

CONSUMER HARM REPORT 2016-17

National Trading Standards

November 2017

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OVERVIEW AND CONTENTS

Overview of National Trading Standards

National Trading Standards (NTS) was set up in 2012 by the Government as part of changes to the consumer protection landscape. Our role is different to that of local trading standards services in that we provide leadership, influence, support and resources to improve enforcement against criminals causing consumer and business detriment nationally, regionally and locally.

We bring together trading standards representatives from across England and Wales to prioritise, fund and coordinate a response to national and regional trading standards issues. NTS is responsible for gathering important intelligence from around the country to combat criminal activity and tackle a number of priorities. These priorities currently include mass marketing fraud, internet scams, illegal money lending and other enforcement issues that affect consumers and businesses beyond traditional local authority boundaries.

In this report NTS presents a range of insight and data based on its 2016-17 Annual Report, which analyses results for the last measurable full year across all NTS work. This includes the work of the:

- National Trading Standards eCrime Team
- National Trading Standards Illegal Money Lending Teams
- National Trading Standards Regional Investigations Teams
- National Trading Standards Estate Agency Team
- National Trading Standards Scams Team
- National Trading Standards Safety at Ports and Borders Teams
- National Trading Standards Intelligence Team
- National Trading Standards Feed Hygiene Delivery Programme

Contents

Chapters have been split by NTS' key priorities, including:

- Tackling criminal activity
- Protecting consumers
- Protecting small businesses
- Supply chain integrity
- Emerging threats - the changing criminal landscape

FOREWORD FROM LORD TOBY HARRIS, CHAIR, NATIONAL TRADING STANDARDS

It's been a record-breaking year for National Trading Standards (NTS). 2016-17 saw our teams secure 104 criminal convictions, with 174 years' worth of prison sentences handed down. We've continued to collaborate with partners to disrupt criminal activity on a number of fronts, from tackling counterfeit goods being sold on social media to strengthening activity to prevent mail scams.

This is the third edition of the annual NTS Consumer Harm Report, which helps us measure our effectiveness and value for money, as well as the emerging threats consumers face. It highlights our key work areas over the past year – not only in tackling criminal activity but also in protecting consumers, which has seen nearly £127 million in consumers and business detriment prevented in the last year.

This year also saw the publication of the National Audit Office's (NAO) review into consumer protection from scams, unfair trading and unsafe goods. This report highlights areas where NTS provides value for consumers and enables improvements across the consumer protection landscape. This includes enhancing how data and intelligence are captured and shared, as well as improved coordination and integration of trading standards work.

An evolving criminal landscape

Our teams are operating in an ever-evolving criminal environment. Consumer protection bodies are facing changing and challenging times. The evolving nature of criminal activity against consumers and legitimate businesses means that every day we are at risk of falling victim.

These criminals – many belonging to organised crime groups – are diversifying their methods, exploiting the latest trends and technologies, and are more sophisticated and better at circumventing the law than ever before.

Criminal activity patterns change with advancements in technology and online crime is a growing problem; the NAO report points out that online fraud is now the single most reported crime with around 70% of fraud being linked to online activity. This is not just about online sales – we are all increasingly connected through different devices, both in our homes and when we're on the move. Continued

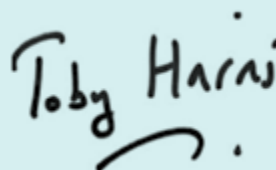
technological breakthroughs – which should be celebrated – should carefully consider strong security safeguards to protect consumers.

Old scams, new tricks

However, the growth in scams via websites and social media doesn't mean that letterboxes are falling empty. In fact many people are still being hounded by cold callers, scam mail and doorstep criminals; harder to spot due to legitimate-looking web presences and growing international links.

Most of the work NTS does couldn't take place without the help of the public – and we continue to need your help. You are pivotal in reporting crimes to trading standards via the Citizens Advice consumer helpline. You also support the work of our teams – tens of thousands of people have already signed up to the NTS Scams Team's Friends Against Scams campaign, which aims to help protect people from scams by raising awareness and encouraging communities to take a stand against scams.

So together, we continue to work to disrupt, investigate, prosecute, and keep people safe. I hope that you will find this report useful and informative. If you read anything that makes you suspect that you or someone you know may be a victim of wrongdoing then please do report it to trading standards via the Citizens Advice consumer helpline on 03454 04 05 06.



Lord Toby Harris, Chair of National Trading Standards

CHAPTER 1: TACKLING CRIMINAL ACTIVITY

The issue

Tackling criminal activity to protect consumers and businesses has always been at the heart of National Trading Standards' (NTS) work. The NTS Regional Investigations Teams, Illegal Money Lending Teams and the eCrime Team play important roles to clamp down on fraudulent criminal activity. This includes complex and lengthy investigations to bring criminals to justice in the courts.

BRINGING CRIMINALS TO JUSTICE – KEY 2016/17 FIGURES AT A GLANCE:



A total of **104** criminals convicted, the most NTS has secured in one year



More than **174** years of prison sentences handed down



More than **£106,000** cash seized and **£4.4m** confiscated from criminals

Over the past three years, NTS tackled **£472 million** in detriment for a core spend of **£40.56 million**. This equates to **£11.64** in savings for every **£1** spent.

NTS team data

NTS Regional Investigations Teams

There are eight NTS Regional Investigations Teams (formerly 'NTS Scambuster' teams) operating across England and Wales. They target criminals behind counterfeiting, business fraud, doorstep crime, car sellers selling clocked or unsafe vehicles and other criminal schemes.

In 2016/17 teams concluded an average of one operation a week in which:

- **67** criminals were convicted, the most secured by the teams since reporting started
- Prison sentences totaling **106 years** and suspended sentences of **29 years** were handed down
- **£1.6m** was confiscated from criminals as a result of NTS Regional Investigations Team investigations
- Led to **£5.47** in savings for consumers and businesses for every **£1** spent.



Case study: Operation Genesis

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

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

Following an investigation by the NTS Regional Investigations Team in Wales, the defendants pleaded guilty to conspiracy to defraud at Cardiff Crown Court after conning 15 people, aged 50 to 97. Jeffrey Tawse, who also admitted money laundering, received a total

of six years in prison. James Tawse received two years' imprisonment for conspiracy. In January 2017 an appeal against sentence was refused.

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

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

The NTS Illegal Money Lending Teams in England and Wales investigate and prosecute illegal money lenders and support victims and witnesses. For more information on how the teams support and protect victims, please see Chapter 2 of this report.

In 2016/17:

- This led to **497** illegal money lenders being identified and 73 arrests
- Secured custodial sentences for **29** criminals
- Seized nearly **£3m** of assets from illegal money lenders.



Case study: Operation Spinnaker

A business known as Wyvern Media defrauded businesses of millions of pounds through the mis-selling of advertising space to companies across the UK and Europe. Under the direction of Managing Director Jonathan Rivers the company cold-called small companies to pressurise them into purchasing advertising space in its publications. This saw the defendants lie to businesses by using false distribution figures and misleading them into thinking their publications would be promoted at high profile events relevant to their business.

Following an investigation by the National Trading Standards East Midlands Regional Investigations Team 10 defendants were convicted for their role in the fraud, including Jonathan Rivers who received a six year prison sentence.

Case study: Operation Boniface

The Illegal Money Lending Team prosecuted a Hospital Consultant who was operating an illegal money lending business from his places of employment – two hospitals in Harrow. Dr Arjan Savani issued loans totaling more than £1million to hospital colleagues over a period of approximately five years. During an interview with IMLT officers, Dr Savani admitted to issuing loans ranging from £500 to £50,000 to his customers since 2011. He told officers that he knew he was acting illegally but was of the view that it would take too long to obtain a licence which would have curtailed his money making.

Dr Arjan Savani was ordered to pay back £525,000 in proceeds of crime money at a hearing in March. He was given three months to pay back the lump sum of money otherwise he faces serving a 5 year prison sentence.

NTS Illegal Money Lending Teams

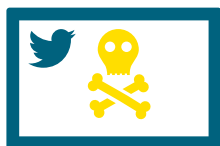
Illegal money lending relates to lenders who operate without permission from the Financial Conduct Authority. These 'loan sharks' tend to target people in vulnerable situations who struggle to access credit, before charging their victims inflated interest rates and often using intimidation and violence to get their money off victims. In the last year NTS estimates that illegal money lenders loaned up to £10m.

NTS eCrime Team

The NTS eCrime Team investigates criminal activity online. This includes copycat websites, subscription traps, scams on social media and secondary ticketing issues. Digital platforms are an ever-expanding platform for criminals and the NTS eCrime Team is at the forefront of tackling some of these issues.

In 2016/17 the eCrime Team:

- Trialled a new method of identifying fraudulent Twitter accounts resulting in **500** accounts being taken down
- Removed over **180** fraudulent websites and provided forensic support in 28 partner investigations
- Uncovered potential fraud of over **£1m**.



Case study: Operation Horace

The team investigated more than 100 complaints about a fraudulent 'blue badge' scheme which were reported to Citizens Advice and Action Fraud. The scam diverted online users looking to apply for a blue parking badge to a 'copycat' website, which looked to mimic the official service provided on GOV.UK. This site – intentionally designed to mislead consumers and leave them out of pocket – charged applicants £49 for a badge that never arrived (they normally cost around £10 through official sources).

The company director Ramiro Depass was convicted of misleading consumers and was fined £1,230. He was also ordered to pay over £5,000 in compensation to 102 victims.

NTS Scams Team

The NTS Scams Team mainly focuses on targeting mass marketing fraud, which includes scam mail such as fake lottery schemes, misleading prize draws and clairvoyant scams sent through the post. Their work also includes prevention and protection from door step criminals and call blocking work to target nuisance calls and phone scams. The work of the NTS Scams Team aims to tackle scams holistically and from all angles. It plays an important role in protecting consumers (please see Chapter 2) as well as tackling the origins of mail scams.

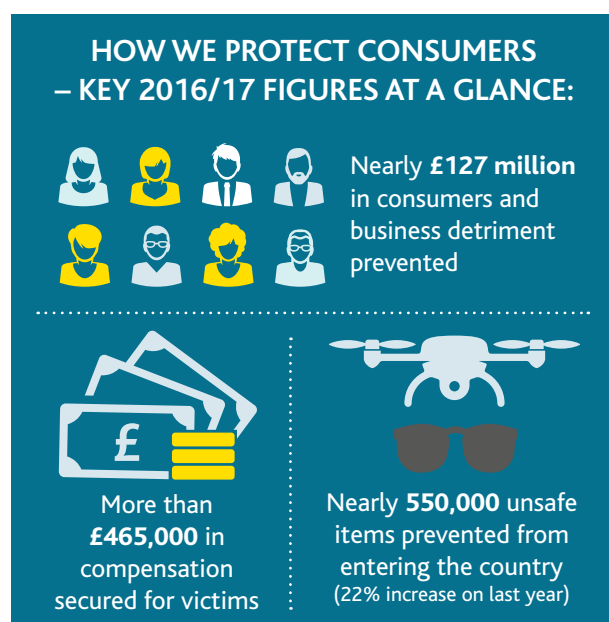
Fraudulent mail targeted at letterboxes in the UK tends to arrive from overseas. The criminal groups that operate these scams are also based abroad. The NTS Scams Team has played an important role in joint initiatives with international authorities. Examples include:

- Supporting a Dutch investigation involving the closure of 300 PO Boxes that were receiving responses to scams and money from all over the world
- Investigating a Vancouver-based firm accused of transnational crime and global money laundering over 20 years. The Team's work forced banks to freeze all accounts belonging to the Canada-based company, which was processing cheques from 50 companies suspected of engaging in mass marketing fraud.

CHAPTER 2: PROTECTING CONSUMERS

The issue

Ensuring consumers – particularly elderly consumers or those in vulnerable situations – are protected from criminal activity is at the heart of NTS' remit. Within a tight budget, NTS protects consumers by disrupting criminal activity, prosecuting criminals, raising consumer awareness about scams and working with victims to ensure they are supported.



NTS team data

NTS Scams Team

Mass marketing scams cost consumers somewhere between £5 billion and £10 billion each year. The scams include imaginary lotteries, made-up competitions, fake prize draws and clairvoyant scams, which are designed to lure victims into responding with cheques to enter. In many cases the victims are targeted because they are in a vulnerable situation, such as living alone with a long term condition. The criminals prey on this – grooming victims via mail scams and promises of (non-existent) prize money.

The NTS Scams Team works tirelessly to tackle these scams and protect victims. This work includes identifying scam mail and leading an award-winning campaign to raise awareness about scams.

Last year the work of the Scams Team:

- Saved consumers more than **£23 million**
- Led to local support for **3,300** victims
- Facilitated action after identifying scams worth more than **£34 million**
- Uncovered intelligence relating to more than **120,000** potential scam victims
- Saved consumers an average of **£50.39** for every **£1** spent.



Friends Against Scams campaign

This year the NTS Scams Team launched the *Friends Against Scams* campaign, which aims to protect and prevent people from becoming victims of scams by empowering communities to 'Take a Stand Against Scams'. The campaign provides free awareness sessions and online training modules to help people spot and report suspected scams. More than 25,000 people have already supported the campaign and the campaign won the 2016 Counter Fraud Government Award for Excellence in Fraud Awareness.

Home Office Joint Task Force – improving support for victims

This year, the NTS Scams Team was asked by the Home Office to co-chair the Victims and Susceptibility strand of the Joint Fraud Task Force group. Co-ordinated by the NTS Scams Team and Victim Support Services, the group aims to improve the service that victims of fraud receive and the protections offered to those who may be more susceptible to becoming a victim.

Over the last year the Victims and Susceptibility strand of the Joint Fraud Task Force has achieved a number of successes. This includes the roll-out of the Banking Protocol, which provides clear procedures and guidelines for bank staff if they suspect a customer is withdrawing money under duress. Work has also been taking place to improve data sharing between key agencies to better support victims and potential victims.

Supporting interventions by mail providers

The NTS Scams Team has expanded its partnership to all mail providers this year following the initiation of an industry-wide clampdown on scam mail. This has seen the NTS Scams Team support Royal Mail staff at postal entry points to help identify scam mail and provide training to Royal Mail personnel, leading to more than 1.5 million items of mail being detained. Additionally, Royal Mail has stopped delivering mail to 1,000 people identified as receiving scam mail. These people have also been offered additional support from Trading Standards where they requested or needed it. Furthermore a range of other mail providers are looking to take important measures as part of the clampdown including cancelling contracts and stopping millions of items of scam mail.

Call blocking

The NTS Scams Team was awarded a grant from the Department of Culture, Media and Sport to provide call blockers to people identified with dementia who are receiving a high volume of scam and nuisance calls. This is an extension of a pilot programme run by the NTS Scams Team which saw trueCall call blocking devices installed in the homes of vulnerable consumers, which resulted in 93% of participants feeling safer in their homes. This included one person who had previously paid £150,000 to a scam caller.

NTS Safety at Ports & Borders Teams

The NTS Safety at Ports & Borders Teams work from ten locations including ports, airports and postal hubs to help prevent dangerous products from entering the UK. In 2016-17 key safety issues the Teams identified and detained included unsafe medicines (eg. skin numbing creams that were passed on to the Medicines and Healthcare Regulatory Agency), toys, electrical products, noncompliant LED lights and insecticide.

In 2016/17 the team's work led to:

- More than **2.5 million** unsafe or non-compliant items being prevented from entering the UK. These items had a total estimated value of more than **£78 million**
- It is estimated that the interventions of the NTS Safety at Ports & Borders Teams led to more than **1,700** serious injuries being avoided and over **1,500** fires being prevented.



Notable items detained by the NTS Safety at Ports & Borders Teams in the last year include teeth whitening products that contained 35% hydrogen peroxide, more than five times the legal limit. Please see Chapter 4 for more information on the NTS Safety at Ports and Borders Teams.

NTS Regional Investigations Teams

As well as taking robust action to tackle criminal activity (see Chapter 1) the NTS Regional Investigations Teams have an important role to play in protecting consumers. The cases brought by the NTS Regional Investigations Teams saved more than **£15 million** in consumer detriment and over **£450,000** in compensation was awarded to victims.

Case study: Operation Spike

Following a number of complaints about nuisance telephone calls one criminal spotted an opportunity to sell call-blocker devices to consumers. The individual operated a number of companies – most notably Telecom Protection Service Ltd – but deliberately mis-sold call blocker devices to consumers, particularly older people. The goods were often faulty, stopping the phone and internet connection from working at all, or when calls could be received, no nuisance calls were stopped.

The companies also claimed they would monitor calls and report nuisance calls to the Information Commissioner's Office. The Information Commissioner's Office has since confirmed that it has never received such reports.

After an investigation by the NTS South West Regional Investigations Team the director of these companies was charged with two offences contrary to the Companies Act 2006 and 11 offences against the Consumer Protection from Unfair Trading Regulations 2008. He was convicted and sentenced to five years in prison, as well as being disqualified from being a director for 10 years.

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

NTS eCrime Team

As the number of social media users in the UK continues to expand, online criminal activity has also increased. Many criminals use the internet and online platforms systematically to identify and target consumers.



The NTS eCrime Team has continued to disrupt these criminal operations to help protect consumers and, over the last year, more than 500 Twitter accounts and nearly 150 websites have been taken down as part of this work.

The NTS eCrime Team continues to work with partners and the National Markets Group on Operation Jasper, which targets the sale of counterfeit and dangerous goods on social media. The team has also targeted individual sellers on Facebook and Instagram, which has expanded as larger traders in the supply chain have been uncovered.

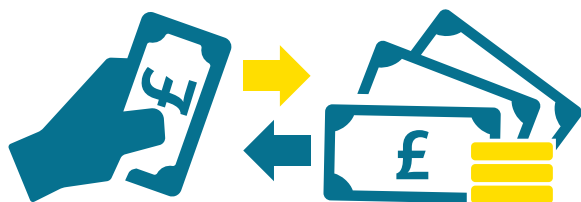
NTS Estate Agency Team

The NTS Estate Agency Team (NTSEAT) approves and monitors the UK's redress schemes/ ombudsmen in the property sales sector, and works with local Trading Standards



services to ensure that anyone engaging in estate agency work is registered with an approved scheme. This ensures that consumers have access to a free and effective alternative dispute resolution service in cases where they have a complaint about an estate agent.

NTS Illegal Money Lending Teams



Victims of loan sharks tend to find themselves in vulnerable situations, with many requiring safeguarding support and financial advice. Witnesses also require support and protection. The NTS Illegal Money Lending Teams provide support in terms of safety, emotional wellbeing and financial inclusion.

One example includes its support for a lady who was desperate to help a homeless man who was using loan sharks. They worked with her to help find him accommodation, and access the support he needed to get off drugs and feel safe enough to disclose information about the lender.

CHAPTER 3: PROTECTING SMALL BUSINESSES

NTS team data

Damage caused by illegal and unfair trading can be detrimental to small businesses and sole traders. Their trade can be undermined by illegal operators undercutting prices, unfairly attracting customers and crushing consumer confidence.

Safeguarding businesses is central to a number of NTS work areas – this section outlines how NTS teams help protect legitimate business.

NTS team data

NTS Estate Agency Team

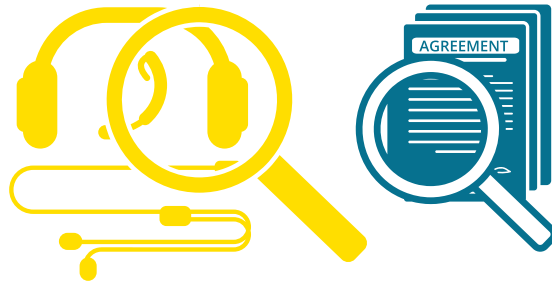
The NTS Estate Agency Team (NTSEAT) helps to ensure that buyers and sellers are treated honestly and fairly by taking prohibition or warning action against fraudulent or dishonest estate agents. Its work helps safeguard reputable estate agents by tackling unfair practices and ensuring that dishonest businesses do not gain an unfair commercial advantage. It also works with partners such as the CMA, ASA, HMRC and professional bodies to provide advice to the estate agency industry, and coordinate enforcement action where appropriate.

NTSEAT has seen a steep rise (44%) in the number of complaints about questionable estate agency work – these have come from the public, estate agents, trading standards colleagues and other enforcement agencies. Last year, NTSEAT:

- Received 246 complaints about individuals and businesses
- Issued 12 prohibition orders, which ban individuals from operating as estate agents.

The team is currently working on a strategy with partner agencies to address fraudulent issues in the industry, such as failing to pass on offers, discrimination against potential buyers, and hiding material information about properties.

Following a number of high profile rulings by the Advertising Standards Authority against estate agency businesses, NTSEAT is working with the Committee on Advertising Practice to develop joint industry guidance to address misleading advertising practices, including property status claims, misleading fee/commission comparisons and ambiguous listing descriptions.



NTS Regional Investigations Teams

A number of investigations led by the NTS Regional Investigations Teams help to safeguard legitimate businesses. These cases include work to tackle copyright infringements, sales of counterfeit products and preventing competition from businesses operating illegally.

Key cases that protected legitimate businesses last year include:

- **Operation Jaculus** – Following an investigation by the North East Regional Investigations Team, a business owner was convicted of charges under the Copyright, Designs and Patents Act 1988. The company provided Internet Protocol Television boxes to pubs and clubs, enabling businesses to stream illegal feeds of content (such as football matches and horse racing) that honest businesses were paying for.
- **Operation Cupertino** – The defendant in this case sold thousands of counterfeit mobile phone accessories via hundreds of online accounts. The products were branded as household names such as Apple and Samsung. Following the work of the NTS North East Regional Investigations Team, the individual was convicted and sentenced to 16 months in prison.
- **Operation Angel** – Six people were jailed after being convicted for their roles in a kitchen business which defrauded consumers. The investigation by the NTS Yorkshire & Humber Regional Investigations Team found that the business was misleading consumers by misusing trademarks of companies such as B&Q and Neff. This included claiming that the kitchens they were selling were last year's B&Q stock.

NTS Safety at Ports & Borders Teams

More than 80% of people in the UK who use the internet shopped online in the last 12 months.¹ To meet this surging demand the number of traders and business selling products online has proliferated. Often people can set up an online business in just a few clicks and it's easier than ever to ship huge quantities of products across the world. Most of these businesses are honest traders – but large numbers of businesses undercut honest traders by selling fake and counterfeit products, which can sometimes be dangerous. The NTS Safety at Ports & Borders Teams help protect legitimate business by helping prevent unsafe items from entering the UK supply chain.

The teams regularly identify consignments by businesses that are high-risk or who have previously had consignments detained. One such example last year was a Chinese business that had previously imported unsafe jewellery. A consignment sent by them was detained at Manchester airport and found to contain unsafe sunglasses and jewellery. After the intervention by the NTS Safety at Ports & Borders Team the consignment was prevented from reaching the UK market and was destroyed.

1. http://ec.europa.eu/eurostat/statistics-explained/index.php/E-commerce_statistics_for_individuals

CHAPTER 4: SUPPLY CHAIN INTEGRITY

The issue

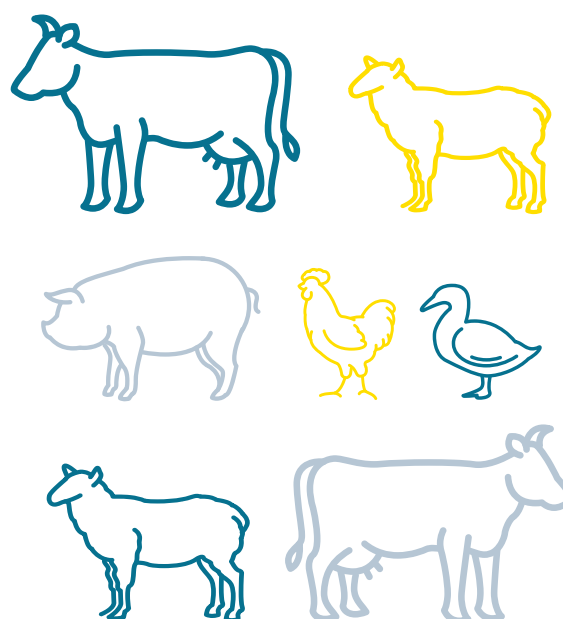
Product safety

Product safety is an ongoing issue. Modern purchasing trends – which see consumers buy products on websites and social media from companies they know little or nothing about – make it easier for individuals and businesses to sell faulty or dangerous products. Businesses are less accountable – consumers can't check the quality of the products they're paying for and businesses

can conceal information about themselves. This has led to hundreds of thousands of dangerous and faulty products being shipped to the UK from abroad.

Helping ensure a safe food chain

For the third year in a row NTS has helped protect the safety of the food chain through a programme of animal feed hygiene enforcement. This work includes creating, overseeing and administering an animal feed inspection and sampling programme. This helps prevent outbreaks of harmful diseases, which have the potential to cause huge damage to consumers and the wider economy.



NTS team data

NTS Safety at Ports and Borders Teams

The NTS Safety at Ports and Borders Teams work at a number of entry points to the UK – including ports, airports and postal hubs - to intercept thousands of dangerous items aimed at consumers. Last year, the teams:

- Prevented nearly 550,000 unsafe items – which could have caused explosions, fires, burns and other injuries – from entering the supply chain
- Identified, held or reworked 1,980,927 non-compliant items
- Helped avoid an estimated 1,772 serious injuries to consumers.

Examples of unsafe and non-compliant items prevented from entering the supply chain – which led to an estimated saving to society of more than £78 million – include:

- Health and beauty products including a number of skin lightening creams containing mercury and a batch of tooth whitening products with the highest levels of hydrogen peroxide ever seen by NTS
- Dangerous electrical products including LED headlamps, dangerous phone chargers and a consignment of electric scooters with a lithium battery and a dangerous battery which posed a real serious risk of electric shock
- Insect killing strips containing the active ingredient dichlorvos, a chemical banned under EU law. It is likely the importer had planned to sell on these products via online retail sites
- Children's toys and clothing, including a baby gym that failed the test for small parts, toys without safety labelling and a number of counterfeit 'Marvel' branded clothing.

Targeting dangerous products stored in Fulfilment Houses

The role of Fulfilment Houses in modern commerce continues to grow. They are used to store products, receive orders, package and dispatch ordered items to end-consumers and are often used by businesses based abroad who are shipping items to the UK.

Last year, NTS continued to fund projects targeted at high-risk Fulfilment Houses, which included seven joint investigations with HM Revenue & Customs (HMRC). Two of these joint operations have resulted in the Fulfilment House closing down, preventing tens of thousands of dangerous goods reaching UK consumers.

Feed hygiene delivery

Safe animal feed is critical to animal and human health. For the third year running, NTS has supported inspections to help ensure that animal feed is safe.

This is the third year of NTS feed hygiene delivery, which has again seen success in terms of activities delivered and further work undertaken to promote effectiveness, value for money and address potential gaps in delivery.

Key achievements in the last year have included:

- Delivery of over 11,500 feed hygiene inspections and checks, including nearly 3,000 inland feed inspections
- A drop in the number of non-compliant samples from 14.7% in 2015/16 to 10% in 2016/17
- An increase in the number of compliant inland feed premises, with 608 more premises classified as compliant in 2016-17
- Launch of the inaugural UK Animal Feed Threat Assessment, which will help identify current and future threats to the feed chain.

CHAPTER 5: EMERGING THREATS - THE CHANGING CRIMINAL LANDSCAPE

Gathering intelligence to assess and prevent emerging threats to consumers and businesses is a core element of NTS activity. The NTS Intelligence Team works to identify potential national threats and develop policies to tackle them, while on the ground NTS teams must constantly adapt their approach to tackle emerging threats and more sophisticated criminal activity.

In many cases, the nature of the crime doesn't change; the method does. Increasingly criminals are diversifying their approaches, capitalising on opportunities provided by the internet and the accompanying regulatory uncertainty. Worryingly, intelligence shows more organised and sophisticated criminals moving from 'high risk' organised crime to the perceived lower risk activities detected and prosecuted by trading standards officers.

Below we have listed some of the major threats expected to pose a risk to consumers and legitimate businesses over the next 12 months.

Increasing sophistication of doorstep criminals

Cold calls at the doorstep have historically been an ongoing threat to communities; particularly older people and those in vulnerable situations. Citizens Advice data shows that doorstep crime and cold calling accounts for 11% of all recorded consumer complaints and these figures are rising.

Increasingly NTS is seeing doorstep criminals as part of wider, more organised criminal groups who are using websites and social media to appear more credible, demonstrating fake credentials and fabricated reviews to appear more reputable.

Ian Murrell, Programme Manager at National Trading Standards said:

"Our ageing population, with more people encouraged to remain independent in their own homes, creates an ideal environment for doorstep criminals who can prey on growing numbers of vulnerable people living alone.

"On top of this we are now encountering crime groups who are more resilient, adaptable, have more knowledge of the law, and aren't afraid to intervene with and evade law enforcement or use new techniques to disrupt investigations."

eCrime and the use of social media as a selling platform

The explosion of online shopping and social media marketing has transformed the product safety and intellectual property landscape. Intellectual property crime and product safety issues continue to move online and organised crime groups based on the other side of the globe are often behind these.

Social media has provided criminals with opportunities to dupe consumers all around the world. Never before has such a large pool of potential victims been reached, which is done by misleading advertising, the sale of counterfeit and unsafe products, subscription traps and many other scams, with more organised and sophisticated criminal groups also joining the fray. It has also led to the emergence of Fulfilment Houses, which process, package and distribute these goods and make legal responsibility for the items – many of which are dangerous and counterfeit – more complicated.

In 2018 the NTS eCrime team will continue to work closely with social media platforms in shutting down criminal sites and posts, whilst the NTS Safety at Ports & Borders Teams continue to identify and detain dangerous products entering the supply chain. Furthermore, the collaboration between NTS and Her Majesty's Revenue and Customs continues to identify and seize dangerous goods in the UK.

Paul Davis from the NTS Safety at Ports & Borders Teams said:

"Perpetrators of serious, organised crime are increasingly turning to social media as a convenient platform to target huge numbers of people from around the world.

"We advise consumers to remain vigilant. Anyone can pose as a seller and post an advert and you have no idea who you are dealing with. Remember that criminals can use tactics such as search engine advertising – which makes their adverts appear above legitimate sites when you're searching online – as well as adverts on your social media feeds that mimic genuine promotions and direct you to fake websites. With this in mind it is important that you do your own checks before purchasing anything.

"Search for reviews of the seller, read the small print and check for the 's' at the end of the http part of the web address – this shows the site is using a system to keep your details secure. And above all try not to be dazzled by a bargain; if it looks too good to be true, it probably is."

The rise and rise of connected devices

From TVs to telephones, connected devices are becoming part of our everyday life. There has been a rapid rise in Smart TVs and voice activated 'home assistants', and technological advancement is likely to see similar 'Smart' devices in the near future.

The growing use of connected devices in the home could lead to new opportunities for criminals to reach consumers, and potential threats are likely to include viruses and data protection issues.

Mike Andrews from the NTS eCrime Team said:

"Our increased connectivity is a good thing – the opportunities for digital breakthroughs in this space could improve our lives immensely, such as connected devices that transform how we monitor our own health to smart devices that improve how we prepare meals. This continued progress should not be halted, but as criminals are increasingly finding new methods to target consumers, steps will need to be taken to help protect people in their homes."

Online ticket resales

The 'experience economy' in Britain – spending on events and cultural experiences rather than things – has increased steadily in recent years. Combined with the increasing dominance of online shopping, the practice of unofficial websites re-selling tickets for concerts, sports events and other experiences have proliferated.

A major development recently has been the expansion of ticket 'bots'. This involves re-sellers using special software to purchase vast numbers of tickets, by-passing the limits set by official vendors. This means the average fan struggles to access tickets at face value and leads many consumers to pay well over the odds. This practice could soon become illegal, but with major events such as the 2018 FIFA World Cup and a number of high-profile global music tours taking place next year we can expect the issue of 'bulk-buying' by power sellers to continue.

Mike Andrews from the NTS eCrime Team said:

"Many consumers have found themselves being ripped-off or left out of pocket after using secondary ticketing websites. With concerts and events increasingly refusing to accept resold tickets we'd strongly advise consumers to protect themselves by only buying tickets from official sellers, most of which are working with the authorities to help ensure more tickets are made available to genuine fans through official vendors."

Mass marketing scams – a global issue

An evolving criminal landscape does not mean the more traditional scams will disappear. Instead, National Trading Standards is seeing a trend of criminals diversifying and adapting their current schemes – evidenced in mass marketing mail scams. These criminals are using new tactics to avoid detection, such as mail arriving via third party countries and the use of 'blank' envelopes to avoid detection.

Additionally, more scams are originating abroad, with criminals concealing the payments they're receiving from their victims through payment processing companies. Current trends and threats identified include a rise in Australian Lottery companies, a re-emergence of clairvoyant scams and the use of UK-based mail companies to distribute scam mail.

Louise Baxter from the NTS Scams Team said:

"The NTS Scams Team is working with local and international partners to investigate the source of the scam mail and stop the scam mail for entering the UK postal system. These are organised criminals that target people who are vulnerable because of their circumstances and steal their money. The effect of being scammed can be devastating that's why in the last year we've launched the Friends Against Scams campaign to empower communities to 'Take a Stand Against Scams'. All of us can play a role in preventing scams by being vigilant about scams and supporting family, friends and neighbours. For more information about the campaign visit www.friendsagainstscams.org.uk."

