022. NTS held five online briefings on **changes to imported feed controls** as a result of EU exit and a

<sup>1</sup> See annex 5 for detriment calculations. Sentencing and detriment figures are calculated at the point of sentencing. Delays in Court cases mean that detriment already tackled is not included in the above figures. Includes 354852 used car projects, £6m Op Vulcan and £65m from seizures in self storage project.

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

significant amount of guidance was issued via the **National Agriculture Panel and National Feed at Ports Panel**.

The NTS' **national control strategy** for 2022/23 was published in April 2022. The NTS Board also agreed the national 2023 NTS' strategic assessment and as such NTS will have the following **priorities for 2023/24**:

Tier 1: Doorstep crime (inc. energy fraud), mass marketing fraud/scams and lettings.

Tier 2: Illicit tobacco, intellectual property crime, used cars, other fair trading and estate agents.

Tier 3: Animal feed with dedicated FSA funding.

The **NTS Intelligence Team** began to provide a central NTS PND service for all Trading Standards Services, Regional Groups and NTS Teams (in England and Wales) in June 2022. They also produced five scoping/research documents on the underage sale of vapes, approved trader schemes, driving tests scams, Google trend's solar grant and the supply of illicit alcohol.

The **National Tasking Group** considered 43 referral requests and agreed 38. New case scoping guidelines were approved and issued ready for 23/24. Work is ongoing in relation to the use of Alternative Enforcement Strategies. They allocated £3.7 million for investigations and £223,000 to complete the regional projects begun last year. Full reports on all projects will be shared early in 23-24.

Operation Jumpstart tackled the top **10 most complained about used car traders** in the East of England. Thirty nine visits were made with 63% of vehicles inspected having either one or a combination of faults. The projected consumer detriment saved in dangerous vehicles alone was £130,000; a return of £7.47 for every £1 invested.

Operation Nutmeg tackled the top **10 most complained about used car traders** in the East Midlands. Advice and audits resulted in a decrease of complaints from 275 to 215 with overall detriment being reduced by 47%.

The used car expert group issued guidance on the effect of cancellation on a distance contract for a vehicle supplied subject to a finance contract, and the use of QR codes in the place of vehicle price indications.

There were nine ongoing **energy related fraud** cases in 22/23. Two large scale cases had to be dropped due to various evidential and legal challenges and one had a mistrial. The largest and longest trial for an NTS funded case finally commenced

in October 2022 after more than 10 years. Lessons from these cases have been shared with the Department for Energy Security and Net Zero.

One case related to the **mis-selling of solar panels** by a Kent based company was completed. Two defendants received a total of almost four years' custodial sentences and both were banned from being Company Directors for five years.

**Operation Beorma** continues to tackle organised criminals responsible for huge imports of counterfeit goods into the UK and sales at on-line and physical markets. It has led to over 80 direct enforcement actions, the identification of previously unknown Organised Crime Groups, and the recovery of several million pounds worth of counterfeit goods.

**Operation Vulcan** is a multi-agency project targeting counterfeiting activity in the Strangeways area of Manchester. Greater Manchester Police have made a massive new investment, working with Manchester City Council and others, to deliver a permanent solution to eradicate the embedded criminality in the area. Manchester Trading Standards continues to obtain premises closure orders and have undertaken several raids with over £6 million worth of counterfeit clothing were seized.

The **self-storage project** is jointly funded by NTS and the Intellectual Property Office. Three targeted visits, in Newport, Stoke and Rochdale, led to the seizure of counterfeit and illicit goods. The Rochdale operation identified 11 containers and intelligence led to further action and identification of an OCG sending out 300 to 500 parcels per day. The illegal business is quoted to be "A huge criminal counterfeit goods operation 'worth up to £65m a year'".

The NTS Scams Team's disruption work against many linked companies and directors involved in a major consumer fraud via **fraudulent call centres** is ongoing. A criminal investigation was scoped but there was insufficient admissible witness evidence to proceed; disruption is proving more effective in this case. Referrals have been made to other enforcement agencies and partners to take action in relation to data protection, communications, tax breaches etc and removal of payment facilities by finance organisations, where appropriate.

The **NTS Scams Team Doorstep Crime Campaign** was launched in April 2022. An electronic version of the leaflet, posters and a social media pack were sent to local authorities and supporting organisations.

Three **doorstep crime** cases, relating to aggressive mis-selling of fish in the North East, were completed. Three defendants were sentenced to 8 years 7 months in prison. Fraudsters targeted elderly and vulnerable consumers. The value of complaints was over £350,000. One major trial, linked to these cases, is due for trial next year.

Two other cases, in the North East and South East, relating to **mis-selling of conservatories, building work and driveways**, resulted in four defendants being sentenced to a total of 14 years in prison for fraud exceeding £600,000.

The **Regional Investigation Teams** have 113 open cases. They closed 32 cases this year and took on 36. Despite trials still being delayed due to the lasting effect of the pandemic, the Teams' efforts led to many good outcomes including:

- 22 defendants convicted.
- Prison sentences: 41 years 11 months.
- 4 company director bans: 21 years.
- £141,655 in Confiscation.
- £84,747 in compensation.

The consumer and business detriment avoided through their intervention this year was £121,583,702

In addition to the examples above, **prosecutions** were completed for cases relating to rogue builders, a rogue draining company, fraudulent letting agents, a fraud relating to HGV driving tests and a modelling scam.

The **NTS eCrime Team** has 12 active investigations. The main focus of these remains secondary ticketing, 'copycat' web sites, technical support helplines and frauds linked to social media advertising. The Team had one very successful POCA outcome this year, relating to one of the secondary ticketing cases, with over £6.3m being confiscated.

The Team secured 408 **website and social media takedowns and interventions**. The consumer and business detriment avoided through the eCrime Team's enforcement and disruption interventions was £15,147,637.

The **Digital Evidence Unit** provided forensic support to 33 investigations. They examined 47 PCs/laptops, 100 mobile phones and 52 other devices.

The **eCrime Team** investigated issues concerning websites offering short term loans to consumers with poor credit ratings which resulted in refused loans and consumers tied into ongoing payments for credit monitoring. There also appears to be harvesting of consumers' data and selling it on to third parties. Following a meeting, the ICO opened two investigations and it is suspected that as many as one million consumers may have been affected.

NTS has approached the CMA to ask for **approved trader websites** to be looked at as part of their market study work.

The **NTS Scams Team** identified 3,791 scam victims and made savings of £49,090,614 through its investigations and disruption work. The Team assisted local Trading Standards on 55 enquiries.

**Friends Against Scams** reached its one millionth "friend" when Minister, Paul Scully, MP signed up in June. Linked work was undertaken with utility companies, Age UK and other charities. Following an international meeting, other European and North American enforcement agencies are now keen to establish similar consumer education campaigns in their countries.

The number of **Scam Marshals** grew to 2,254. There is now at least one Scam Marshal in 97% of local authorities and 117 have at least five.

A total of 2,332 **clairvoyant style mailings** were stopped this year. The average recipient's age was 81. Other investigation and disruption work took place in relation to romance scams, faith-based scams, spoof numbers and significant work with the ICO. A refund of £48,500 was obtained for one victim.

**Multi-Agency Against Fraud (MAAF)** partnerships are now established in most areas with only two police force areas currently not engaged. NTS secured £800,000 from the National Crime Agency to invest in call blockers and MAAFs are applying for call blockers for local consumers and installation will commence early next year.

**The NTS Estate and Lettings Team** supported local authorities with significant training. Tenant Fees Act 2019 training has been completed by 550 officers. New E Learning was provided on Property Crime and Intelligence with over 100 officers completing them and the Team delivered 17 webinars on various housing topics with at least 1,430 local authority officers attending.

NTS funded a range of **lettings related projects** delivered by the Team and regional and local Trading Standards. Reports will be shared in 23/24.

**Property Agent Checker** is a single search facility to check on redress membership. Information from the six CMP schemes is live on the system and checking the accuracy of the data is an ongoing process.

The Team worked with the National Crime Agency to identify collaborative approaches to their Threat Assessment on **property owners and agents linked to modern slavery and human trafficking**. The Team investigated a letting agent who stole over £182,000 in tenant deposits, and attempted to evade arrest by travelling to Spain. Following his three-year custodial sentence, the Team served the agent with a prohibition order in November 2022.

NTS supported the **Advertising Standards Authority** with 18 requests for intervention and advice. There is a similar arrangement to support the **Office for Students** in relation to unfair contract terms to students and higher education accreditation claims.

Via the NTS Programme Office, ACTSO has notified and supported local authorities with 196 confirmed **avian influenza** cases and a further 203 suspect cases which were negated. The Animal Disease Contingency Plan Template was reviewed and updated with the avian flu annex. Training sessions were provided in all regions and Wales.

Operation CeCe resulted in the seizure of 14.3 million **illicit tobacco** “sticks” and 3.2 tonnes of illicit hand rolling tobacco. The total revenue value of the products was £7,627,526.

HMRC is consulting on the Tobacco Products (Traceability & Security Features) (Amendment) Regulations 2023. Members of the Operation CeCe group have collaborated with HMRC to develop the process by which Trading Standards make referrals to HMRC to access these enhanced sanctions.

Members of the group also participated in the refresh of HMRC/Border Force's strategy to combat the illegal tobacco trade 'Tackling illicit tobacco: from leaf to light'. The group raised a number of issues that, as Trading Standards, we believe could be deployed to enhance the success of this strategy, for example use of closure orders and licensing.



# Chapter 1 – Introduction

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This report summarises the work that has been undertaken and commissioned by National Trading Standards (NTS) and its Teams between 1/4/22 and 31/3/23. Work was based on a National Control Strategy which, in turn, was based on the findings of a Strategic Intelligence Assessment.

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

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

**Figure 1 – Strategic Objectives 2022/23**

This report provides a summary of key activities and examples of cases. It is not a full breakdown of activity.

This will be the last report in this format. From 23/24, the public report will be a much shorter report focussed on communicating outcomes to partners. Details of ongoing activities, governance and statistical reporting will be done via direct reports to relevant grant providers and governance groups.

## Chapter 2 - Programme Office, Funding, Policy

### 2.1 Programme Office

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

### 2.2 Funding 2022/23

Funding	Funding Body	Purpose
£12,027,000	Department for Business and Trade (DBT)	Serious consumer protection enforcement, scams and ports safety
£600,000	Department for Net Zero and Energy Security	Energy Investigation
£1,930,202	Food Standards Agency (FSA)	Safety of Animal Feed
£589,000	Department for Levelling Up, Housing and communities (DLUHC)	Estate Agency work
£730,000	DLUHC	Letting Agency work
£17,194	Intellectual Property Office (IPO)	Availability Index Project
£800,000	Her Majesty's Revenue and Customs (HMRC)	Illicit Tobacco local disruption days
£1,050,000	National Economic Crime Unit and Home Office	£800,000 call blockers £200,000 consumer payback scheme £50,000 MAAF
£30,000	Home Office	Domestic Violence and Scams Report
£15,000	Age UK	Scams training and guidance
£88,477	Office for Students	Legal Backstop Nov 22-Mar 24

Table 1 – Funding 2022/23

### 2.3 Cross Border Enforcement Case

In March 2022, as part of a RIT led fraud investigation, a Crown Court judge handed down a judgment that significantly limited local authority powers to prosecute cross border cases. All appeals have now been completed and the Court of Appeal upheld the right of local authorities to investigate and prosecute cross border cases under the Consumer Rights Act 2015.

## 2.4 Consumer Protection Partnership

The Consumer Protection Partnership continues to be a priority work area. The Chair and Director participate in the Strategy Group, a Programme Officer attends Operational Group meetings, the NTS Intelligence Team attends the Intelligence Group meetings with NTS' communications experts in the Communications Group.

Topics discussed at the Operational Group meetings included Citizens Advice advising on the consumer detriment overview and noting the reduction in the reporting of scams in the first quarter. This was felt to be because there are now many ways in which scams can be reported rather than indicative of a reduction in the number of scams occurring. The Consumer Protection Study was published in April. It reported that the vast majority of purchases resulted in no problems or problems with low detriment. A few had a high level of detriment resulting in £54 billion detriment unaddressed. At the final meeting of the year partners updated on their priorities for the coming year. The Department for Business and Trade updated on progress with relevant legislation including the Retained EU Law Bill and the planned enhanced powers to deal with fake reviews in the Digital Markets, Competition and Consumer Bill.

## 2.5 Strategic Policy Work and Support to ACTSO

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

- Vaping products.
- Developing a policy on civil sanctions.
- A survey on local authority experiences when procuring TS databases.
- Production of the Impacts and Outcomes report for 21-22.
- Responding to consultations on: units of measurement; sentencing guidelines for knife crime; new powers for the national Food Crime Unit; knife crime sentencing; cautions; and metrology.
- Collating cost of living briefings.
- Liaison with the Association of Directors of Public Health.
- Review and extension of the Ubuntu inclusive mentoring programme.
- Delivery of the four Business Meetings.
- Letters to Government raising concerns about Construction Products enforcement and the lack of a metrology strategy.

- New Burdens assessments for new legislation.
- A survey on local authority experiences when undertaking IP enforcement.

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

## 2.6 Command Paper

The Command paper: *'Reforming Competition and Consumer Policy: Driving growth and delivering competitive markets that work for consumers'*, which covered a broad range of proposals for the consumer protection regime as a whole, was issued in July. The Government issued its response in April and this did not include any proposals for any formal change of status to NTS.

## 2.7 Communications and Media

NTS Commissions its external communications work from Barley Communications. Support is provided approximately two days per week. NTS is now actively sharing press releases and other media work via parliamentarians with an interest in Trading Standards, and local MPS who may have an interest in specific Court cases. A flavour of the work this year is shown below.

In Q1, NTS was mentioned in **395 pieces of coverage**. 99% of coverage had at least one key message and 96% included an NTS quote. 99% of the coverage included a call to action. We developed six press releases, six quotes and two columns.

### Key highlights

In April, we developed a press release to promote the successful outcome of **Operation Spear** and generated media interest around sentencing, resulting in 13 pieces of national and regional coverage. We did the same around sentencing for **Operation Surge** and **Operation Destrier**, leading to a further 7 pieces of regional coverage.

In May, we announced NTS's opinion that 'Price on Application' (POA) property listings are likely to be misleading - securing 18 pieces of coverage across national, regional and trade media. **The Times** covered the story three times across print and online, reporting that POA listings had begun to be taken down from property portals. **Mail Online** and **The Sun** also covered the announcement, as did key property titles. We also wrote two columns for James Munro on the material information project that were published by **Property Industry Eye**.

NTS' support for draft sentencing guidelines for retailers who **sell to 18s** was reported 190 times. National and regional outlets ran with the announcement from the Sentencing Council on the draft guidelines, which included a supportive NTS quote, including **News Online**, **Mail Online** and the **Daily Mirror**.

In June, we warned consumers about **cost-of-living** scams with Citizens Advice during **Scams Awareness fortnight** - securing 26 pieces of national and regional coverage that mentioned NTS, including **The Times** and **Mail Online**. **The Times** signposted to **Friends Against Scams** and NTS was the lead partner quote in much of the coverage. Louise Baxter was also interviewed by **Lisa Aziz**.

NTS' line highlighting the impact of **Operation CeCe** continued to be picked up by national and regional media. 26 pieces of national, regional and trade coverage reported on the success of **Operation CeCe** across Q1.



### Torquay cowboy builder scammed victims out of £135,000

An investigation found Daniel Denison would take a deposit from customers before disappearing for months without contact

## Q2 Media Snapshot Covering July– September 2022

In Q2, we produced four press releases and NTS was mentioned in **146 pieces of coverage** 99% of coverage had at least one key message and 98% included an NTS quote. 97% of the coverage included a call to action.

### NTS Scams Team x Federal Trade Commission

We worked with our contacts at *BBC News Online* and the *PA* newswire to land positive national and regional coverage of NTS' work with the Federal Trade Commission in the US to return money to UK victims of an international mass marketing scam. *The Sun* and *MailOnline* also ran the story, which secured 165 items of national and regional coverage in total.

We also secured a 600word comment piece from Louise Baxter in the *Daily Express* providing advice to consumers about how they can protect themselves against cost-of-living scams, which included a link to the *Friends Against Scams* website.

### NTSELAT – material information in property listings

We published guidance advising agents on how to comply with Part A of NTSELAT's material information project and secured 50 pieces of positive coverage in key trade publications including *Property Industry Eye*, *Estate Agent Today* and *The Negotiator*.

Picking up on the opinion we published about Price on Application (POA) listings in May, the *ETA Adviser* ran a piece which highlighted NTSELAT's view that POA listings are unlawful.

### NTS eCrime Team – secondary ticketing

We worked with *ITV News* on a piece about their investigation into large scale speculative ticket selling on Viagogo. In an interview with *ITV*, Mike Andrews warned consumers about this issue.

### RIT cases

We produced a press release to highlight the successful outcome of Operation South, securing four pieces of regional coverage, including a broadcast interview on *BBC Radio Cornwall*. We also provided a quote to Suffolk County Council for their press release around the sentencing for Operation Arion, which led to 12 pieces of regional and trade coverage across regional and trade titles, including *Suffolk News*, *Mortgage Solutions* and *Letting Agent Today*. We also produced a press release to promote the positive result of Operation Vitex. This resulted in 14 pieces of regional and trade coverage, including from *Newcastle Journal*, *The Northern Echo* and the *Durham Advertiser*.

### Knife sales to u18s

We lined up NTS spokesperson, Cenned Elworthy for a *BBC Morning Live* piece warning of the dangers of the online sale of knives to under 18s. Mr Elworthy highlighted that online retailers should have tighter relationships with delivery companies to ensure that products are labelled correctly and only handed to consumers who can prove they're over 18s outlined by the Offensive Weapons Act 2019.

### Operation CeCe

Through our work to highlight the role of NTS by providing a supportive quote to local authority public health and communication teams, there were 15 pieces of coverage across regional and trade media outlining the ongoing success of Operation CeCe.

## Payouts for victims of sweepstake with no winners



## Newmarket letting agent Frank Smart admits leaving landlords more than £80,000 out of pocket



NTS victims of an international marketing scam who all complained after a scam investigation only of £100,000.

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## Q3 Media Snapshot: October – December 2022

In Q3, we produced seven press releases and NTS was mentioned in **898 pieces of coverage** 69% of coverage had at least one key message, 97% included an NTS quote and 98% included a call to action.

### Emerging Threats/Strategic Assessment

We warned consumers and businesses of the emerging threats identified in the NTS strategic assessment by devising getting to news hooks. This secured coverage on *BBC News Online* live feed (on the same day as news broke about interest rate hikes), as well as in *Daily Express*, *Metro*, *i*, *Telegraph*, *The Independent* and *Evening Standard*. The story ran on the *PA* newswire and secured 207 pieces of coverage in total. The majority of coverage signposted to the dedicated *Friends Against Scams* landing page on the cost-of-living crisis that we set up with the Scams Team.

### NTS eCrime Team – Operation Eiffel

We welcomed the result of the POCA hearing to conclude the landmark secondary ticketing case by issuing a press release in conjunction with the City of York Council. This generated 49 pieces of positive coverage across national and music industry media, including *The Guardian*, *Sky News* and *NME*.

### NTS Scams Team – Scamnesty

We used criminals' eagerness to take advantage of the World Cup via fake lottery scams as the hook for our *Scamnesty* campaign. *BBC News Online* ran a detailed article containing all our key messages, advice to consumers, a call to send in scam mail to the NTS website and a link to the *Friends Against Scams* website. The NTS Scams Team also developed a communications toolkit for authorities and the overall campaign achieved 22 pieces of international, national and trade media coverage, resulting in an increase in the number of scam mailings sent to the Scams Team.

### NTS eCrime Team – Operation Monty

In the runup to Black Friday, we partnered with the Intellectual Property Office (IPO) to target consumers to think twice before purchasing counterfeit electronics amid safety concerns. We secured 32 pieces of national and regional coverage including *The Sun*, *LBC* and the *Daily Mirror*.

### NTS Scams Team x Federal Trade Commission

Local authorities are continuing to engage media about NTS' work with the Federal Trade Commission to compensate victims of an international mass marketing scam, generating a further 48 pieces of positive coverage in regional titles such as *The Northern Echo*, *Oxford Mail* and *Hereford Times*.

### NTSELAT – Material Information in Property Listings

A further 19 pieces of coverage appeared in key trade titles such as *Property Industry Eye*, *Estate Agent Today*, *Letting Agent Today* and *The Negotiator* following the guidance issued around Part A of the process to improve material information in property listings, as well as in the consumer media.

### RIT cases

We produced a press release to highlight the successful outcome of Operation Harp and *Property Wire*'s North East Bureau Chief to attend sentencing, resulting in coverage on *BBC News Online* and *ITV News Online*. We also worked with Southwark Council to secure 18 pieces of positive coverage following the successful conclusion to Operation Overstrand, including *The Online* and several regional titles. Additionally, we developed a press release to announce the successful result of Operation Kalimba, which was covered in key regional media like *The Evening Chronicle*.

### Operation CeCe

Our work to highlight the role of NTS by providing a supportive quote to local authority public health and communications teams resulted in 61 pieces of coverage across regional and trade media.



Warning about scams increase as costs go up

The grim reality is that when people's finances are squeezed they become more vulnerable to scams.

Scams on the day that expense is likely to be tightened. Trading Standards is warning about the latest risks.

It says the number of energy scam targeting people on the phone is up 80%, and that losing just £100 to a scam could push nearly a quarter of UK adults into financial difficulty.

Charities stress that anyone can be tricked by fraudsters and it is vital that victims recognise any kind of embarrassment they may feel, report the crime and seek help that anyone can be tricked by fraudsters and it is vital that victims recognise any kind of embarrassment they may feel, report the crime and seek help.

The INDEPENDENT, The Guardian, sky news, NME, World Cup: Warning over football lottery scams.

Mail Online, property industry eye, NATIONAL TRADING STANDARDS.

NTSELAT steps up consumer campaign on Material Information.

## Q4 Media Snapshot: January – March 2023

In Q4, NTS was mentioned in **146 pieces of coverage**. 97% of coverage had at least one key message, 46% included a call to action and 41% included an NTS quote.

### NTSELAT

We put James Munro forward for a *BBC Radio 4 You & Yours* piece about property fraudsters renting houses, stealing the identity of homeowners, and then selling those properties to unsuspecting buyers while leaving the genuine homeowners without their home. The journalist's angle was that there is not a robust system in place to protect people from rogue or dishonest estate agents and that the redress schemes are not fit for purpose. It was a sensitive piece involving a media contact we need a positive relationship with (Shari Vahl), so we set up and led a background chat between the journalist and James Munro. In conjunction with DLUHC, we agreed to do a pre-record interview to provide clarity about the roles of different organisations involved in the regulation of estate agency work and protect the reputation of National Trading Standards. James was excellent, and his interview led to a balanced piece.

The material information project continued to be covered favourably by national property and trade media. In a comment piece for *The Times*, Kate Faulkner, a property expert, highlighted one of our key messages by applauding NTS efforts to make the home buying and selling process smoother. 22 more positive articles were published by leading trade outlets we enjoy strong relationships with, including *Property Industry Eye*, *Estate Agent Today* and *Today's Conveyancer*.

### NTS eCrime Team

We arranged for Mike Andrews to go on *BBC Radio 4 You & Yours* to talk about the success of Operation Eiffel in a piece calling on Government to tackle ticket touts using bots software.

We prepared a comment for the *Mail On Sunday* warning about copy cat websites and advising consumers to use the GOV.UK website to ensure they do not pay criminals for government services that are available for free.

### NTS Scams Team

We saw a further regional pickup of the team's success working with the Federal Trade Commission to get monies returned to UK victims of an international mass marketing scam as local authorities continued to amplify our messaging. There were 11 further pieces of regional coverage, taking the total coverage number to 224.

### Emerging Threats

We seized an opportunity to recycle the polling data from our Emerging Threats story, providing relevant stats to a spokesperson from Manchester Trading Standards who went on *BBC Radio 4's You & Yours* to warn consumers about counterfeit goods. Our Emerging Threats data was used to support the piece and was attributed to NTS.

### Lord Richard interview Journal of Trading Standards

We arranged for JOTS to interview Lord Richard for a far-ranging piece that introduced Lord Richard to the profession and outlined where he feels the focus should be on for Trading Standards.

### Operation Britannia

We prepared a quote from Trish Burls highlighting the impact on victims and the positive outcome of the investigation. The quote was published by the *Hampshire Chronicle* and the *Southern Daily Echo*.



Protecting Consumers. Safeguarding Businesses.



YOU & YOURS

THE TIMES



National Trading Standards has an 'eCrime' team that monitors misleading websites. A spokesman says: 'These websites are deceiving people into spending over the odds for a Government service that is free'. You should only ever use the official Revenue & Customs website to make a claim. Visit gov.uk or phone 0300 200 3396.



## Chapter 3 - Feed Delivery Programme

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### 3.1 Background

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

### 3.2 Official controls delivery

The delivery picture is one of good performance against uplifted in year targets. We have delivered 4,328 activities, which equates to 95% of that committed to at the outset of the financial year, and spent 97% of the total budget.

It is recognised that it is more difficult to deliver activity that was added in year. This is particularly true for sampling activities.

### 3.3 Feed programme management and improvement

The Programme Office have spent a significant amount of time in 22/23 reworking budgets and replanning reporting to account for changes in the required delivery and available budget in year. These were:

- Removal of the requirement for EU imported feed checks in June 2022.
- Additional programme funding in quarter 2, which added sampling into the programme.
- Adding the in year uplift to unit costs in November 2022.
- Remodelling full budget allocations in March 2023 to account for increased budget.

Whilst additional budget is always very welcome, timings of decisions are key to ensuring that NTS have capacity to deliver the changes requested, both in terms of modelling the changes and for regions and local authorities to deliver them.

### **3.4 Project – Post EU exit implementation transition year project**

Following the postponement by UK government of UK plans in April 2022, NTS ceased introduction of EU feed controls in ports. Since then, NTS has concentrated efforts on improving inland imported feed controls. NAP and NAFPP have provided expert input to the development of all guidance including:

- Developed guidance and training (in liaison with NAFPP) on imported feed controls for inland authorities, including illegally imported feed controls.
- Developed guidance and training (in liaison with NAP) on delivery of official controls at importers of feed and feed materials.
- Provided support for EU controls implementation work for FSA Wales giving support to Welsh authorities with points of entry.
- Produced guidance on the identification, registration of, and inspection of external temporary storage facilities (ETSU) receiving feed.
- Undertook an investigation, and reported to FSA, on the feasibility of using the current system of imported feed controls at roll on roll off points of entry.
- Developed short guidance on undertaking export controls.

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

NTS provides secretariat support to the National Agricultural Panel (NAP) and National Animal Feed at Ports Panel (NAFPP). This year the panels have produced the following pieces of guidance:

- A consistent approach to approval numbers issued by local authorities for higher risk feed businesses to help regulators and businesses to check labelling and approval status and supports businesses exporting to the EU.
- NAP has worked with VMD and APHA to produce guidance on use of insects as feed and food.
- Registration of feed businesses.
- Responding to illegal imported feed once it is inland.
- Use of CBD oil in animal feed.
- List of feed related information sources that provide regular updates on legislation and trends and a list of feed related training courses to address specific gaps.

NAP has issued technical guidance on queries including additives in feed, additive labelling, black soldier fly farming, co-location of pet food manufacturers, bee keepers, human grade meat claims, misleading pictorial representation.

NTS held five online briefings on changes to imported feed controls as a result of EU exit. Questions and answers from the sessions have been published.

Views of NAP and NAFPP have been formally sent to the FSA and Defra about –

- Registration of butchers.
- Salmonella and Enterococci.
- Limitations on powers for imported feed controls.
- Organic imported feed.
- National Enforcement Priorities (NEPs).
- Sampling priorities.
- Updated Food Law Code of Practice and implications for primary production.



## Feed Delivery Data

All England	Allocated activity for 2022/23	Delivery					Percentage delivered against (percentage target)									
		Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Jan-Mar 2023	Total delivered 2022/23	Apr-Jun 2022		Jul-Sep 2022		Oct-Dec 2022		Jan-Mar 2023		22/23 total (target 100%)	
Inland feed inspections	2,897	331	514	649	1,200	2,694	11	(11)	18	(21)	22	(30)	41	(38)	93	
Primary Production premises inspections	920	149	175	210	431	965	16	(21)	19	(22)	23	(22)	47	(35)	105	
High Risk Food	136	16	37	19	44	116	12	N/A	27	N/A	14	N/A	32	N/A	85	
Inland samples taken (Allocated Sept. 22)	52	0	7	23	19	49	0	(7)	13	(17)	44	(44)	37	(32)	94	
Total ports activity (3 <sup>rd</sup> country imports)*	547	98	112	125	169	504	18	(25)	20	(25)	23	(2)	31	(25)	92	
Ports sampling and analysis*		17	15	30	44	106	-	N/A	-	N/A	-	N/A	-	N/A	-	
Overall delivery (exc. Ports samples)	4,552	594	845	1,026	1,863	4,328	13	(15)	19	(21)	23	(26)	41	(38)	95	
Overall delivery budget (inc. uplift)	£1,428,336	£200,990	£277,625	£344,919	£607,940	£1,431,474	14	(15)	19	(22)	24	(28)	43	(35)	100	
Total budget inc. RC fees	£1,751,451			Total inc. RC fees + uplift		£1,751,509										
Total budget for 22-23	£1,798,486			% of Total 22-23 budget		97.4%										

\*Includes individual checks that comprise the 'complete check' at minor ports.

**Table 2 – Feed Delivery Performance data**

# Chapter 4 – Intelligence

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## 4.1 Background

One of NTS' key objectives is to develop intelligence-led working. The Intelligence Operating Model is the foundation for this. This helps Trading Standards Services, regional Trading Standards groups and NTS Teams to adopt an intelligence-led problem-solving approach to consumer and business protection work and intelligence-led activities. The Intelligence Governance Group oversees this work. There is also an NTS Intelligence Network that includes the NTS Intelligence Team, regional intelligence analysts and regional intelligence support officers.

## 4.2 NTS Control Strategy (April 2022 – March 2023)

The NTS' national control strategy for 2022/23 was published in April 2022. It was developed from the NTS' national strategic assessment published in September 2021 and informs and directs the work that NTS funds.

## 4.3 NTS Strategic Assessment (September 2023)

The Board agreed the national 2023 NTS' strategic assessment. NTS will have the following priorities for 2023/24 and these will be used to develop the national NTS' Control Strategy for April 2023 – March 2024:

<b>Tier 1:</b>	Doorstep crime, energy related fraud, mass marketing fraud/scams and lettings.
<b>Tier 2:</b>	Illicit tobacco, intellectual property crime, used cars, other fair trading and estate agents.
<b>Tier 3:</b>	Animal feed with dedicated FSA funding.
<b>Cross cutting issues:</b>	eCrime and the use of on-line and social media, serious and organised crime, and the cost of living crisis.

The new layout of the assessment is much more usable and accessible. It is available on the [NTS public website](#) and was used to support the NTS' emerging threats press release that was published in November 2023.

## **4.4 Sanctions Information Database (SID)**

In February 2023, an update to the SID System Operating Procedures was circulated. One of the key changes was to ensure that local authorities retain their status as data controllers for any information they add or amend on the database. This means that approval from each authority's nominated SID single point of contact is now needed regarding their local authority records on SID. Each authority has to set its own data retention periods for the various types of sanctions. In line with this, users may need to update internal policies, procedures, and governance accordingly.

## **4.5 Police National Database (PND)**

PND allows all UK police forces, and other agencies with access, to view each other's intelligence. Following some pilot work, the NTS Intelligence Team began to provide a central NTS PND service for all Trading Standards Services, Regional Groups and NTS Teams (in England and Wales) in June 2022. They also have direct access to do organised crime group (OCG) mapping and national flagging on PND. Documents detailing the processes were circulated and five online training sessions were delivered in May 2022, and 477 Trading Standards' officers and managers attended this training, which was well received.

## **4.6 Intelligence Database Security, OCG mapping and flagging**

Serious and organised crime (SOC) impacts on all areas of Trading Standards' work and affects consumers and businesses nationwide. The Board received information on the number of OCGs mapped, national flags on PND and the use of the SOC System Tasking process. They recognised the importance of this work. Using flagging and mapping can help target resources and prioritise work, protecting the public and bringing offenders to justice. It can safeguard officers and avoid 'blue on blue' operations that can waste valuable local authority resources. SOC groups may try to infiltrate and use Trading Standards and other local authority services to get access to sensitive information and intelligence. Although these are not every day occurrences, they are real threats. The Board considered a report that identified a number of risks and intelligence security issues. NTS and Trading Standards Services have taken steps to protect and safeguard access to these systems and the use of this information.

## 4.7 NTS Intelligence Team's work

The NTS Intelligence Team provides a national intelligence function across all NTS' work areas. On an ongoing basis the Team provides the following:

- The analytical resource for NTG, producing intelligence products.
- Intelligence support for the NTS Intelligence Network and NTS Teams.
- PND searches, OCG mapping and national flagging for Trading Standards and NTS Teams. Although there are 197 national flags on individuals, there are 1,949 flags on all entities including: people, objects, locations, and events.
- Inputting NTS Team's operations into the SOC System Tasking process and producing the SOC master list for NTG meetings.
- Monthly intelligence reports for the NTS Scams Team.
- Attendance at Consumer Protection Partnership/Citizens Advice meetings.
- Liaison with various national law enforcement and other agencies including the National OCG Mapping Governance Group and the PND Regional User Group.
- Participation in Operation Etherin, led by the National Crime Agency, National Economic Crime Centre (NECC) and the City of London Police and the Fraud Operational and Intelligence Meeting (a NECC unit).

The Team produced:

- Five scoping/research documents for NTS/NTG on the underage sale of vapes, approved trader schemes, driving tests scams, Google trend's solar grant and the supply of illicit alcohol. One scoping document on the Suffolk County Council's cost-of-living dashboard.
- Several pieces of work to assist the NTS Estate and Letting Agency Team on private rented property sector issues, Citizens Advice consumer service database complaints and intelligence developments of identified subjects.
- A short report on issues surrounding a CTSI scam.
- Further research about online trusted trader sites, looking at complaint forums and their websites to establish any additional consumer complaints, and research into DVLA issues, Royal Mail scams and Funeral Plans.
- Ongoing assistance with communication data analysis, on a local authority doorstep crime prosecution.
- Research on the use of on Power BI as a reporting tool.

# Intelligence Data

Intelligence Data 2022-23	April – June 2022	July – Sept 2022	Oct – Dec 2022	Jan – Mar 2023	Total 2022/23
<b>Intel logs recorded on IDB (comparison figure)</b> 2021-22	9434 (9481)	9555 (9850-2021)	10012 (10287-2021)	10001 (10146-2022)	39002 (39764-21/22)
% change from last year	-0.5%	-2.9%	-2.67%	-1.4%	-1.91%
<b>Intel logs recorded against priority areas</b>	54%	55%	54%	54%	54%
Doorstep crime	1552	1497	1455	1498	6002
Fair trading	1404	1526	1616	1611	6157
Scams	492	532	545	399	1968
Intellectual property crime	499	517	561	626	2203
eCrime	1158	1173	1235	1304	4870
<b>Citizens Advice complaints (civil/criminal breaches only)</b>	78593	80563	74959	73112	307227
Fair trading and scams	72803	72295	66385	62077	273560
Doorstep crime and cold calling	8301	8420	7996	7281	31998
Intellectual property crime	521	591	561	598	2271
<i>eCrime – now part of fair trading and scams</i>					
GAIN <sup>3</sup> national referrals received	0	0	0	0	0
GAIN national referrals submitted	0	0	0	0	0
<b>Trading Standards and NTS Teams</b>	<b>April – June 2022</b>	<b>July – Sept 2022</b>	<b>Oct – Dec 2022</b>	<b>Jan – Mar 2023</b>	<b>Total on 31/3/23</b>
Organised Crime Groups (total active)	0 (36)	4 (38)	1 (35)	2 (37)	37
National Flags on individuals (total active)	26 (148)	48 (189)	24 (219)	20 (187)	197
Flag alerts (handled by the NTS Intelligence Team)	479	399	1,124	612	2614
PND searches (done by the NTS Intelligence Team)	20	55	79	77	231
SOC system tasking submissions (total number)	77	5 added (82)	8 added (90)	7 added (97)	97
<b>Sanctions Information Database (SiD)</b>	<b>April – June 2022</b>	<b>July – Sept 2022</b>	<b>Oct – Dec 2022</b>	<b>Jan – Mar 2023</b>	<b>Cumulative Total</b>
Active users	2176	2228	2146	2256	2256
Sanctions added	79	123	97	141	440
Actions added against legal entities	207	153	78	606	1044
<b>NTS Intelligence Team work for NTG</b>	<b>April – June 2022</b>	<b>July – Sept 2022</b>	<b>Oct – Dec 2022</b>	<b>Jan – Mar 2023</b>	<b>Total 22/23</b>
National tactical assessments	1	2	2	2	7
Briefing documents	0	0	1	1	2
Short reports	0	1	1	0	2
Scoping documents	2	2	1	0	5
Problem/business profiles	0	0	0	0	0
Subject profiles	0	0	0	0	0

Table 3 – Intelligence Data

<sup>3</sup> Government Agency Intelligence Network

## Chapter 5 - National and Pro-Active Tasking

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### 5.1 Overview

The National Tasking Group (NTG) is comprised of three NTS Board members and three regional representatives. Other partners participate with non-voting status. NTG meets every 12 weeks to task work, subject to available resources and in line with NTS' priorities. The Group will mainly task referrals that relate to: complex cases; cross-boundary activities; multiple defendants; high levels of detriment; and/or significant breaches of Trading Standards' legislation or extensive fraud.

### 5.2 NTG Tasking and Decisions

NTG met seven times this year. NTG considered 43 referral requests of which 38 were agreed.

The final NTG spend for 2022/23 comprised £3,689,710 for cases and £223,850 for the second year of agreed regional projects. This was an overspend on the agreed budget which was offset against underspends elsewhere.

NTG continued to progress its programme of previously tasked work, supporting investigations and projects that link to NTS' priority areas of eCrime, Doorstep Crime, Energy Fraud, Fulfilment Houses, Supply Chains in Markets, Used Cars, Call Centres and other Fair Trading issues.

Despite being unable to accept funding requests during this period, NTG still considered requests for intelligence or other support that did not require finance.

### 5.3 NTG Regional Projects

The following projects received a second year of NTG funding for 2022/23. Final project reports will be considered at the June 2023 NTG meeting:

- **Operation Cabal** Illegal Dog Breeding Intelligence and OCG Scoping (TSW)
- **Operation Mirage** Virtual Offices (LTS)
- **Real Deal Online** (NTS eCrime Team)

- **Portal Project** (NTS eCrime Team)
- **Self-storage Phase 2** (LTS)
- **Operation Nutmeg** Used Cars MCATS (TSEM)
- **Operation Jumpstart** Used Cars MCATs (EETSA)
- **Operation Neon** Used Cars MOT Stations (YAHTSG)
- **DSC Video Doorbell Project Extension** (TSSE)
- **Operation Cuba** DSC Leaflet Printing (TSEM)

## 5.4 Alternative Enforcement Strategies and Case Scoping

Due to various legal challenges, Court delays and budget limitations, the Board requested that NTG consider options to address this. The NTG commissioned work on identifying Alternative Enforcement Strategies (AES) and Guidelines for Scoping Cases.

Case scoping guidelines were approved by the NTS Board in September and have been discussed with Regional Tasking Groups, Regional Investigation Team Managers and individual local authorities. All referrals for 2023/24 will be expected to be in accordance with these guidelines.

The Alternative Enforcement Strategies work is ongoing and will be further developed during 2023/24.

## 5.5 Operation Fusetar (Residential Park Homes)

NTG approved the referral of this ongoing investigation to the Serious and Organised Crime (SOC) Federated Tasking Team (FTT) to seek the assistance of other, more appropriate agencies to deal with the identified OCGs and their criminality. This operation concerns an Essex-based company and its fraudulent business practices throughout several residential park sites in the UK. The company has repeatedly breached planning laws, resulting in significant increases in profit. As a result, dozens of elderly victims are having both their homes and savings put at risk. A refreshed problem profile produced by the NTS Intelligence Team provided a clearer overall picture of the problem across England and Wales and identified that key nominals were participating in other criminality, including two OCGs involved in the supply and distribution of drugs, and the use of firearms and extreme violence in their criminal undertakings. DLUHC is being kept informed of progress via its

representation on and participation in the NTS Estate and Letting Agency Governance Group.

The FTT report concluded that the TS offences should remain the responsibility of NTS and the other serious criminality should be the domain of the police. FTT remain involved, and are attempting to join up a police force with NTS to tackle the OCGs involved. To date these negotiations are on-going.

## **5.6 Operation Edifice (New Homes Fraud)**

NTG approved the referral of Operation Edifice to the SOC FTT to seek the assistance of other agencies. Despite the TSNW region having both produced a problem profile and engaged with the Regional Investigation Team, HMRC, ROCU etc earlier in the year, no-one had capacity at that time to take on the work. The FTT's decision is awaited.

Other updates for NTG supported cases are reported under their relevant chapters, e.g., Doorstep Crime etc.

## **5.7 Case and Project Performance Reporting and Reviews**

Three case reviews (Operations Beorma, Zebra and Teg) were undertaken with full reports presented to NTG.

Programme Lead Officers continued to have regular contact with case/project leads and produced regular updates for NTG which supplemented the quarterly Crimson Tasking Activity Reports. This has allowed NTG to maintain its monitoring and oversight functions and be aware of any problems/issues as well as progress.



## Chapter 6 – Used Cars

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### 6.1 Background

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

### 6.2 Investigations

NTG funded four used car cases in 2022/23. One is awaiting trial, one awaiting sentencing and two continue to be investigated.

### 6.3 Disruption Projects

Three disruption projects to tackle detriment in the used car market took place in 2022/23 as follows:-

**Operation Jumpstart** (EETSA) – to tackle the region’s top 10 most complained about traders through a series of onsite audits to identify those selling unsafe and unroadworthy cars. The project undertook 39 visits:

- Out of 86 vehicles examined, five were found to be in a dangerous and unroadworthy condition.
- 63% of vehicles inspected had either one or a combination of faults.
- The project removed 26 dangerous and/or unroadworthy vehicles from sale

When compared with a previous EETSA project, it appears that the vehicles on the region’s forecourts have become less safe with higher incidence of faults. There were 1 in 17 unsafe cars identified in Operation Ignition, compared to 1 in 7 under Operation Jumpstart. It is clear that supply chain issues are reducing the number of new cars for sale, and availability of replacement parts. This seems to be leading to dealers being less diligent in what vehicles they are buying and making the lower end of the used car market more profitable than in the past.

The projected consumer detriment saved in dangerous vehicles alone was £130,000; a return of £7.47 for every £1 invested. When put against a potential backdrop of serious incidents due to the dangerous faults, and the public services required to deal with those outcomes, the potential return on investment is far greater.

**Operation Nutmeg** (TSEM) – took a focussed approach to several most complained about traders. Used Cars were the most complained about type of goods/service in the TSEM region, accounting for 42% of the complaints across all top ten goods/service areas. The aim of the project is to reduce complaints and detriment for the identified traders.

The project took an increasing intervention approach to the top MCAT traders, setting a baseline for complaints and detriment and monitoring following advice, complaint discussion and audit interventions. The number of complaints across all 20 businesses (when compared to the baseline) decreased from 275 to 215, Overall detriment saved from the selected businesses was £168,788, a reduction of 47% from the baseline.

Levels of complaints and detriment increased against two traders and enforcement action is now underway.

**Operation Neon** (YAHTSG) – tackled MOT stations that provide false/incorrect MOTs to vehicles being sold by unscrupulous car dealers. Advice and joint enforcement visits with the Regional Organised Crime Unit (ROCU) and DVSA were made where appropriate. Intelligence analysis initially identified 226 traders; 23 were analysed in more detail and advice given, 6 traders were visited

Intelligence development work conducted in the planning phase identified links to organised crime groups (OCGs). In one case, it was established that HMRC had an ongoing investigation and in another, it was established that a nominal suspected to be working at a target garage was wanted on a recall to prison (an arrest was subsequently made during the visit).

In the short term (calculated at 2 months post-visit) there was a consumer detriment saving of £56,064. But whilst complaints reduced initially the impact diminished over a matter of months so reductions in consumer detriment were not sustained. The reduced impact could be because of the limited focus on MOTs. The broader remit of Operation Krypton, where wider activities were looked at, appeared to have had a more lasting effect. The type of operator, i.e. one with OCG connections, may not be

best tackled by this disruption activity. The region is now considering enforcement for those who continue to cause consumer detriment.

**Press Coverage** - [BBC had a piece](#) on a fake car dealership website with quotes from Mike Andrews at the NTS e-crime unit. The website was taken down by the team. This was followed up by a piece in the Times with quotes from Lord Bichard linking our work to protecting consumers during the cost of living crisis.

**Client:** National Trading Standards  
**Source:** The Times  
**Date:** 03/10/2022  
**Page:** 20  
**Reach:** 365880  
**Value:** 4693.9200

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## Web scammers sell fake cars to bargain hunters

Farha Karim

Consumers have been warned about fake online dealers selling second-hand cars for thousands of pounds amid a rise in vehicle fraud.

Scammers purporting to be offering used cars at around half the price of those found on the legitimate market have set up websites with pictures and details of numerous "bogus" vehicles.

Consumers eager to purchase what appears to be a bargain then pay for the cars, which are never delivered.

At least two such websites are found to have no showroom, despite purporting to do so. They have taken the name of a used car dealership from Companies House and added details of directions to the website to look legitimate.

Some also use an address belonging to a real garage, which is then unwittingly placed at the centre of the scam as people call in and visit about vehicles advertised on the fake company's website.

National Trading Standards said that complaints about used car sales were rising and more problems were anticipated amid the cost of living crisis.

The BBC said this week that one such website — using the name of Auto-Promotions — had defrauded customers of thousands of pounds each. It had taken the name of a former car dealership, and then used its last address, where a new garage was based.

The garage, in Cupar, Fife, is run by Harry Cairney, who has been confronted by angry victims, to the detriment of his business. He has warned off other potential buyers who arrived expecting to be able to inspect an advertised car.

Car Dealer magazine has uncovered another website with a fake "shop

front", AD Car Sales, purporting to be based in Kirkcaldy, Fife. The name is of a used car dealership that no longer has a showroom, with directors' details on the website to make it look legitimate.

A customer told the magazine he called AD Car Sales to purchase a 2016 Mini Countryman for £4,770 but was asked to pay a deposit to secure the car over the phone without seeing it.

Figures from Action Fraud show reports of vehicle fraud rose by 7 per cent from 2019 to 2020, and by 13 per cent from 2020 to 2021. The financial loss was £9.5 million last year.

Lord Bichard, chairman of National Trading Standards, said: "As the cost-of-living crisis bites, we expect more issues as criminals exploit people looking for bargains." AD Car Sales was contacted for comment. Auto-Promotions could not be reached.

### 6.4 Used Car group

The used car expert group met twice this year and published two opinions to assist other local authorities:

- The effect of cancellation on a distance contract for a vehicle supplied subject to a finance contract.
- The use of QR codes in the place of vehicle price indications.

The group recently discussed emerging themes and agreed the next year's work which they hope will tackle the most pressing issues including sales on online social media platforms.

# Chapter 7 – Energy Related Fraud

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## 7.1 Background

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

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

## 7.2 Ongoing Investigations and tasking

NTG supported eight energy related cases in 2022/23. In addition, one case was funded via the Energy Directorate within BEIS.

Two trials were dropped this year, both due to matters of process which the prosecuting authorities decided rendered the cases not in the public interest to pursue. Lessons from these cases have been shared with DESNZ officials. One was subject to a mistrial and a new date for the trial is awaited.

NTS' largest case was in court at the close of the year; the 10 linked trials await the outcome before they are listed.

All other cases have court dates for trials in 2023/24.

## 7.3 Completed Cases

**Operation Indiana (Yorkshire & Humber)** was an OFGEM instigated investigation, concerning the misleading, aggressive and fraudulent practices of a Barnsley-based business involved in the Domestic Renewable Heat Incentive Scheme that was discontinued. This case was funded separately via the energy directorate of BEIS.

Delays in the provision of information and other issues with the case led to a case review. The prosecuting authority felt the defence may have abused process arguments and deemed it appropriate to discontinue the case at an early stage before significant sums of public money were spent.

### **Operation Athlete (Tri Region)**

*Result: 2 defendants - one 30 months' imprisonment and a £170 victim surcharge; one 10 months' suspended sentence and 150 hours unpaid work; and two 5-year company director bans*

*Costs £8,500*

*Financial value of complaints £104,000*

In this case, consumers were cold called by telephone or on the doorstep by New World Renewables, who supplied solar panels and related products, but misled consumers to secure contracts. Complaints included taking payments without authorisation, falsely claiming accreditation/membership, supplying faulty/substandard products, and failing to provide the products paid for.

Danny Welch, was the Director of NWR Ltd and the now dissolved company, Energy Innovation Company (EIC) Limited, both based in Sandwich, Kent. Welch was found guilty of three counts of fraud by false representation in December 2022 and imprisoned for 30 months. He was banned from being a company director for five years and ordered to pay £7,500 costs and a victim surcharge of £170.

Two charges concerned fraudulent attempts by Welch and Amandeep Bhogal, 33 from Leicester, to obtain industry accreditation to boost other things, like government-backed incentive schemes for operating solar power equipment. One charge related to a dangerous boiler installation.

Bhogal had previously pleaded guilty to these charges and had been sentenced to 10 months' imprisonment, suspended for 18 months and banned from being a company director for five years, and ordered to pay £1,000 costs.

## **7.4 Policy**

The NTS Programme Office and City of York officers have discussed the specific market issues coming out of the various closed investigations with CMA and DESNZ.

## Chapter 8 – Supply Chains in Markets

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### 8.1 Background

The supply of large-scale counterfeit and illicit goods to markets is a key priority identified by NTS in its National Control Strategy. This Chapter covers all work done in this area across all NTS Teams and work funded by NTG. Primarily focused on organised IP criminality in the Midlands area, this area of work also includes Operation Magpie and now Operation Vulcan, which is also a multi-agency project to tackle IP Crime in the Manchester region, and an NTS/Intellectual Property Office project tackling criminality associated with self-storage facilities.

### 8.2 Operation Beorma

The CEnTSA Regional Investigation Team (RIT) leads on Operation Beorma which is a complex multi-agency operation targeting serious and organised criminals responsible for huge imports of counterfeit goods into the UK and sales at both on-line and physical market places. It has led to over 80 direct enforcement actions, the identification of previously unknown Organised Crime Groups (OCGs) and the recovery of several million pounds worth of counterfeit goods.

The original objectives still drive the investigation; however, the intelligence uncovered during the enforcement activities has revealed further connected persons and major manufacturers to investigate and pursue. The Team has followed the supply chains and identified UK-based manufacturers, and continues to build case files against these entities, all of which is consistent with the original overarching objectives.

The Team has several cases in the court system; however, due to Court delays, two trials originally scheduled for this year will now be heard in September 2023. These issues put pressure on the Team's ability to move the operation forward as planned. In one case, a 4-year sentence was reduced to 3 years and 4 months following an appeal. However, a successful POCA hearing then resulted in a payment of £75,000.

Due to the increasing demands arising from dealing with disclosure requests across the multiple cases, the Team have employed a specialist officer to specifically manage disclosure requirements.

Many of the cases under the Operation Beorma umbrella are coming to a conclusion and are listed for trial, although significant entities remain under investigation.

### **8.3 Operation Magpie/Operation Vulcan**

Operation Magpie is a multi-agency enforcement and disruption project targeting counterfeiting activity in the Strangeways area of Manchester. Greater Manchester Police (GMP), Manchester Trading Standards, Intellectual Property Office (IPO), City of London Police (PIPCU), Border Force and HMRC are all involved in the project.

#### **Operation Vulcan**

Greater Manchester Police have refreshed Operation Magpie and renamed it Operation Vulcan. Operation Vulcan is a massive investment from GMP. A dedicated Policing team of over 20 officers from GMP will be working full time in the Strangeways area to tackle all the ongoing issues there. They are working with Manchester City Council and other organisations to deliver a permanent solution for the community and eradicate the embedded criminality in the area.

The NTS Intelligence Team, IPO and GMP have already established that a significant number of organised crime groups from across the UK have links to the area. As well as high levels of counterfeit product being sold, there is brazen selling of prescription drugs on the streets, illegal immigration, modern-day slavery, women being forced to work as sex workers, and the use of empty buildings for cannabis farms are rife in the district.

A summit of partners took place in November 2022 to launch Operation Vulcan. Supporting the launch were officers from Manchester City Council, Greater Manchester Combined Authority (GMCA), the Crown Prosecution Service, North West Regional Organised Crime Unit, the designer brands, the probation service, and charities supporting the vulnerable and exploited.

Although this operation has now ceased and been replaced by Operation Vulcan the work supported by NTG continues to tackle the following issues:

- Taking action against landlords who refuse to evict tenants selling counterfeit goods by the use of closure orders.
- Days of enforcement action at self-store premises in the region. The activity involved the inspection of premises and execution of warrants.

- Investigating the Organised Crime Groups identified in the problem profile through prioritisation and multi-agency tasking processes and taking appropriate enforcement action.

### **Closure Orders**

Manchester Trading Standards continues to successfully obtain premises closure orders against shops and warehouses in the area, as well as gathering evidence for further closure orders or warning letters as to future conduct. They are currently liaising with GMP regarding a number of other properties that may be suitable for a closure application in future.

### **Enforcement Action**

Manchester Trading Standards assisted officers from Operation Vulcan on several raids over the last year as well as supporting other agencies such as VOSA in special enforcement action relating to vehicles that may be transporting counterfeit goods into the area.

In a recent flurry of concerted enforcement activity over a 14-day period, 18 shops were shut down, and over £6 million worth of counterfeit clothing were seized. This equals a huge loss of earning for the nefarious shop owners and means millions of pounds has been removed from the criminal market.

These items will be repurposed and recycled, turning them into items that the community can benefit from including coats, hats, insulation, and even energy for houses.

Over the 14-day period, enforcement agencies encountered dilapidated buildings littered with rat urine and faeces, dangerous electricity systems, hidden weapons, and shops without proper means of escape.

Conversations have been conducted with colleagues engaged in Operation Beorma to explore what intelligence may be shared to connect both areas of work. Intelligence has been shared about transporters that may be travelling from Leicester to Manchester to deliver counterfeit goods.

### **Self-Storage Facilities**

Several self-storage facilities have been visited to encourage them to sign up to the Tick Box scheme.

## **8.4 Self-Storage Project**

Self-storage units have been identified as being increasingly involved in facilitating criminal activity related to Trading Standards issues, as recognised by the original



Operation Beorma report. Most intelligence reports concerning self-storage units are related to Intellectual Property, predominantly clothing, alcohol, and electrical goods.

The IPO also identified self-storage as a major enabler in relation to counterfeiting and it has set aside funding to assist in tackling the problem. NTS approved additional funding for September 2021 to March 2023 to take the project forward.

NTS and the IPO, supported by the Self-Storage Association UK, are well advanced into phase 2 of the Self-Storage project. The overarching aims of the project are to:

- Increase industry awareness of counterfeit and illicit goods.
- Increase reporting and intelligence.
- Increase engagement between the industry, Trading Standards and law enforcement.
- Deter counterfeiters from using self-storage facilities, disrupt their supply chain and make it hostile for them to operate in the UK.

In recent months extra work has been carried out to overhaul the reporting and collating processes. The Tick Box website has been updated and the IPO are working on some short training videos to be added in due course. Additional media work with the Self-Storage industry has taken place including an article in the Self-Storage Association newsletter.

LTS also support local authority Trading Standards Services in operational work or for “enforcement days” targeting self-storage facilities where intelligence indicates counterfeit products are being stored.

The project recently funded intelligence led operational visits to three self-storage businesses in Newport, Stoke and Rochdale. All three visits led to the seizure of counterfeit and illicit goods. The Rochdale operation identified 11 containers containing counterfeit goods and it took three days to seize all the counterfeit goods. Intelligence from this visit led to further seizures at a parcel distribution hub and another self-storage facility that were all associated with the same OCG. Evidence suggests the OCG was active for a significant period and had been sending out 300 to 500 parcels per day through a courier network, as well as using other supply channels. Items seized ranged from illegal cigarettes and tobacco to high-value counterfeit items, such as jewellery, perfumes, and cosmetic fillers. The illegal business is quoted to be “A huge criminal counterfeit goods operation 'worth up to £65m a year”.

# Chapter 9 - Call Centre Scams

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## 9.1 Background

In the last two years it has become apparent that several investigations and disruption activities into call centre-based scams are interrelated. The vast number of businesses involved means investigation and prosecution alone is not likely to achieve the desired outcome, therefore NTG is supporting disruption activities running alongside criminal investigations. This Chapter covers the work done by all NTS Teams or funded via NTG.

## 9.2 Operation Teg

This ongoing investigation is led by West Berkshire Trading Standards with support from TRIT.

## 9.3 Operation Derdap

The criminals are now expanding from fraud relating to warranties and insurance on white goods and home maintenance repairs into offering existing victims green energy, medical alert, payday loans and insulation services, as well as discount loyalty and member benefit cards that all operate on continuous payment or direct debit.

The Team's disruption tactics against the companies and directors involved in this multimillion-pound consumer fraud are now taking effect with many companies unable to obtain money processing, telecoms and offices.

The Team's disruption strategy resulted in:

- Removal of accounting and tax filing facilities for 25 Derdap companies.
- Removal of serviced and registered office facilities for 69 nine Derdap companies.
- Engagement of the Insolvency Service with 10 cases of interest. The Team is supporting this activity with witness evidence, victims and general intelligence.

- Identification of over £1,650,000 suspicious “bounce back loan” applications that the Team has referred to respective banks, National Investigation Service and HMRC.
- Obtaining refunds for several elderly consumers targeted aggressively by Operation Derdap companies.
- Working with finance service providers who withdrew banking facilities from 15 fraudulent companies resulting in accounts being frozen or returned to clients.
- A card acquirer withdrawing facilities from three Derdap companies. The companies and their directors have been flagged to avoid other financial institutions engaging with them.
- Presenting Operation Derdap to the direct debit supervisory body and their members. The supervisory body have now identified the misuse of direct debit facilities by Operation Derdap businesses, and flagged it as a priority for all members to actively stop. Consequently, some businesses now do not have any direct debit processing facilities.
- Working with finance service providers who have withdrawn banking facilities from 48 fraudulent companies resulting in 6,000 consumers no longer being targeted by white goods mass marketing criminals.
- Joint working with the Insolvency Service in regard to seven Operation Derdap entities. It is hoped that joint action can be brought against the entities and the criminals behind them who are believed to be in receipt of millions of pounds of UK consumers’ money.
- Removal of print and mailing facilities for one company.
- Working with a commercial property landlord to have one company’s lease terminated and the business removed from the premises, preventing their access to a call centre facility. The landlord advised other local rental agencies to avoid engaging with the company, resulting in a UK call centre that was operating on behalf of three Operation Derdap subjects being closed down.
- Working with a South Asian communications provider of UK-based numbers whose clients were committing Amazon, medical and energy fraud. Both companies’ calls were targeting 88% of Telephone Preference Service registered numbers. Once presented with evidence of scam and nuisance calls, the communications provider terminated its contract with two major clients, essentially cutting the clients’ access to UK-based phone numbers. Four more call centres were to have telecom services withdrawn.

# Chapter 10 – Doorstep Crime

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## 10.1 Background

Doorstep Crime is a key priority identified by NTS in its National Control Strategy. This Chapter covers all work done in this area. This includes work carried out by the Programme Office, Regional Investigation Teams, the eCrime Team and other work funded by NTG. The NTS Board established and supports a national NTS Doorstep Crime Working Group. The group includes experts from all Regional Trading Standards Groups, CTSI, Trading Standards Scotland and the NTS Teams.

Many cases overlap with energy frauds. However, to avoid duplicate reporting, if the doorstep crime relates to mis-selling of energy or energy related products, then it is reported in the previous chapter. It is noted that several of the large-scale energy fraud cases have a significant element of doorstep crime within them.

## 10.2 Doorstep Crime Working Group

The Board established and supports a national NTS Doorstep Crime Working Group which meets bi-annually and includes experts from across the UK. The Group met in April and October 2022. They discussed a wide range of doorstep crime prevention work, intelligence development and enforcement activities, sharing good practice and lessons learnt.

In April 2022, the Group considered feedback from regional groups on their current use of No Cold Calling Zones (NCCZs). This showed there was very little funding to support existing NCCZs, as well as minimal, if any, funding to establish new zones. From the responses received, there was no evidence to show the effectiveness of NCCZs in reducing the incidence of doorstep crime. There was more evidence to show that NCCZs raised awareness of this crime and increased feelings of well-being amongst residents. However, awareness raising, with no commensurate evidence of reducing crime, does not take us much further forward, notwithstanding the acknowledged benefits associated with creating the feeling of a 'safer' environment. Based on this feedback, and given constraints on the NTS 2022/23 budget, the Group agreed, that at this time, this issue should not be pursued any further by NTS, but if the situation changes it could be looked at again.

### 10.3 NTS Doorstep Crime Toolkit

The online Doorstep Crime Toolkit had two further updates in August 2022 and February 2023. These continue to develop and enhance the material available. The most visited page in the Toolkit is the Live Incident page, with over a third of users then navigating to the Supplementary Guidance, which hosts all the forms that need to be taken to a live incident. This gives an indication of the value this resource continues to provide. NTS plans to continue to update the Toolkit every six months to ensure it remains a 'living document'. A feedback button allows users to suggest amendments, thus providing an interactive facet to the Toolkit which is fully accessible by smartphone and free for Trading Standards' staff to use.

### 10.4 NTS Scams Team Doorstep Crime Campaign

This material was launched in April 2022. An electronic version of the leaflet, posters and a social media pack were sent to local authorities and supporting organisations. The Team also had 5,000 leaflets available to distribute to local authorities and members of the public.

### 10.5 Completed Cases

#### **Operation Vitex**

*Result: 1 defendant – one 8 months' custodial sentence, unlimited CBO: Value of fraud: £6,186.04.*

The North East RIT successfully investigated a mobile fish seller, Brian Pendlington, 43, from Durham, who pleaded guilty to selling exorbitantly priced fish to elderly people, using aggressive, misleading, and unfair selling and business practices. He was sentenced in September 2022. He was given an immediate eight months' custodial sentence, plus an unlimited Criminal Behaviour Order to stop trading at the doorstep either on behalf of himself or others. No compensation was awarded by the Court even though he had some savings.

#### **Operation Alimba**

*Result: 3 defendants - 1 defendant - 15 months' custodial (reduced to 12 months) suspended for two years, 150 hours' unpaid work, a victim surcharge and a 90-day curfew order with electronic tag. 1 defendant – charges dropped. 1 defendant – too*

*incapacitated to stand trial. Financial value of complaints: £10,525. No costs, compensation or POCA.*

The North East Regional Investigations Team supported Stockton-on-Tees Trading Standards with the investigation and prosecution of the owner and two salesmen of Ecolmprove. This “home improvements” company swindled 10 customers out of £10,525. They cold-called householders and demanded substantial deposits for installing conservatories, replacing windows, and resurfacing driveways. In most cases the work never started, was left unfinished or was sub-standard.

Simon Norman Benson, of Thornaby, was sentenced at Teesside Crown Court in November 2022, having previously pleaded guilty to participating in a fraudulent business carried on by a sole trader. He was sentenced to 15 months’ imprisonment suspended for two years, ordered to perform 150 hours’ unpaid work and to pay a victim surcharge. A 90-day curfew order with electronic tag was also imposed. Compensation was requested but not awarded. Charges against one salesman were dropped due to his personal circumstances. Another defendant (a salesman for Ecolmprove and then sole Director of Secure Style Home Improvements Ltd), was charged with fraud and fraudulent trading offences but suffered a major brain injury and was too incapacitated to stand trial.

### **Operation Harp (North East)**

*Result: 1 defendant – 7 years’ imprisonment (reduced to 5 years 7 months), a £170 victim surcharge, an unlimited Criminal Behaviour Order.*

*Financial value of complaints: £246,000. No costs, compensation or POCA.*

The North East Regional Investigations Teams successfully investigated a fish seller who used aggressive, manipulative, and unfair selling and business practices to scam victims as old as 105. Redcar and Cleveland Borough Council led the prosecution. Craig Henderson, 51, Chester-Le-Street, pleaded guilty to fraudulent trading at Teesside Crown Court in May 2022. Statements were provided by 110 victims, though it is believed he was offending on a much larger scale. He has six previous convictions for 62 offences. In October 2022, he was sentenced to 5 years 7 months’ imprisonment, ordered to pay £170 victim surcharge, and issued with a Criminal Behaviour Order preventing him from trading in any business capacity at the doorstep for an unlimited period.

### **Operation Kalimba (North East)**

*Result: 1 defendant - 2 years and 4 months' custodial (reduced by one-third from 3 years 6 months), a victim surcharge and an unlimited Criminal Behaviour Order.*

*Financial value of complaints: £100,000.*

The North East Regional Investigations Teams successfully investigated Darren Shanks, a door-to-door fish seller who mis-sold over-priced fish using aggressive, unfair and dishonest business practices between June 2016 and February 2021. Redcar and Cleveland Borough Council led the prosecution. Shanks, 53, of Chester-Le-Street, trading as D T Shanks Fresh Fish, pleaded guilty in July 2022. In the autumn he was sentenced to 2 years and 4 months in prison for one offence under the Fraud Act. He was ordered to pay the victim surcharge and given an unlimited Criminal Behaviour Order preventing him from ever trading at the doorstep.

### **Operation Britannia (Tri Region)**

*Result: 3 defendants - 2 prison sentences (total 13 years); 1 suspended sentence (2 years) with 250 hours community penalty and 10 days' Rehabilitation order.*

*Value of the Fraud: £600,000.*

This investigation concerned three rogue traders who leaflet dropped to obtain work. In 20 cases, the work escalated from low-cost repairs to substantial roof repairs or replacement, delivered to a poor quality. Consumers were not given the mandatory 14-day cooling off period, so did not have the opportunity to obtain advice, other quotes or to cancel the contract.

In January 2023, three defendants pleaded guilty to various fraud, fraudulent trading and money laundering offences:

- Tommy Lee, of Bagshot, Surrey received 7 years 10 months imprisonment.
- Maurice Cole, of Hook, Hampshire received 5 years 2 months imprisonment.
- Charlie Bath, of Aldershot, Hampshire received 2 years suspended sentence, 250 hours unpaid work and 10 days of Rehabilitation Activity Requirements.

Confiscation proceedings have been initiated against all three defendants.

## 10.6 POCA cases

### **Operation Sail**

*POCA proceedings result: 1 confiscation order for £35,040.89 to be paid back to the victims as compensation.*

This South West Regional Investigations Team case was reported early in 2022 when Michael and Richard Coffey pleaded guilty to participating in a fraudulent roofing and building business. At the POCA hearing, the Judge ordered that £35,040 should be paid to the victims as compensation.

## 10.7 New and Ongoing Investigations

NTG has provided funding to support seven doorstep crime investigations and the following two regional projects:

**TSSE doorbell project (year 2):** to protect and target harden the victims of doorstep crime in the South East by providing them with internet connected video doorbells or similar equipment. A well-being survey will be done on those residents who had the products installed and a report will be produced for the June 2023 NTG meeting.

**TSEM printer project Operation Cuba (year 2):** to look at doorstep criminals in the East Midlands' use of printed material to make them appear legitimate. The project covered developing intelligence, identifying businesses, and providing advice on their legal responsibilities. TSEM then followed up this work by conducting telephone questionnaires with the businesses. A TSEM project report will be produced for the June 2023 NTG meeting on the outcomes achieved.



# Chapter 11 - Regional Investigations Work

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## 11.1 Background

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

## 11.2 Overview

Ongoing delays in the court system continued to affect RIT cases. Due to insufficient tasking funds, some cases could not be pursued, including a longstanding large scale doorstep crime case.

The RITs have 113 open cases and closed 32 cases this year.

The RITs have taken on 36 new cases this year. The types of investigation include:

- A holiday and events booking company's non-provision of services.
- Tarmac frauds against small businesses with threats, money laundering, blackmail and BPRs misleading pricing offences.
- Used car sales linked to Lithuanian nationals selling misdescribed and unroadworthy vehicles via Facebook and Autotrader.
- Several Doorstep Crime cases with common rogue trading themes of obtaining monies for building/roofing/landscaping and/or gardening work; escalating costs after quotes had been given; shoddy workmanship or no work carried out at all; and no refunds. Often the traders declare bankruptcy or just disappear.
- Various fish-seller cases.

Despite trials still being delayed due to the lasting effect of the pandemic, the Teams' efforts led to many good outcomes including:

- 22 defendants convicted.
- Prison sentences: 41 years 11 months.
- 4 company director bans: 21 years.

- £141,655 in Confiscation
- £84,747 in compensation

The consumer and business detriment avoided through the RITs' intervention this year was £121,583,702.

### 11.3 Operation Cabal

This is an initiative, in Wales, to tackle criminals selling unlicensed, unfit and stolen dogs through various platforms that was set up this year. The project focusses on Wales but will act as a pilot to scope the wider threat to the UK. Nine investigations began and three concluded.

### 11.4 Closed case examples

#### **Operation Neutron (Wales)**

*Result: Disruption. Criminal Benefit determined by the Court (POCA): £119,000,000*

The Wales Investigation Team and Cardiff City Council investigated a multimillion pound internet facilitated organised crime group selling illegal copyright infringing IPTV media devices and counterfeit mobile phones, etc. The investigation involved test purchasing, significant raids and seizures, arrests, financial investigation, safety testing of products with many found to be dangerous. Everything connected to the enterprise appeared to be fraudulent, such as the use of false identities to set up accounts and false safety certificates to attempt to legitimise the products. Sales platforms included Wowcher, eBay, Amazon Market Place and others.

The main nominals were Chinese nationals. The £119,000,000 detriment is estimated due to the volume of product being traded. Bank accounts showed this amount had been received by the principle offenders who had absconded to China while on bail.

This left a manager who devised the trading methods, and his contact at a selling platform. The prosecutor concluded it was not in the public interest to pursue them due to their lack of personal gain, and there were no complaints during 2016-2022.

Civil recovery was considered but this presented its own challenges. The ROCU advised that money laundering carried the death penalty in China. The vast amount

of seized counterfeit property was housed in Derbyshire. The premises was burgled, then a few months later a fire destroyed all the evidence.

### **Operation Overstrand (Tri Region)**

*Result: 2 defendants – one 36 months' imprisonment and a 6-year company director ban; one absolute discharge (hung jury)*

*Value of fraud: £11,000,000*

Two limited companies had a common director, Richard James Nicholls, whose previous nine companies have all been dissolved. Glen Charles, was a business associate of Nicholls. They worked together, with work started and stalled by the first, then the second arrived to complete the works taking considerable amounts of money up front to finish projects when a property was in a state of disrepair.

Nicholls, from London, pleaded guilty to a number of offences and was sentenced in Decmber 2022 to 3 years in prison and a 6-year company director ban. Southwark Trading Standards will be pursuing POCA. Charles maintained a plea of not guilty and the trial resulted in a hung-jury. There will not be a retrial.

### **Operation Spear (South West)**

*Result: 1 defendant - 43 months' imprisonment and a 10-year Criminal Behaviour Order*

*Financial value of complaints £135,000*

Daniel Barry Denison, trading as Topnotch Installations and other associated trading names, pleaded guilty to aggressive practices in breach of Consumer Protection from Unfair Trading Regulations 2008 and Fraud Act offences at Bristol Crown Court in April 2022. Building work was substandard, completion deadlines were missed and he failed to aquire required planning permission. Eight victims had no works carried out at all. Victims' calls were repeatedly ignored and refunds refused. He was sentenced to a 43-month prison sentence and a 10-year Criminal Behaviour Order.

### **Operation South (South West)**

*Result: 1 defendant - 3 years and 3 months' imprisonment*

*Financial value of complaints £133,000*

Jamie John Smith, 36, a roofer without any roofing expertise, left customers with large repair bills from his shoddy work. Smith, of St Austell, Cornwall, operated under five different trading names and set up businesses in others' names to try to

hide his involvement. Small jobs escalated, with Smith pressurising consumers to agree to unnecessary extra work. The quality of the work was always very poor, and on more than one occasion he took money and no work was done at all. Between them, 20 victims lost £133,000 and paid over £87,000 to have his work rectified. He pleaded guilty in July 2022 to one count of participating in a fraudulent roofing business and was imprisoned for 3 years and 3 months.

### **Operation Arion (Tri Region)**

*Result: 1 defendant - 42 months' imprisonment reduced to 34 months per offence  
Value of the fraud as determined by the Court in sentencing: £82,938.00*

Letting agent Francis Smart operated two businesses based in Newmarket: Smart Residential, and Pivotal Homes Limited. Twenty complaints from tenants and landlords to two police forces and CitA led to this property letting scam investigation. The complainants (mainly landlords) paid for uncompleted services:

- Tenants' deposits were not placed within approved deposit protection service so landlords had to reimburse tenants from their own pocket.
- Landlords did not receive any rent payments, though tenants can show that they paid Smart or his companies direct.
- The companies did not carry out things such as appliance PAT testing or other services that the landlords paid Smart to do.

In August 2022, Smart was sentenced to 34 months' imprisonment. As he was already in prison for a non-TS offence, his sentence extended his current sentence. The court determined the fraud at £82,938.

### **Operation Surge (Tri Region)**

*Result: 1 defendant - 12 months' suspended sentence, a 5-year company director ban, £10,500 costs, £17,500 compensation to victims and £156 victim surcharge  
Value of fraud: £63,293*

Between 2018-20, Usman Qureshi from Rickmansworth (now living in Dubai) was a director of Mayfair Search Group Limited and UK GRP Services Limited, both trading as New Wave Driving School. He offered HGV training claiming it would take a few months to complete. Victims paid up to £4,500. Some were encouraged to sign up to credit agreements for training that was never delivered and attend training at locations not local to them, only to find the training had been cancelled at the last minute. Many complainants were foreign nationals with English as a second language which added to their vulnerability. The provider would not provide refunds.

Citizens Advice recorded over 35 complaints. An investigation into 23 complaints found their total loss was £63,293. Two finance providers, who terminated their agreements to lend to New Wave Driving School customers following numerous consumer complaints, claimed they had paid back £281,000.

Qureshi was sentenced to 12 months' imprisonment suspended for 24 months for three Consumer Protection offences and ordered to pay £10,500 costs and £17,500 in compensation. He was disqualified from being a director for five years.

### **Operation Oak (Tri Region)**

*Result: 1 defendant – 38 months' imprisonment*

*Value of the fraud as determined by the court in sentencing: £38,225*

Daniel Fidler of Poole, Dorset, cold called consumers offering free CCTV inspections of their drains. Every inspection discovered displacements or cracks in the complainants' drainage systems. He then advised pipe relining. Expert examination found this was often unnecessary with little or no value. Many of the 15-plus victims were elderly. Seven recent complaints showed that the defendant carried out the same trading practices against elderly victims whilst awaiting trial. He pleaded guilty to seven counts each under the Fraud Act and Consumer Protection from Unfair Trading Regulations 2008. In May 2022 he was sentenced to 38 months' imprisonment.

### **Operation Bramble (Yorkshire & Humber)**

*Result: 3 defendants (2 individuals & 1 company) - 3 fines: £35,000; costs: £29,000; and victim surcharge: £462*

*Financial value of complaints: £29,422*

Chique Makeovers and Photography Limited unlawfully obtained money by luring customers into a fake competition. Company employees approached customers in the street or in shops offering them the chance of winning a free, luxury makeover and photoshoot in exchange for their contact details. In reality, there was no "competition" as all consumers were told they had won. "Winners" were required to pay a deposit of £25 to attend their "free" makeover and photoshoot. If they refused, they were threatened with cancellation fees of up to £99. They were provided with a consultation, makeover and studio shoot before being taken into a small viewing room where they were pressured into purchasing photo packages costing between £500 and £1,500. To pay for the photographs, some victims were signed-up to unregulated uncancellable credit agreements.

Victims were vulnerable and endured serious emotional distress. One was targeted whilst recovering from her third bout of cancer and another considered suicide. A third was left with a credit agreement that she could not afford after sales representatives had inflated her income on the affordability assessments on the finance agreements.

The two company directors and the company all entered guilty pleas and were fined a total of £35,000 and ordered to pay £26,000 in costs and £16,496 in compensation.

### **Operation Scorpio (South West)**

*Result: 1 defendant - 18-month community order with 240 hours of unpaid work, compensation £15,710 and costs of £3,723.73*

*Financial value of complaints: £17,110*

Joe Cooper, 44, of Redmore Roofing and Guttering Services, dishonestly claimed that his work carried "a 15-year guarantee", but when unhappy customers tried to get him to rectify matters, they were ignored. The work fell below acceptable industry standards. He pleaded guilty to breaches of the Fraud Act, the European Communities Act and the Companies Act. He was sentenced to an 18-month community order with 240 hours of unpaid work. He was also ordered to pay compensation of £15,710 and costs of £3,724.

## **11.5 POCA cases**

### **Operation Weaver**

The Wales Investigation Team provided the financial investigation for Newport City Council's investigation into a linked group of eBay traders involved in the sale of counterfeit t-shirts. They had pleaded guilty to charges in July 2021. The POCA order was made on the 6<sup>th</sup> January 2023 for £141,655.43 as the available amount.

### **Operation Vanguard (POCA) (Tri Region)**

This investigation concerned sales of mobility beds and chairs to elderly and vulnerable customers in their own homes. In 2019/20, David Waters and his company, Anchor Mobility Limited were found guilty of 31 offences. Waters was imprisoned and the company fined. Compensation for identified victims was sought by Suffolk Trading Standards and, in June 2022, Waters was ordered to pay £50,000 compensation to 25 victims.

## Regional Investigations Teams' Data

General Outcomes	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Jan-Mar 2023	Total
<b>Operations commenced</b>	7	4	18	7	36
<b>Operations concluded</b>	7	5	11	9	32
<b>Live Operations*</b>	109	108	115	113	-
<b>Successful prosecutions</b>	5	4	5	1	15
Victims	81	121	209	89	500
<b>Consumer and business detriment avoided<sup>4</sup></b>	£225,111.25	£296,999.00	£1,092,532.00	£119,969,060.00	£121,583,702.25
No. of defendants convicted (imprisonment, suspended sentence, fines, community penalties)	6	6	6	4	22
Total fines imposed	0	3 (£35,000)	0	0	3 (£35,000)
Total custodial sentences imposed	2 (81m)	3 (81m)	4(161m)	2(156m)	11 (479m)
Total suspended sentences imposed	2 (15m)	0	2 (22m)	1(24m)	5 (61m)
Community service penalties	1 (240hrs)	0	2(300hrs)	1 (250 hrs)	4 (790hrs)
Other penalties: CBO Conditional Discharge Written Warning Co. Director ban Rehabilitation Order Seize & Destroy Forfeiture Order Electronic tag Curfew count Undertaking Simple Caution	(3) 1 (10yrs)  1 (5yrs)  1 (£54,000)	(1) 1 (unlimited)	(8) 2(unlimited)  3(16yrs)  1 1 1	(2)  1 (10 days)   1	14
<b>Compensation awards to victims</b> (excl Victim Surcharges)	£33,210	£51,537.16	0	£50,000	£134,797.16
<b>POCA Confiscation Orders</b> (*with default prison sentence)	0	0	0	£141,655.40	£141,655.40
Court costs awarded	£14,223	£29,000	£8,500	0	£51,723

**Table 4 - National Trading Standards Investigations Teams' Management Data**

<sup>4</sup> see Annex for detriment calculation methodology

\* Adjustment for calculation error in Q1

# Chapter 12 - eCrime

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## 12.1 Background

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

## 12.2 Overview

Ongoing Court delays and legal challenges by defendants have led to significant delays in getting trials to Court. The Operation Gilbert appeal case had the biggest impact on the progress of criminal cases through the courts as some large cases were put on hold until it was resolved, resulting in adjournments of up to two years.

The Team has 12 active investigations. The main focus of these remains secondary ticketing, 'copycat' web sites, technical support helplines and frauds linked to social media advertising. Two cases began this year: a bogus approved trader scheme, and a company misleading consumers into signing up for a "free" service to reclaim the married persons' tax allowance from HMRC. Three cases closed.

The Team had one very successful POCA outcome this year with over £6.3m being confiscated and the detriment avoided due to enforcement was £5,250,732.

The Team's disruption activity increased slightly this year, with 408 website and social media takedowns and interventions.

Altogether, the consumer and business detriment avoided through the eCrime Team's enforcement and disruption interventions was £15,147,637.

## 12.3 Digital Evidence Forensic Support

This year, the Digital Evidence Unit provided forensic support to 33 RIT and local investigations. They examined 47 PCs/laptops, 100 mobile phones and 52 other devices (iPads, memory sticks, NUIX processing etc.).



## 12.4 Ongoing campaign, project and casework

### **Subscription Traps linked to loans**

This work initially concerned websites offering short term loans, particularly to consumers with poor credit ratings. In all reported cases, consumers are refused the loan after providing all their personal details (including card details for the account to which the loan is to be paid). Consumers subsequently notice recurring monthly payments being taken from their accounts. These payments seem to relate to credit monitoring services (akin to similar services provided by Experian, Equifax etc.). It is strongly suspected that the credit monitoring services and the loan companies are linked and, unbeknownst to the consumer, they “agreed” to the credit monitoring service at the point they accepted the terms and conditions for the loan.

The Team then discovered a linked issue with online shopping discount schemes. Consumers are signed up to subscriptions without being aware. This is on the pretext that they gain access to exclusive online shopping discounts. It is strongly suspected that consumers’ information is being widely shared amongst the companies setting up the loan-based subscriptions and the discount-based subscriptions, seemingly without the express permission of the affected consumers. There also now appears to be a series of “data aggregators” that are harvesting consumers’ data and selling it on to third parties.

The Team has met with the Greater Manchester Police Financial Disruptions and the FCA to find a common way forward and the ICO have opened two investigations into the linked companies, which the Team are supporting. It is suspected that as many as one million consumers may have been affected.

### **Open Source and online investigation training**

All modules have been made available to registered users of the system. In just over a quarter, 369 people have completed the course and 422 others have registered to undertake the course.

### **Real Deal Online**

The programme of masterclasses, seminars and user forums has proved very popular and the masterclasses were repeated due to oversubscription. These were supplemented by a series of short videos, produced by the Team, highlighting some of the techniques officers can use when investigating Facebook sellers. These videos will be shared on the Knowledge Hub.

### **Approved trader websites**

The NTS Intelligence Team identified a significant issue with approved/trusted trader web sites. One platform appears to be linked to a high degree of consumer harm; estimated at over £12 million<sup>5</sup>. The platform refuses to comply with Consumer Rights Act 2015 notices and will not enter into any constructive dialogue with Trading Standards. NTG has considered this issue and further work is being developed alongside the Doorstep Crime Working Group.

The NTS eCrime Team obtained Counsel's advice on the possible legal responsibilities and potential criminal liabilities of website intermediaries. A summary of this was circulated in an NTS update to help officers to deal with complaints. The Team has engaged with website intermediaries on their vetting and due diligence processes for traders using their sites, to see what can be done to identify and remove rogue traders. It is also developing a process so that website intermediaries can be notified of non-compliance.

Given that this is a market wide problem, NTS has approached the CMA to ask for approved trader websites to be looked at as part of their market study work. It is hoped the CMA Prioritisation Committee will consider this in April 2023.

### **Tax rebate agents**

NTG tasked the Team to investigate a company allegedly misleading consumers into signing up for a service to reclaim married couple's tax allowance from HMRC. The service appears to be advertised as "free" when it is not made clear to the consumer that the company retains 48% of any successful claim. The Team is engaging with HMRC and others on the broader issue of tax rebate web sites and collective measures that can be used to better protect consumers and root out the more misleading web sites.

## **12.5 Closed cases**

**Operations Drake** (fulfilment house/Trade Mark offences) and **Max** (claims management company allegedly using spoofing ads to mislead consumers) were discontinued due to insufficient evidence to prosecute.

<sup>5</sup> Calculated from intelligence logs and CACS complaints, where consumers used the platform to find a suitable trader, by applying the same calculation used to assess the effect of the Team's disruption work.

## 12.6 POCA cases

### **Operation Eiffel**

*Result: Criminal benefit: £8,750,732*

*Confiscation: £6,372,905.21 (adjusted to £6,167,522.02)*

In 2019/20, two defendants were sentenced to a total of 6½ years' imprisonment for fraudulent trading related to secondary ticketing.

The POCA case concluded with an agreed benefit figure of £8,750,732 and a confiscation award of £6,167,522. It is expected that the full confiscation award will be recovered from realisable assets.

## eCrime Team Data

General Outcomes	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Jan-Mar 2023	Total
Operations commenced	1	0	1	0	2
Operations concluded	0	0	3	0	3
No of live Operations	14	14	12	12	-
Value of detriment avoided by enforcement <sup>6</sup>	£0	£0	£5,250,732.00	0	£5,250,732.00
No of website/social media takedowns or suspensions, or other successful interventions outside the courts	124	126	68	90	408
Operations where the eCrime Team assisted another local authority/agency	10	7	9	7	33
<b>Enforcement Outcomes of eCrime Team Operations</b>					
Defendants convicted/found in breach	0	0	0	0	0
Total fines imposed	0	0	0	0	0
Total custodial sentences imposed	0	0	0	0	0
Total suspended sentences imposed	0	0	0	0	0
Community service penalties:	0	0	0	0	0
Other penalties: Enterprise Act Undertaking Written Warnings	0	0	(1) 1	0	1
Detriment avoided due to Disruptive activity/Intervention <sup>7</sup>	£1,475,326.00 <sup>1</sup>	£2,853,820.00	£2,769,733.00	£2,798,026.00	£9,896,905.00
Compensation awarded to victims	0	0	0	0	0
Costs awarded	0	0	0	0	0
POCA confiscation awards (*with default prison sentence)	0	0	£6,167,522.02 <sup>8</sup> (*8 years)	0	£6,167,522.02

**Table 5 – NTS eCrime Team Management Data**

<sup>6</sup> See Annex for detriment calculations

<sup>7</sup> See Annex for detriment calculations – this is a new element included as from 21/22

<sup>8</sup> Confiscation award adjusted due to variance in agreed property values

# Chapter 13 - Scams

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## 13.1 Background

Mass Marketing Fraud (scams) often targets disadvantaged or vulnerable consumers. This type of fraud causes approximately £5-10 billion of detriment to UK consumers per year. NTS commissions its Scams Team from Buckinghamshire and Surrey Trading Standards which helps to identify and make referrals about individual victims of mass marketing fraud. They undertake disruptive activities to reduce detriment and work with partners on several mass marketing fraud programmes. The Team's work in relation to doorstep crime and call centre scams is included in the relevant chapters on those subjects.

## 13.2 Overview

The Team identified 3,791 victims and made savings of £49,090,614 through its investigations and disruption work, and the savings made through local authority support. This year, the Team stopped 1,655 mailings from reaching UK consumers and the financial saving from enforcement disruption is £33,994,397 which includes estimated healthcare and health related quality of life savings. Therefore for every £1 spent in 2022-23 the Team have saved £58.63<sup>9</sup>.

The Team assisted local Trading Standards on 55 enquiries.

## 13.3 Friends Against Scams (FAS)

**One Million Friends:** Friends Against Scams reached this target when Minister, Paul Scully, MP signed up as a SCAMBassador and the one millionth Friend during CTSI's conference in June.

<sup>9</sup> See Annex for detriment calculation

	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Jan-Mar 2023	22-23 Total	Overall Total*
No. 'Friends'	86,435	40,094	60,206	21,326	208,061	1,112,211
No. SCAMchampions	38	35	28	40	141	2,342
No. SCAMBassadors	2	5	1	4	12	231
No. Friends	3	1	3	13	20	307
No. Twitter Followers	278	304	218	178	978	7,463
No. Facebook Followers	151	87	232	21	491	5,227
No. on Facebook group**	-8**	1	3	0	-4	1,766
Practitioner e-learning completed	77	83	57	58	275	2,507

\* Totals added to previous years' figures

\*\* Removed inactive accounts at the start of the year

**Table 6 – Friends Against Scams Data**

**Friends Against Scams' website:** This highlights some emerging cost of living scams and explains how consumers can protect themselves from energy support texts, fake loans, impersonation scams, supermarket vouchers and TV licence scams, for instance. Easy read materials and accessible training was produced in partnership with the East Sussex Involvement Matters Team. The redesigned SCAMchampion area has new resources and describes how to deliver *Friends Against Scams* into local communities. Essex Police were given permission to use FAS materials with their staff and local community. They directed people to the FAS' website and website traffic increased by 500% within two weeks.

**Utilities Against Scams:** A summary document was produced to highlight key areas of the pilot project run in Lincolnshire. The Team, along with Cadent and Anglian Water, delivered a webinar to utility companies' staff to explain how scams' work can be embedded into their work.

**Age UK:** Age UK is delivering a project to raise scams awareness and support older people who have been a victim of a scam. It is funded by the Lloyds Foundation. The Team was commissioned to run scams awareness sessions in 16 areas. These were well received and the local Age UKs appreciated introductions to their local Trading Standards Teams.

**Global Anti-Fraud Network:** Members of the Team attended this meeting in Amsterdam where they explained investigations and the *Friends Against Scams* initiative. Other European and North American enforcement agencies are now keen to establish similar consumer education campaigns in their countries. New partnerships have developed in the latter half of the year.

**Re-engage:** Re-engage is a charity supporting lonely and isolated older people. It became a FAS partner and pledged to train thousands of their volunteers to protect more than 10,000 older people per year from scams. The Team is also supporting research that Re-engage is conducting into why some of the older people they support are affected by scams. After rolling out the FAS training to their volunteers, the charity will conduct further research to establish the impact the training has when supporting older people.

**Scams awareness for the Deaf and Hard of Hearing communities:** The Team works closely with Bolton Deaf Society, who produced the British Sign language (BSL) version of the *Friends Against Scams* training. With support from the Team, they developed a project to increase scams awareness and provide advice in BSL for Deaf and Hard of Hearing communities. The plan was submitted to a number of funders, and the Axis Foundation recently announced they would provide funding to enable delivery of this work.

**Care homes presentation:** The Team worked with partners to produce a one-hour presentation aimed at care homes residents to help improve their media literacy skills and increase their knowledge about the various scams and fraud that are committed online.

**Improving accessibility:** The Team have had the *Friends Against Scams* embedded conversation translated into ten languages. This means that the Team has a set conversation they can use with scams victims to count them as a *Friend* and get the right message across. The languages chosen were the ones identified as those most spoken in the UK according to the 2021 census. These translations are available via the SCAMchampion area of the website. Numbers of downloads will be monitored to determine whether other materials also need translating.

**Technology enabled care:** The Team has been working with the TSA, the industry and advisory body for technology enabled care in the UK. TSA work on increasing the uptake of digital solutions for health and social care, and a training session will be delivered to their members highlighting the rise of technology enabled care scams such as pendant and mobility alarms. The training will look at the tactics criminals use, how they engage with potential victims and how contact can be prevented.

**FAS contact:** The Team receives significant contact about the Friends Against Scams initiative. The Team deals with weekly SCAMchampion applications and new Scam Marshals join on a regular basis. They work closely with SCAMchampions to ensure all training requests are delivered.

## 12.4 Scam Marshals

The number of Scam Marshals grew steadily to 2,254 this year. There is now at least one Scam Marshal in 189/195 (96.9%) of local authorities and 117 (60%) have at least five. There was an upsurge after the Scams Team's appearance on the original showing of the BBC programme *Dirty Rotten Scammers* and its repeat.

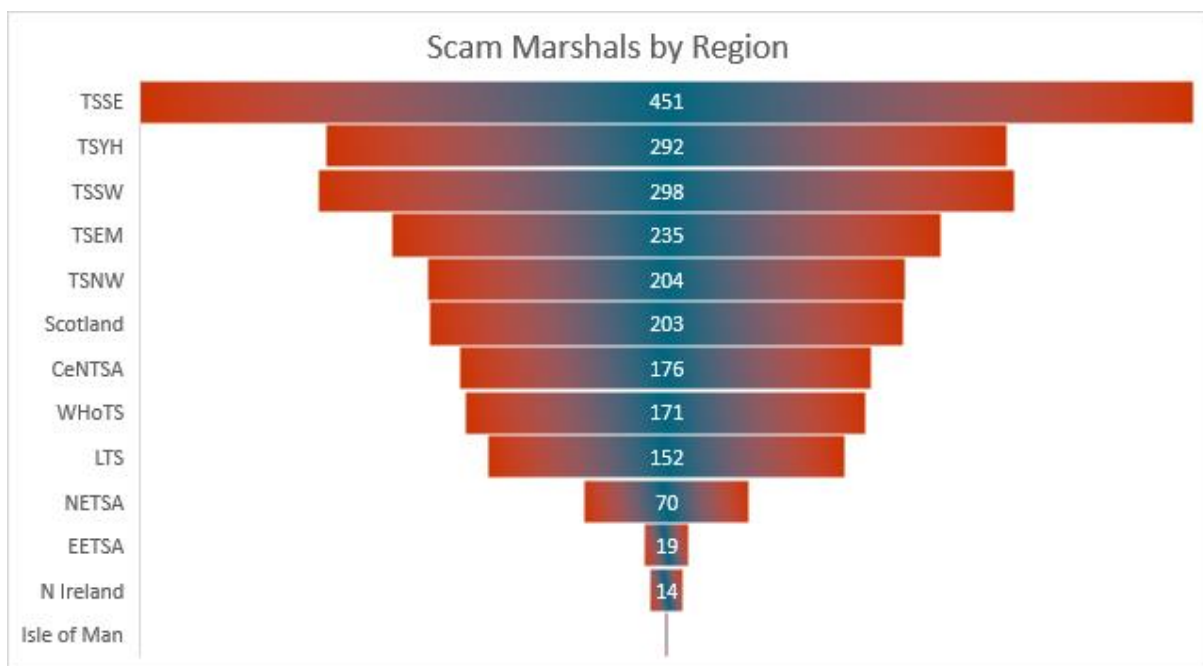


Figure 2 - Estimate of Scam Marshals by region:

Scam Marshals who gave feedback as part of a survey showed increased well-being: they feel part of a team of scam fighters; are less likely to respond to criminals; and are encouraged to talk to family, friends, and neighbours about scams, using the information sent out in the monthly newsletters.

As well as the usual *Friends Against Scams* and *Take Five* messaging, the Scam Marshal newsletters this year contained articles on: Romance Fraud, Royal Mail scams, Council tax (are you paying too much?), Holiday scams, Illegal Money Lenders, Marks & Spencer Golden ticket scam, Facebook marketplace delivery scam and a range of general scams. The importance of Scam Marshals' involvement in the prosecution in the USA that will lead to over £500,000 being returned to victims was also highlighted.

The bi-monthly updates to local authorities recommenced in May, after having been stopped in the pandemic. As restrictions lifted Trading Standards Officers were



more likely to visit scam victims and were reminded and updated on the Scam Marshal initiative.

Other initiatives this year included Freepost mailbags and SCAMnesty. The mailbags were sent to active Scam Marshals if they had provided intelligence to the Team during the previous six months. In August, the Team sent Freepost mailbags to all Scam Marshals which resulted in an upsurge of scam mail sent in and a rise in active Scam Marshals.

*SCAMnesty* was revived throughout December for the third consecutive year. This allows anyone in the UK to use the Freepost address to send in any unwanted scam mail for further investigation. A social media pack was created and supported by *Friends Against Scams* organisations and partners. Increased *SCAMnesty* mentions on Twitter in December led to a larger amount of mail being sent in during December 2022 and January 2023.

The Scam Marshal call log was ceased recently. The call log enabled Scam Marshals to note down the scam and nuisance calls that they received before sending that information into the Scams Team where it was scanned and passed to the Investigators. That information is now received from other agencies and is far more useful and a lot less labour intensive. Scam Marshals have been asked to report any scam and nuisance calls to Action Fraud.

## 12.5 Postal Operators

In the last quarter, due to ongoing industrial action and a cyber-attack against Royal Mail no figures have been made available to the Team. However, between November 2016 and August 2022, Royal Mail prevented 5.3 million mail items from reaching consumers: this equates to £23.9 million saved for consumers. During the three quarters where figures are available for this year, Royal Mail stopped 377,000 items entering the mail system, with an average request of £45 from these fraudulent solicitations.

### **Operation Juojarvi**

The Team and its partners have stopped a total of 2,332 clairvoyant style mailings since March 2022. The mailings target elderly and vulnerable consumers, and the average recipient's age is 81. The mailings are a mix of threatening, harm or loss to the recipient or predicting windfalls of money and improved relationships. The letters demand between £40 to £80 payable in cash.

The Team is currently investigating the enablers of the mailings and have identified several UK-based enablers with the aim of disrupting the fraudulent mailings being sent to or returned to the criminal entities.

This year 1,655 pieces of mail have been obtained, each containing an estimated average of £38. The Team is currently working with colleagues in the USA to return victims' money. The Team is also working with the United States Postal Service to look to obtain evidence to prosecute criminals involved in these fraudulent mailings. The Team has successfully identified the image used by the criminals in their mailings as a UK citizen who has no links or ties with the offenders. Prevention advice around this fraud was successfully aired on commercial TV.

## 12.6 Multi-Agency Approach to Fraud (MAAF)

At the beginning of the year the Team reintroduced regular contact with all police force areas to discuss the MAAFs. Members of the Team attended the Police Financial Abuse Safeguarding Officers' conference held in Bristol. This was a valuable opportunity to network with the 38 police forces that attended and closer links were made with forces interested in learning more about the MAAF project.

There are now only two police force areas where partners/stakeholders still have to fully engage with the project. Nineteen areas have launched or are about to launch their MAAF, and 23 areas have either begun the process to launch or are very close to launching their MAAF partnerships.

The Team has maintained its regular communication with the MAAF's single points of contact and the Trading Standards Regional Co-ordinators. A key benefit of this communication has been the ability to call on local knowledge to help arrange meetings, find more potential partners, and source assistance with call blocker enquiries. The strong communication channels have worked both ways with regular updates coming to the Scams Team from Regional Co-ordinators too.

Resources were shared with partners, including the calculators to illustrate the estimated savings to consumers from interventions. Data sharing agreements and MOUs etc, will also be shared. The Knowledge Hub best practice network continues to be popular and members of the group benefit from documents in the library together with access to the toolkit, call blocker information and visuals created for each MAAF.

## 12.7 Call blocking

NTS secured £800,000 from the National Crime Agency to invest in call blockers. The MAAF's were being asked to identify and apply for call blockers for local consumers and installation will commence early next year.

## 12.8 Coercive control research

The Home Office provided £30,000 for the Team to undertake further work on coercive control and its relationships to scams and fraud. The initial research has been completed and will be officially launched at an All-Party Parliamentary Group event on 9<sup>th</sup> May, 2023. An action plan and steering group will be drawn up.

## 12.9 UK and International Investigation updates

Below are some examples of the Team's achievements. Savings figures include the amount saved plus the estimated healthcare and health related quality of life savings.

### **Operation Constance**

This faith-based scam repeatedly targets victims using data-mined information provided by the victim that personalises the mailing. Victims' interviews show hundreds of pounds being sent to the criminals in return for a promise of wealth, health, and wellbeing.

During the year the Team:

- Identified a new mail return address that handled substantial amounts of mail (enclosing money) sent by victims to the criminals.
- Discovered that 600 mailings (averaging £120) are returned to the criminal every month.
- Noticed that the mailings have become more aggressive and demanding of monies.

- Used victims' evidence to locate a key enabler engaged in sending victim mail. The Team had the lease terminated by working with the landlord of the business offices. Consequently, the business can no longer trade in the UK.
- Discovered that victims' return mail is being deposited in a UK bank. The Team is trying to identifying any beneficiary to stop them banking the proceeds. Evidence is being collated to assist foreign counterparts with this case.

### **Romance Fraud**

In 2021, a local TSS referred a chronic victim of a romance fraud, who had been targeted following the loss of their partner. The individual lost most of their savings and was targeted for a year by the criminals. Working with the victim and overseas partners, the Team were able to remove the offending criminal's social media, email and internet presence and, in March 2023, the Team secured a return of £48,500 to the victim. The victim was supported throughout the process for which the Team received thanks.

### **Spoof Numbers**

The Team's disruption work ensured the removal of 300 VOIP spoof numbers all targeting the elderly and vulnerable consumers: nearly 1.3 million calls were made from these numbers.

### **Work with the Information Commissioner's Office**

The Team provided investigative assistance, intelligence and evidence against several companies to the Information Commissioners Office during the year resulting in the ICO administering:

- £1.4 million in sanctions against a company and associated businesses running a mail order and call centre business.
- £435,000 in sanctions against a company and associated businesses and required them to stop the calls. Estimated savings: £184,800 (over three months).
- £285,000 in sanctions against two companies as well as requiring them to stop making marketing calls. These companies had made in excess of 1.7 million robocalls targeting elderly and vulnerable consumers.

## Scams Team Data

Performance Indicators	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Jan-Mar 2023	Total
Value for money (estimated & actual consumer savings/every £1 of budget)	£42.30	£107	£68	£59	
No. of pieces of mail returned to	431	103	645	476	1,655
No. of LAs supported with advice & guidance on fraud, scams and investigations	17	12	15	11	55
Victims	184	551	1793	1,263	3,791
Estimated future financial savings (TS' intervention)	£118,976	£838,384	£946,167	£428,462	£2,331,989
Actual savings to consumers (from money returned)	£512	£64,597	£135,825	£262,806	£463,740
Financial saving from effective enforcement disruptions	£981,633	£21,912,434	£5,309,160	£5,791,170	£33,994,397
Financial savings from Friends Against Scams programme	£5,110,005	£2,370,342	£3,559,356	£1,260,785	£12,300,488
<b>Total savings<sup>10</sup></b>	<b>£6,211,126</b>	<b>£25,185,757</b>	<b>£9,950,508</b>	<b>£7,743,223</b>	<b>£49,090,614</b>
% of consumers recorded feeling safer in their own homes after TS' intervention	79%	40%	48%	44%	53%
No. of Friends Against Scams initiative recruits	86,435	40,094	60,206	21,326	208,061
No. of SCAMchampions facilitating training to others	38	35	28	40	141
No. of SCAMBassadors in influential positions recruited	2	5	1	4	12
% of participants who completed the Friends training who think they are less likely to fall victim to a scam	97%	97%	97%	97%	97%
% of participants who completed the Friends training who feel this will prevent them or anyone they speak to from falling victim to a scam	98%	98%	99%	99%	98%

**Table 7 – NTS Scams Team Management Data**

<sup>10</sup> See Annex for detriment calculation

# Chapter 14 – Estate and Lettings Agency

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## 14.1 Introduction

The NTS Estate and Letting Agency Team is jointly hosted by Powys County Council (the lead enforcement authority under the Estate Agents Act 1979) and Bristol City Council (the lead enforcement authority under the Tenant Fees Act 2019).

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

As the lead authority for the Estate Agents Act, the team's responsibilities include the issuing of prohibition and warning orders; oversight and approval of the consumer redress schemes, providing sector-specific advice; and maintaining a public register of prohibition and warning orders. As lead authority for letting agency work in England, the team's role is to oversee the operation of the relevant letting agency legislation; issue guidance and provide information and advice; to keep under review and, from time to time, advise government on developments in the sector.

## 14.2 Work to support Local Authorities

The KHub site now has 1,036 members and had 1,513 unique visits.

The Team continues to provide support to all seven authorities and regions in England who were successful in their bids for funding from the DLUHC 'Improving Lettings Enforcement' grant (see more information under section 14.4 Projects).

## 14.3 Training and Education

**Tenant Fees Act 2019:** To date, this has been completed by 550 officers.

**Property Crime - Tackling it Together:** this new eLearning module was launched in quarter 4. Aimed at other enforcement agencies e.g., Police and HMRC it will raise awareness of what to refer to Trading Standards and/or the Team, what intelligence should be shared and how to recognise offences when dealing with matters concerning estate and letting agents. It has been completed by 59 officers with a further 147 registered to complete the course.

**Introduction to Intelligence:** this new eLearning (aimed at housing and Environmental Health Officers) has been completed by 40 officers. A further 94 are registered to complete the course. The course aims to increase understanding of how to refer a case for investigation and what information is important to gather.

**Webinars:** the Team has delivered 17 webinars on various housing topics with at least 1,430 local authority officers attending.

**You Tube:** The Team's YouTube videos have had a total of 3,531 views. The material information (Operation Neptune) infomercial, which was launched in the autumn, has had 1,569 views.

In conjunction with PropertyMark the Team delivered a training session to 16 estate and letting agents with regards to CPRs and Estate Agents Act 1979.

## 14.4 Projects

The following projects were funded and delivered by the NTS Estate and Letting Agency Team.

**Operation Ceres (Alternative Deposit Schemes or Zero Deposit Schemes):** The NTS Intelligence Team completed a complaints data review, which found limited information about these deposit schemes. Intelligence gathering via a consumer survey has helped to compare these schemes with traditional deposit schemes and identify risks, benefits and challenges in the private rented sector.

**Operation Mars (two years of IDB Provision and Training to District Authorities in England):** Nine face-to-face workshops were hosted, engaging 182 local authority officers. The Team provided support via 6 webinars on IDB and sharing intelligence, with 482 officers attending. To date, 104 new officers from 46 different authorities have signed up and have been encouraged to take up their own IDB subscriptions for 2023/24, or to collaborate with neighbouring authorities to share costs. The challenge moving forward is persuading the district councils to invest in IDB, as the free trial period has now ended.

**Operation Neptune (Material Information on Property Listings):** productive round-table meetings were held and progress made in developing the framework for parts B and C. Portals continue to monitor the uptake of Part A information by agents. The project officers have engaged with external stakeholders including the

Home Buying and Selling Group, The Lettings Industry Council, Propertymark, RICS, and the property portals.

**Operation Pluto (Rent-to-Rent):** research continues with rent-to-rent schemes in the private rented sector. The NTS Intelligence Team was commissioned to analyse complaints data held by Citizens' Advice which identified a sector-wide issue with the inaccurate recording of these complaints. A consultation to engage with relevant stakeholders has been created and will be launched in due course.

**Operation Rose (Conditional Offers/Sales):** In conjunction with the referral fees transparency project, the Team launched a consumer survey to assess the public's knowledge and experience of the use of connected services when using an estate agent. The results suggest that where referral fees and recommended third party services are involved, consumer confidence that an agent will act in a fair and unbiased way is generally quite low; but knowing an agent might act this way would only influence the actions of a quarter of the respondents. The final project report has been produced and is to be presented to DLUHC.

**Referral Fees Transparency:** A "consumer attitudes" survey to obtain the consumer's perspective on their knowledge of, and the transparency of, referral fees was commissioned. Project officers are preparing a press release to highlight the existence of the practice, and to point to routes to redress for consumers, as well as exploring whether the Team needs to re-visit its guidance on referral fees.

**Operation Saturn (Monitoring Information Provided by Agents on Fees, Redress, and CMP Membership):** In 2022/23, non-compliance was identified and 43 referrals were made to local enforcement authorities.

**Operation Tulip (Leasehold Reform (Ground Rent) Act 2022):** The first stage of this project is complete and a report on its findings is to be provided to DLUHC. A dedicated area of the Team's website with information, a model enforcement policy, and template consumer letters to help enforcement officers enforce the Act has been launched. A number of webinars with the same aim have also been hosted with good take-up by LA officers, including one with DLUHC and LEASE representatives. New Tribunal application forms for leaseholders and landlords have been made available.

**Property Agent Checker (Redress and CMP membership):** The Team has continued to work on the single search facility to check on redress membership. Information from the six CMP schemes is live on the system and checking the



accuracy of the data is an ongoing process. There have been some issues with CMP schemes submitting information at irregular intervals and incomplete/inaccurate data which are being addressed. However, the checker is functioning and has been successfully adopted by many authorities.

**Sourcing Agents:** The project findings and recommendations were reported to DLUHC for consideration in November 2022.

The following projects were funded and delivered by local authority or regional Trading Standards groups. The Team provided support for the projects. Final project reports will be submitted by end May 2023.

**CEnTSA Operation Jupiter** - conducting an assessment of Client Money Protection scheme compliance by letting agents, including investigation and analysis to support the authorities investigating and preparing appropriate enforcement action.

**Bristol City Council** - training for Trading Standards professionals looking at new but related areas in the field of private lettings enforcement including: how audits may determine whether letting agents are satisfactorily managing rental properties; the pros and cons of using civil and criminal sanctions for the same patterns of mischief; research into methods of tackling discriminatory practices in the lettings sector.

**West Yorkshire Trading Standards** - advancing closer working relationships to improve the level of support to vulnerable tenants via good multi-agency relationships; generating intelligence and promoting the use of IDB; identifying non-compliant landlords; undertaking lettings enforcement and advice work.

**Cornwall Trading Standards** - improving collaboration with Trading Standards and Private Sector Housing and enhancing both the intelligence picture and sharing, as well as the enforcement capability for lettings related compliance across the County.

**Bournemouth, Christchurch and Poole Trading Standards** - looking at student lettings: focussing on compliance checks, intelligence gathering, building connections between Trading Standards, Private Sector Housing Officers and the Fire Service, as well as improved links with the University.

**London Trading Standards Region, Operation Mercury** - the third phase of this Client Money Protection project continues delivery of compliance promotion and

enforcement. It provides investigation and analysis work to support boroughs investigating and preparing enforcement action against non-compliant agents.

## 14.5 Casework, Complaints and Enquiries

The Team investigates cases under the Estate Agents Act 1979, culminating in fitness assessments of individuals/businesses to engage in estate agency work, as well as investigating cases under the relevant lettings legislation. The Team receives complaints and referrals from the various sources, as well as initiating cases following monitoring of news websites, social media etc. Each query or complaint received by the Team is recorded as an “incident” on Crimson: 1,440 incidents were recorded during the year. Examples include:

- A group of London landlords reported that a letting agent was failing to pass on rents and that they had no Client Money Protection in place. The letting agent was planning to leave the country for Barcelona. The Team helped to pass on the referral to the agent’s local Trading Standards, which was able to make contact before the agent left the country. The affected landlords were then able to arrange to have future rents paid directly to themselves.
- An intelligence request was made by a Police Tackling Organised Exploitation Team investigating an organised crime group in control of a number of rented properties, some of which had links to premises selling illegal tobacco identified under Operation CeCe. The Team visited the property agent to ascertain what client money protection and deposit protection was in place. This is a multi-agency operation involving Police, Housing, and local Trading Standards.
- The Team received a referral concerning a property agent that had not renewed its redress membership although it was advertising online. Redress and client money protection (CMP) scheme logos were being displayed, but there were no membership records for either. It was identified that a previous rental listing had an advertised deposit which exceeded the 5-week deposit cap. Following a referral, the relevant local authority investigated and issued three notices of intent in respect of failing to belong to a redress scheme, failing to belong to a client money protection scheme and failing to publish relevant fees in their branch, on their website and on a third-party website.
- An estate agent was failing to pass on important information between buyer and seller, causing delays and extra solicitors’ costs and almost caused the

sale to fall through. The buyer and seller got together and made a joint complaint to the Team which is working with local trading standards on taking statements and progressing the investigation.

- A complaint was made that an offer from a prospective buyer was not passed on to a seller. The seller eventually accepted a lower offer from the EPC assessor connected to the estate agency. As the offer was much lower than hoped, the offer only just paid off the mortgage and this resulted in the seller becoming homeless once the sale had completed.
- The Team worked with a local authority investigating a complaint that material information relating to service charges, ground rent and management fees was not provided to a buyer during a property purchase on a recently built estate. The seller had purchased the property from new and the information on charges was not provided to the estate agent.
- The Team worked with the National Crime Agency to identify collaborative approaches to their Threat Assessment on property owners and agents linked to modern slavery and human trafficking.
- The Team investigated a letting agent who stole over £182,000, mostly tenant deposits, and attempted to evade arrest by travelling to Spain, leaving the landlords liable to refund all the deposits to their tenants. Following his three-year custodial sentence, the Team served the agent with a prohibition order in November 2022.

A list of all prohibited subjects is available on the Public Register of Orders.

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

This year the Team has undertaken a range of activities including:

- Regular meetings with DLUHC officials.
- Engagement with key stakeholders, including: The Property Ombudsman, The Property Redress Scheme, the property portals, The Letting Industry Council, The Home Buying and Selling Group, Rent Smart Wales, CTSI, BEIS and the Digital Identity Group.
- Continued working relationships with other regulators such as the Financial Conduct Authority (on conditional sales), Ofgem and the Land Registry.

- Co-development of guidance with The Property Ombudsman and the Property Redress Scheme for the referral of misconduct and breaches of legislation of their member agents.
- Co-hosting regular governance meetings with both the redress schemes.
- Engagement with external media outlets to promote the work of the Team and highlight issues of interest to the sector.
- Involvement in the working group putting together the Codes of Practice arising out of recommendations from the Regulation of Property Agents report.
- Participation in a Digital Identity Group and how it might be used in the private rented sector.
- Finalising a Memorandum of Understanding with HMRC that will facilitate regular data sharing and monthly lists of agents, which can be cross-referenced against redress and CMP scheme data to identify non-compliance.

## National Trading Standards Estate and Letting Agency Team Management Data

The following table shows a detailed breakdown of the total incidents received by the team by the nature of the query, as well as operational case data from Q4. Values in red denote a correction to the previous quarterly report.

	Apr - Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Jan-Mar 2023	Trends ▲ ▼ from previous quarter	Total 2022/23	Total 2021/22 comparison
<b>*Incidents Received (total)</b>							
Estate agency	80	51	46	65	▲ 19	242	219
Letting agency	80	104	117	144	▲ 27	445	443
Both	173	207	189	184	▼ 5	753	867
<b>Requests for advice received</b>							
Estate agency	50	27	21	17	▼ 4	115	126
Letting agency	48	34	31	45	▲ 14	158	273
Both	36	0	4	10	▲ 6	50	73
<b>Referrals from ASA</b>							
Estate agency	0	1	0	2	▲ 2	3	Not reported
Letting agency	0	0	0	0	-	0	Not reported
Both	0	0	0	0	-	0	Not reported
<b>Other enquiries received and requests for assistance</b>							
Estate agency	8	18	19	31	▲ 12	76	91
Letting agency	18	30	31	70	▲ 39	149	116
Both	130	2	2	26	▲ 24	160	794
<b>Media enquiries received</b>							
Estate agency	2	0	2	1	▼ 1	5	6
Letting agency	1	1	0	0	-	2	9
Both	0	0	0	0	-	0	0
<b>* Fitness to engage under Estate Agents Act (Estate Agency)</b>							
Cases with no further action following investigation	0	0	2	0	▼ 2	2	9
Cases with no further action following adjudication	0	0	0	0	-	0	0
Prohibition Notices issued	1	2	2	2	-	7	13
Warning Notices issued	0	0	0	0	-	0	2
Prohibition Orders Issued	0	0	2	2	-	4	6
Warning Orders Issued	0	0	0	0	-	0	4
Prohibition Orders taken effect	0	0	0	2	▲ 2	2	6

Warning Orders taken effect	0	0	0	0	-	0	2
Appeals against formal orders submitted to FTT	0	0	0	0	-	0	0
Applications to revoke or vary a prohibition or warning order	0	0	0	0	-	0	0
<b>Penalty Charge Notices (Estate Agency)</b>							
Non-membership of a redress scheme	0	1	0	1 <sup>‡</sup>	▲ 1	2	5
<b>Monetary penalties issued under Tenant Fees Act 2019 (Lettings)</b>							
Non-membership of a redress scheme	0	1	0	0	-	1	1
Non-membership of client money protection scheme	0	0	0	0	-	0	4
Prohibited fees	1	0	0	0	-	1	1
Failure to display fees	0	0	0	0	-	0	0

**Table 8 – NTS Estate and Lettings data**

*NTS Estate and Letting Agency Team incident and case data by query nature and month, with a comparison to the previous quarter and the last two financial years.*

**Note:**

**\* Incidents received**

Incidents are categorised by the nature of the enquiry (either estate agency, letting agency, or both). 9 incidents are not reported in the table as they were categorised as “other” or “out of scope”. A review of the team’s case management system, Crimson, is ongoing with a view to improving reporting ability.

**\* Fitness to engage under the Estate Agents Act 1979**

Before a final order officially prohibiting or warning a subject from engaging in residential estate agency work under the Estate Agents Act 1979 can be issued, an investigation and independent adjudication process is followed.

A [public register](#) of all officially prohibited and warned subjects is managed by the team.

<sup>‡</sup> This penalty charge notice (PCN) was withdrawn.

# Chapter 15 - Advertising Standards Authority

## 14.1 Background

The Advertising Standards Authority (ASA) is recognised as the ‘established means’ by which compliance with the Consumer Protection from Unfair Trading Practices Regulations 2008 and Business Protection from Unfair Trading Practices Regulations 2008 in relation to misleading, aggressive or unfair advertising is enforced. The Control of Misleading Advertisements Regulations 1988 provided a legal backstop for misleading non-broadcast advertising. Since January 2019, NTS has commissioned Buckinghamshire and Surrey Trading Standards to perform this function.

## 14.2 Referrals

	Apr–Jun 2022	Jul–Sep 2022	Oct-Dec 2022	Jan-Mar 2023	TOTAL
Referrals received	2	1	0	0	3
Referrals closed	2	1	1	3	7
Referred to another agency	0	0	0	0	0
<b>Total under investigation</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>3</b>	
Other ASA enquiries received	0	4	5	6	15

Table 9 – ASA referrals

All referred cases appear on the ASA website.

## 14.3 Other Case Work

In addition to formal referrals, the Team supports the ASA with advice to assist them to fulfil their broader functions. Examples of referral and advice work included:

- Participation in the ASA Pricing in Advertising Expert Group.
- Cancer Act 1939 opinion provided in relation to ASA investigation on a Stem Cell Harvesting Bank.
- Requested BSTS assistance with notifying seventeen local authorities (Primary Authority and trading standards colleagues) about the CAP

enforcement notices/project on the advertising of free trials and promotional offer subscription services project.

- CPRs opinion on proposed advertising ban of elephant holidays.
- Product Safety trading standards advice in relation to mini heaters and CAP project.

Operation Millie was a copycat website face which emanated from an ASA referral. The case was investigated by the NTS eCrime Team and convictions against all four defendants were obtained on 5<sup>th</sup> April 2023. Full details will be reported next quarter once sentencing is completed.

The Code of Advertising Practice compliance team are expanding so there is a potential that there will be an increase in referrals.



## Chapter 16 – Office for Students Backstop

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NTS is working with the Office for Students (OfS) for a pilot 18 month period to determine if it adds value for OfS to have a legal backstop arrangement with a lead Trading Standards authority.

Work is planned to cover issues such as, unfair terms in relation to courses or other student services, false accreditation claims in relation to higher education and other areas falling under the OfS remit.

For the initial year, work will be focussed on providing advice and support to OfS on the various consumer protection legislation that could be used to bring better compliance in the sector. OfS have provided funding of £88,477 for a period from November 2022 to March 2023. At this stage, funding does not cover any formal enforcement work. If this is required, a referral will need to be made to a local Trading Standards service who would decide what action they felt it appropriate to take.

Due to the similarities to the ASA backstop work, the NTS Board agreed to commission this work from Buckinghamshire and Surrey Trading Standards.

Work is underway to develop referral protocols.

OfS have sought advice on the development of model terms and conditions. Four anonymised referrals for terms and conditions were received and feedback discussed to facilitate a mutual understanding of where terms may prove problematic. Formal referrals will be submitted in April 2023.

# Chapter 17 - Animal Health

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## 17.1 Background

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

## 17.2 Outbreak Support

ACTSO has notified and supported local authorities in the ongoing Avian Influenza Outbreak. There have been 196 confirmed avian influenza cases and a further 203 suspect cases which were negated. In addition, there were seven suspect Foot and Mouth Disease cases and one Swine Fever case which were negated.

The Animal Disease Contingency Plan Template was reviewed and updated with the avian flu annex. Training sessions were provided in all regions and Wales.

## 17.3 Other Projects and policy support

Guidance on collection centres was completed.

## 17.4 Plans for 23/24

APHA and Defra have confirmed that they will continue this arrangement in 23/24. Project work will include:

- Update all remaining disease control annexes to the contingency plan.
- Training on the collections centres guidance training
- Input into planned Anthrax review

# Chapter 18 – Illicit Tobacco

## 18.1 Background

This report provides a summary of activity undertaken by local authorities as part of Operation CeCe from 1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2023. It includes seizure data and a brief report of other activity that has been undertaken by Op CeCe group members during the year. The main objective of Operation CeCe remains the disruption of the trade in illegal tobacco at local level.

## 18.2 National Seizures

Total revenue value of products seized by Trading Standards: £ 7,627,526.36

Total number of sticks seized : 14,288,648 – revenue value £ 6,344,159.71

Total quantity of HRT seized : 3,209.34kg – revenue value £ 1,254,851.94

## 18.3 Regional Seizures

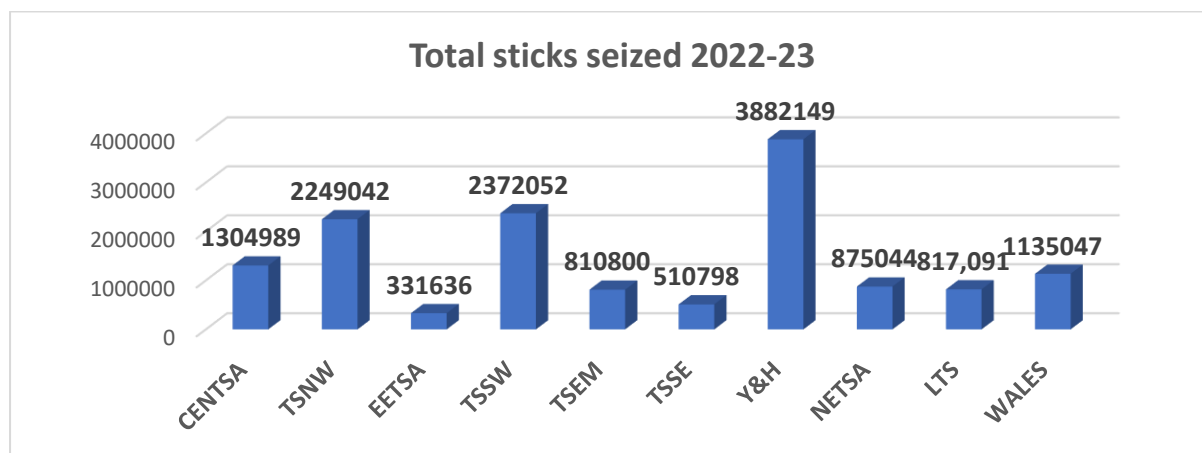
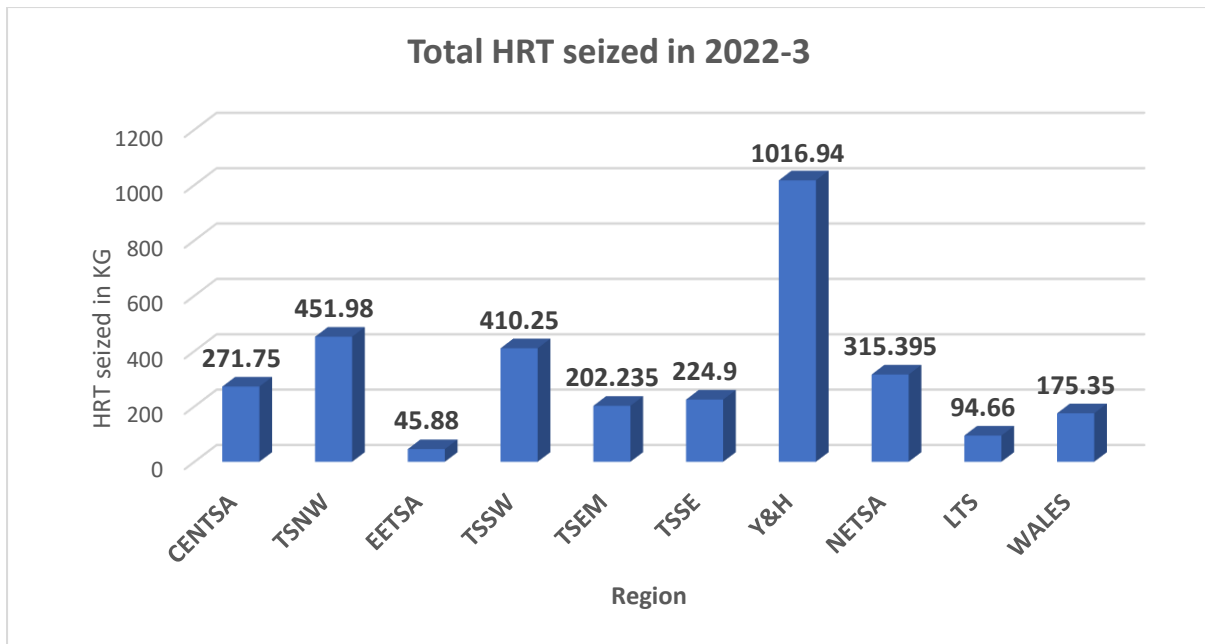


Figure 3 : Total Number of sticks seized 22-23



**Figure 4 : Total quantity of HRT seized [ KG]**

The greatest quantity of HRT was seized in the Yorkshire & Humber Region, the least in the Eastern Region.

**Note:** a quantity of chewing tobacco products and shisha have also been seized and removed during the year, most notably by the London and South East Regions.

## 18.4 Sanctions for illegal tobacco offences

HMRC is consulting on the Tobacco Products (Traceability & Security Features) (Amendment) Regulations 2023. Members of the Operation CeCe group have collaborated with HMRC to develop the process by which Trading Standards make referrals to HMRC to access these enhanced sanctions. These are divided into Bands depending on the size of seizure and the frequency of offending detected. The proposed penalties for first contraventions range from £2500-£10,000. A pilot project to test the use of the sanctions will commence this summer 2023.

## 18.5 Refresh of Leaf to Light illegal tobacco strategy

Members of the Operation CeCe group were invited by HMRC to participate at the earliest opportunity in the refresh of HMRC/Border Force's strategy to combat the illegal tobacco trade 'Tackling illicit tobacco: from leaf to light' ('Leaf to Light')

launched in 2015 . This strategy outlines a comprehensive approach for targeting, catching, and punishing those involved in the illicit tobacco market. Its aims are to:

- Create a hostile global environment for tobacco fraud through intelligence sharing and policy change.
- Tackle the fraud at all points in the supply chain from production to retail.
- Change perceptions - Raising public awareness of the links between illicit tobacco and organised criminality to reduce tolerance of the fraud in the UK.
- Optimise the use of the sanctions we have and, where we need to, develop tougher ones.

The group raised a number of issues that, as Trading Standards, we believe could be deployed to enhance the success of this strategy, for example use of closure orders and licensing. Discussions are on-going.

## **18.6 Operation CeCe 2023-24**

Funding for Operation CeCe for 23/24 and 24/25 has been agreed at £800,000 p.a.

# Annex 1 – Detriment Calculations

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

**Consumer & Business Detriment avoided through NTS Regional Investigation Teams' actions.**

This is based on the % of the RITs' contribution x Team x value of intervention and includes retail value of seized goods and financial value of complaints that were the subject of the investigation.

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

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

This is based on the contribution by the Team x value of intervention and includes retail value of seized goods and financial value of complaints that were subject of the investigation.

**Consumer & Business Detriment avoided through NTS Regional eCrime Team's Disruptive activity/Intervention.**

This is a new measure as from 21/22 and methodology will be refined. This is calculated using an average reported loss for any domain (web site) or social media content that has been suspended/removed. Available data for consumer reports, both to CitA and Action Fraud, is assessed and an average figure used per reported loss. A multiplier is then applied using the most recent verifiable figure for the % of consumers who suffer a loss actually reporting it. For 21/22 this figure is 15% based on The Victims Commissioner's report of 2021. E.g. if the Team receives 20 consumer reports for a fraudulent web site, of those, there are 10 reports which show a total reported loss of £20,000. The average loss = £2,000. Total loss for all reports = £2,000 x 20 = £40,000. Based on this being 15% total detriment = £40,000/15x100 = £266,666 for that web site.

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

- i) Estimated future financial savings (TS' intervention)
- ii) Actual savings to consumers (from money returned)
- iii) Financial saving from effective enforcement disruptions
- iv) Financial savings from Friends Against Scams programmes

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

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

For iv. the estimate of non-financial impacts is equal to the estimate of financial benefits multiplied by 1.58. For every £1 of financial benefit to victims, there is, in addition, £1.58 benefit in other impacts. Based on  $(£1,290-£500)/£500$ , £1,290 represents the average cost of fraud and £500 is the average financial cost of fraud borne by victims (based on Home Office figures in 2018).

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

These figures are not adjusted for inflation as this is only a multiplier to a current cash value.

Prison sentences quoted include both immediate and suspended sentences.

**Published 1 June 2023. For any enquiries about the content of this report. Please email [nationaltradingstandards@actso.org.uk](mailto:nationaltradingstandards@actso.org.uk) or call 0345 608 9515. Alternatively, you can write to National Trading Standards, 1 Sylvan Court, Sylvan Way, Southfields Business Park, Basildon, Essex SS15 6TH.**