

CONSUMER HARM REPORT 2018

National Trading Standards
September 2018

FOREWORD FROM LORD TOBY HARRIS, CHAIR, NATIONAL TRADING STANDARDS

Over the last year National Trading Standards has continued its vital work of protecting consumers and safeguarding legitimate businesses. 2017/18 saw us pass the £650 million mark in consumer detriment prevented and our teams secured over 230 years of prison sentences, the most NTS has secured in a single year. In some cases our work has been truly groundbreaking – such as the first prosecutions against copycat website operators.

This is now the fourth annual Consumer Harm Report. The report summarises the work of NTS over the last year covering how we tackle criminal activity, protect consumers, safeguard legitimate business and ensure the integrity of the supply chain. We also take a look at the emerging threats to consumers that will emerge over the coming year.

We use the report to measure our effectiveness and the value for money we deliver to the taxpayer. This year's report shows that NTS continues to deliver excellent value for money to the public purse – delivering £12.28 in savings for every £1 spent.

The world changes fast – and so do criminals

Technology has brought and continues to bring many benefits to society. But it also opens up new frontiers for the criminals. And that brings new challenges for National Trading Standards and other consumer protection organisations. For example, it's now cheaper and easier than ever to produce and ship items that don't meet the UK's safety standards - and such goods can be purchased online at the click of a few buttons.

Changes in technology also bring consequences that are often overlooked. This includes investigations becoming more complex due to the huge amounts of stored data that need to be analysed by investigators, something which NTS has increasingly seen occurring.

We can only minimise consumer harm if we all become much more aware of the threats we face from criminals exploiting modern technology. That's why in each year's Consumer Harm Report we have looked at the emerging threats to consumers. This report highlights

how criminals are already looking to exploit fans online ahead of Euro 2020 and lifts the lid on fake modelling scams advertised on social media.

All change, no change

While technology is changing the way in which criminals target their victims, many of the scams are ones that have been around for many years – from mail fraud to doorstep crime. In this report you'll read about frauds that involve home driveways, fake lotteries and dodgy vacuum cleaners. Criminals are never ceasing to come up with new ways to con consumers with their old tricks. And NTS has to change to reflect the criminals' new ways of working.

The successes that this report highlights – from the consumer detriment prevented to the convictions secured – simply would not have been possible without the help of the public. They play an invaluable role in alerting trading standards to issues by reporting to the Citizens Advice consumer helpline and often provide crucial information to help our investigations.

I hope you find this year's Consumer Harm Report a useful insight into the work of National Trading Standards. We work hard to keep consumers safe and I would always urge you, if you are concerned that you or someone you know is the victim of a scam to report this to 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 and ensuring those responsible are brought to justice is at the heart of National Trading Standards' (NTS) work. The Regional Investigations Teams, eCrime Team, Scams Team and Illegal Money Lending Teams all work to combat criminal activity across a range of areas – from doorstep crime, to online crime, to mass marketing frauds. This includes taking on investigations that are complex and in some cases groundbreaking – for example the eCrime Team's work in bringing the first ever prosecutions against copycat website operators.

In 2017/18 teams concluded an average of one operation a week in which:

- **70** criminals were convicted
- Prison sentences totalling over **129 years** and suspended sentences of nearly **39 years** were handed down
- More than **£8 million** was confiscated from criminals as a result of NTS Regional Investigation Teams' investigations
- **16** criminals were banned from serving as company directors



BRINGING CRIMINALS TO JUSTICE – KEY 2017/18 FIGURES AT A GLANCE:



A total of **100** criminals convicted of offences



More than **230** years of prison sentences handed down, the most NTS has secured in a single year



More than **£180,000** cash seized and over **£10m** confiscated from criminals

Over the past four years, NTS has tackled £654 million in detriment for a core spend of £53.30 million. This equates to £12.28 in savings for every £1 spent.

NTS Team data

NTS Regional Investigations Teams

Eight NTS Regional Investigations Teams operate across England and Wales and are focused on investigating a range of cases. This involves targeting criminals responsible for offences including fraud, money laundering, mis-selling, making misleading claims and intellectual property theft.

Case study: Operation Compact

Three people operated a fraudulent 'not for profit' business offering home improvements funded by 'grants' from 'Energy Saving Fund' (ESF). Neither the grants nor the fund existed.

Advertisements were placed in newspapers and leaflets distributed to homes across the North West which stated that all home owners were eligible, that this 'grant' was private sector funded and that there was limited availability. These adverts generated huge interest from consumers throughout the North West, with over 50,000 enquires during a 20 month period which led to 2,500 contracts for home improvements. When prospective customers contacted the business they were asked questions and told they were eligible for the 'grant' of one third off the usual price quoted for the work, available from financial contributions made by national companies such as Pilkington, Marley, Worcester Bosch and VEKA, which was untrue.

Once the consumer had decided to go ahead with home improvements, the defendants' business would then commission so called 'approved installers' to undertake the work at a price lower than they had quoted to the customer. The defendants reassured those 'installers' that after works were completed they would be reimbursed the grant element from

the Energy Saving Fund. However with neither the grant nor Energy Saving Fund existing, the defendants took the profit from the work themselves, and left the contractors out of pocket. One contractor estimated he was left being owed £150,000 and during the trial the court heard evidence that one of the gas installers was made bankrupt as a consequence of his involvement with the ESF.

Following a detailed investigation by the NTS North West Regional Investigations Team, a four-week trial at Chester Crown Court culminated in three people being found guilty and sentenced to almost 10 years in prison for their roles in the business.

Case study: Operation Angel

Operation Angel is a long-running NTS investigation into a major kitchen fraud. NTS secured convictions against six people in early 2016 for operating a kitchen business that defrauded consumers out of more than £2 million. In late 2017 NTS secured a further three convictions against three individuals who continued the business's illegal practices after action was brought against the original six.

The defendants ran illegal kitchen businesses operating under various names including Kitchens Now, Kitchens Uber, Sensibly Priced Kitchens, Kitchen Factory Outlet and Simply Kitchens under the leadership of company director Vance Miller. The businesses were found to have unlawfully used the B&Q trade mark to mislead consumers and made false claims about the quality of their kitchens, their sales and delivery procedures and the nature of their after sales service.

The work of the Yorkshire & Humber Regional Investigations Team secured sentences totalling over five years against the three defendants convicted in 2017.

NTS Illegal Money Lending Teams

Lenders who operate illegally without permission from the Financial Conduct Authority are known as 'loan sharks'. These criminals tend to target people in vulnerable situations who struggle to access credit from reputable

providers. They charge their victims inflated interest rates and often use intimidation and violence to take money from them. In the last year NTS estimates that the total value of loans made by illegal money lenders was over £3.9 million.

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

In 2017/18 the Teams:

- Identified **715** illegal money lenders and made 67 arrests
- Prosecuted **16** individuals and secured custodial sentences for **15** criminals
- Seized over **£500,000** of assets from illegal money lenders



On 1 April 2018 responsibility for the Illegal Money Lending Teams was transferred from National Trading Standards to the Financial Conduct Authority, as they are now funded via an industry levy.

Case study: Operation Zenith

The NTS Illegal Money Lending Team prosecuted a Chorley-based loan shark who ran an illegal money lending business over approximately eight years, receiving over £1 million in loan repayments. John McCullagh's customers were often in a vulnerable financial position. He charged his victims £50 interest for every £100 borrowed. During his trial it emerged that he shouted at one victim because she could not afford to repay him because she had to purchase flowers for her aunt's funeral.

Records recovered from his home address indicated that Mr McCullagh had loaned over £870,000. At the time of his arrest, the defendant had in excess of £230,000 outstanding on loans for which interest was payable.

Mr McCullagh received a jail sentence of 15 months, while Karen Roberts received a nine month suspended prison sentence and 160 hours unpaid work after she was found guilty of laundering cash from her partner's loan shark business.

NTS eCrime Team

The NTS eCrime Team is focused on investigating criminal activity that takes place online. Their work includes investigations relating to copycat websites, social media scams, online shopping frauds, secondary ticketing and subscription traps. With criminals always trying to leverage new technology for their benefit, the eCrime Team find themselves undertaking work that is at the forefront of innovation in trading standards.

In 2017/18 the eCrime Team:

- Secured **12** convictions that resulted in custodial sentences (**totalling 43 years**)
- Uncovered potential fraud of over **£59m**
- Supported **37** new Regional Investigations Team or local authority-led investigations



Case study: Operation Dougal

This year saw the conclusion of Operation Dougal, National Trading Standards' landmark investigation into the operation of copycat websites in one of the biggest online conspiracy cases in UK legal history, in which £37 million was swindled from consumers.

Between January 2011 and November 2014, the defendants set up copycat websites that mimicked official websites run by 11 government agencies and departments. They knowingly misled hundreds of thousands of consumers into paying more than they needed for a number of government services including new or replacement passports, visas, birth and death certificates, driving licences, driving tests, car tax discs and the London Congestion Charge.

The criminals also set up websites that mimicked the American, Turkish, Cambodian, Vietnamese and Sri Lankan official visa sites where travellers could apply and pay for electronic visas to visit those countries. In all cases the sites offered little or no additional value to consumers using them. It is believed that in addition to UK consumers, Indian, Turkish and US citizens were also defrauded.

The money generated funded a glamorous lifestyle for the defendants, with extravagant spending on expensive cars and luxury holidays. At one stage one defendant was preparing to buy a house for a cash payment of £1,400,000 when the authorities intervened.

The investigation led by the NTS eCrime Team secured convictions against seven defendants and confirmed prison sentences totalling 38 years and seven months, with £5.1m of realisable assets under restraint.

NTS Scams Team

Each year mass marketing mail scams, which often target the vulnerable or disadvantaged, cause approximately £5 to £10 billion worth of detriment to consumers nationwide. The NTS Scams Team mainly focuses on mass marketing fraud such as fake lottery schemes, misleading prize draws and clairvoyant scams sent through the post, and works in partnership with agencies both in the UK and internationally to tackle the criminals responsible.

Many criminal groups that operate mass marketing frauds are based abroad and run their fraudulent activity from overseas, to arrive in the letterboxes of UK consumers. The NTS Scams Team plays an important role in joint initiatives with international authorities. Examples include:

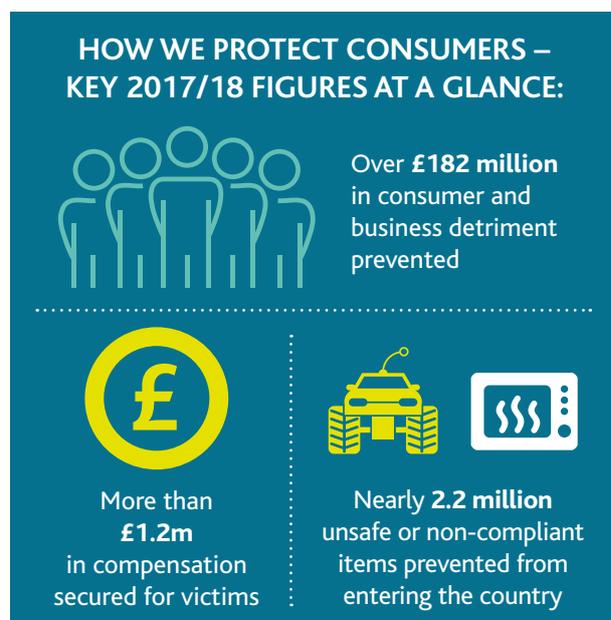
- Supporting a joint operation with Canadian and US enforcement authorities into fraudulent mail targeting UK letterboxes, resulting in 200 arrests, 250 mail boxes being closed down and \$108m restrained or seized. The team's work prevented 4.9 million pieces of mail reaching the UK, representing £22m in consumer detriment, with approximately 20,000 cheques seized.
- Investigating fraudulent mail from Madrid based on intelligence gathered from Scam Marshals (see section 2: Protecting Consumers) and worked with Guardia Civil who made nine arrests and seized numerous computers containing details of victims

The NTS Scams Team also disrupts criminal activity through its work with postal operators. They host a regular working group which brings together mail providers from across the sector. Key achievements so far have included instituting a new Code of Practice for tackling scam mail and agreeing a revised Data Sharing Agreement for how mail providers share information about potential mass marketing fraudsters.

CHAPTER 2: PROTECTING CONSUMERS

The issue

Protecting consumers from criminal activity is a priority for National Trading Standards. Criminals often target people who find themselves in vulnerable situations, cruelly exploiting them for their own benefit. NTS protects consumers in a number of ways including raising awareness of issues that could impact them, directly intervening with and supporting victims, disrupting criminal activity at source and pursuing legal action that returns money illegally taken.



NTS Team data

NTS Scams Team

Mass marketing frauds are a blight on our country, causing somewhere between £5 billion and £10 billion of consumer detriment each year. These scams see criminals sending huge amounts of mail or making many phone calls to consumers encouraging them to enter lotteries, competitions and the like which simply don't exist. Often the criminal groups responsible for these frauds deliberately target people who are isolated or find themselves in vulnerable situations.

The hard-working NTS Scams Team is committed to protecting these consumers and tackling scams by raising awareness of scams, intervening with victims and disrupting the flow of both scam mail and phone calls.

Last year the work of the Scams Team:

- Delivered over **£39m** of savings to consumers
- Stopped more than **8 million** pieces of scam mail from reaching consumers
- Identified **2,708** scam victims
- Recruited in excess of **33,000** people to the Friends Against Scams initiative
- Saved consumers an average of **£82.57** for every £1 spent



Friends Against Scams campaign

This year saw the Friends Against Scams campaign go from strength to strength. The campaign, which aims to prevent people from becoming victims of scams by empowering communities to 'Take a Stand Against Scams', recruited over 30,000 Friends and now has 867 SCAMchampions and 100 SCAMBassadors. As part of the campaign the Scams Team also announced additional funding that allowed them to unveil their new aim of recruiting 1 million Friends Against Scams.

The campaign also continued delivering its face-to-face training sessions, which 89% of attendees felt provided them with the knowledge to talk about scams. Consumers have also taken part in the campaign via online learning.

Scam Marshals

Scam Marshals is a branch of the Friends Against Scams campaign, where victims of mail scams volunteer to be 'Scam Marshals' and share any scam mail they receive with the Team. This helps victims, removing any temptation to respond to the mail and ensuring they recognise the signs of scam mail. It also allows them to play a role in the fight against scam mail, with Scam Marshals sharing over 8,800 pieces of mail with Scams Team officers in the last year.

Call blocking

Over the last year the NTS Scams Team ran a successful call blocking programme which saw over 1,500 trueCall call blocking devices installed in the homes of vulnerable consumers. The devices blocked more than 105,000 unwanted calls. Prior to the project, 79% of participants felt worried by unwanted phone calls and 60% felt threatened or scared about receiving calls. After the blockers were installed, these figures fell to 17% and 10% respectively.

Supporting interventions by mail providers

The NTS Scams Team continued to work with Royal Mail and other mail providers to help identify and clamp down on scam mail in the postal system. This has involved providing training for Royal Mail and other mail provider staff to help identify and assess suspected items of scam mail, and put robust processes in place so criminals are less likely to be able to switch mail providers.

The combined work of the NTS Scams Team and Royal Mail has stopped approximately 3.1 million pieces of scam mail from entering the postal system between November 2016 and March 2018, saving consumers almost £14m. As a result of the work Royal Mail has also stopped delivering scam mail to 1,046 identified victims. These victims have subsequently been offered additional support by Trading Standards.

Home Office Joint Task Force – improving support for victims

The NTS Scams Team have co-chaired the Victims and Susceptibility strand of the Joint Fraud Task Force group since last year. 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.

NTS Safety at Ports and Borders Teams

The NTS Safety at Ports and Borders Teams work at ports, airports and postal hubs across the country to prevent unsafe and non-compliant items, which could harm consumers, from entering the UK. Items detained over the last year have included ovens, baby seats, toys, garden tools and skin creams.

In 2017/18 the team's work led to:

- More than **2.2 million** unsafe or non-compliant items being prevented from entering the UK. The estimated cost to society had these items not been removed is **£70 million**
- Over **1,565** serious injuries being avoided and over **1,341** fires being prevented

One consignment of jewellery detained by the team at East Midlands Airport contained a pendant which had 1,270 times the legal amount of cadmium, an element which has been linked to causing cancer. More information about the work of the Safety at Ports and Borders Teams can be found in Chapter 4.

NTS Regional Investigations Teams

As well as tackling criminal activity to bring criminals to justice (see Chapter 1), the NTS Regional Investigations Teams play an important role in protecting consumers. The cases brought by the NTS Regional Investigations Teams this year saved more than **£10.9 million** in consumer and business detriment and over **£1.2 million** in compensation was awarded to victims as a result of their interventions.

Case study: Operation Funder

A company based in Leeds operating under the name 'Excel Servicing Ltd' fraudulently serviced Dyson vacuum cleaners. They cold-called members of the public from across the north of England, many of whom were elderly or vulnerable, and told them their Dyson vacuum cleaners required a service. Customers were misled to believe Excel Servicing represented Dyson, with some being told Dyson had contracted out their servicing to Excel. Despite their claims, it was confirmed by Dyson Ltd that this was not the case.

When company representatives visited customers they carried out unnecessary 'servicing' and, in some cases, actually damaged the vacuum cleaners and voided customers' real Dyson warranties. Customers were often charged between £50 and £200 to service the cleaners, and charged £40 for a new filter which were, in fact, worth between £2 and £5. While 'servicing' victims' Dyson cleaners, Excel Servicing staff used pressure-sales tactics to persuade them to buy another brand of vacuum cleaner. The new cleaners – which are designed for industrial use – were sold for between £500 and £2,000 and were often too heavy for the customers to whom they were sold.

An investigation by NTS Yorkshire & Humber Regional Investigations Team led to the mother and son who operated the business being sentenced to ten years for conspiracy to defraud. The total value of consumer detriment was over £1.5m.

NTS eCrime Team

The digital and online landscape is constantly growing and evolving, and with this comes an increase in online criminal activity.



Criminals are always finding new ways to target consumers, in particular by using social media platforms. The NTS eCrime Team is committed to disrupting these criminal operations to protect consumers.

The eCrime Team worked on two major initiatives this year to protect consumers. The first of these was the continuation of Operation Jasper, which targets the sale of counterfeit and dangerous goods on social media. This was the sixth phase of the multi-year operation and targeted large scale suppliers of counterfeit goods who were operating on Facebook. The second was the 'Real Deal' campaign which looked to protect consumers from illegal activity on 'buy and sell' online marketplaces such as Facebook Marketplace.

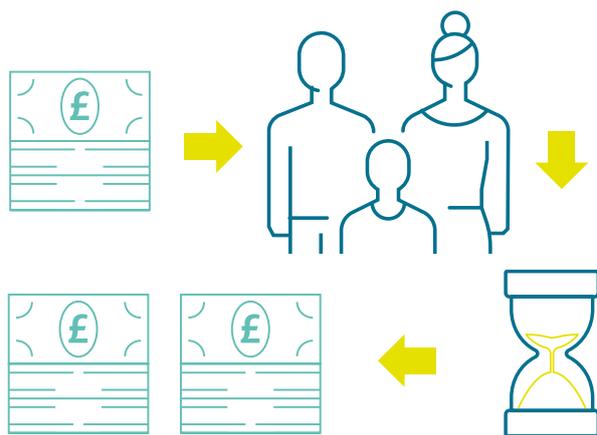
One example included its support for a victim who was unable to afford their medication due to the loan shark, and was supported to visit the doctor and re-engage with debt advice agencies to reduce anxiety and stress. Another example was a couple who had been paying £200 per month to the loan shark, who were supported with extra security provided at their property. After the Team took action against their loan shark, they were able to go on their first holiday in years and report significantly improved mental health.

NTS Estate Agency Team

The NTS Estate Agency Team (NTSEAT) approves and monitors the UK's redress schemes, working 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 have often found themselves in vulnerable situations, with many requiring safeguarding support and financial advice. Witnesses also require support and protection. The NTS Illegal Money Lending Teams provided support in terms of safety, emotional wellbeing and financial inclusion.

CHAPTER 3: SAFEGUARDING LEGITIMATE BUSINESSES

The issue

Ensuring that legitimate businesses are protected from illegal and unfair trading is a priority for National Trading Standards. Our teams across the country witness unfair trading in many forms – from direct infringement of a business’s copyright or intellectual property to indirect detriment caused by businesses not receiving as much custom as they should because they are being undercut by competitors who are trading illegally.

This section outlines the work the NTS Teams do across England and Wales to safeguard legitimate businesses.

NTS Estate Agency Team

The National Trading Standards Estate Agency Team (NTSEAT) ensures that estate agency businesses in England and Wales are operating legally and that they are treating both buyers and sellers in a legal and honest way. This helps ensure the integrity of the estate agency industry, with NTSEAT able to take action against estate agents or estate agency businesses who are operating illegally – including, if necessary, seeking orders banning them from practicing.

NTSEAT also provides advice to legitimate businesses – advising them on how they can ensure they are operating within the law and to the highest standards – as well as professional industry bodies. The Team also works with organisations such as the Advertising Standards Authority, Competition and Markets Authority and Her Majesty’s Revenue and Customs (HMRC) to co-ordinate action against estate agents in breach of the law.

Over the last year NTSEAT has seen a rise of 86.5% in the number of complaints it has received about estate agency businesses. These complaints have been regarding a wide range of issues – from breaches of the Estate Agents Act 1979 to theft – and have come from a variety of sources including the public, industry and Trading Standards colleagues. Last year, NTSEAT:

- Received **459** complaints about individuals and businesses
- Issued **16** prohibition orders, which ban individuals from operating as estate agents.

In 2017/18 the Team undertook their first prosecution for a breach of anti-money laundering supervision requirements under new arrangements with HMRC. Two directors of a Somerset based company pleaded guilty at Taunton Magistrates Court to operating an estate agency business while not being registered for anti-money laundering supervision with HMRC. The team is continuing to work on an enforcement project in conjunction with HMRC to tackle businesses not signed up for redress and/or anti-money laundering supervision.

NTS Regional Investigations Teams and eCrime Team

In 2017/18 the NTS Regional Investigations Teams and the eCrime Team have been involved in a number of cases that have safeguarded the interests of legitimate businesses. Issues investigated by the teams included the mis-selling of advertising, copyright infringement and computer servicing frauds. Key cases included:

- **Operation Spinnaker** - Following an investigation by the NTS East Midlands Regional Investigation Team the long running Operation Spinnaker was concluded. The case focused on publishing group ‘Wyvern Media’ which targeted other businesses offering opportunities to advertise in ‘exclusive and highly acclaimed publications’. In reality the publications were of exceptionally poor quality, mis-sold and often were never published or distributed. As a result of the money recovered to date, every victim who featured as part of the investigation file has had all their money returned, with over £140k in compensation paid out.
- **Operation Field** - Following an investigation by the NTS Central England Regional Investigations Team, brothers from Birmingham, Amir and Yassar Rashid were sentenced to 3 years’ imprisonment and 18 months’ imprisonment respectively for their role in a computer repair scam. The pair placed advertisements across the Yellow Pages and Thomson Local, using hundreds of different trading names in the adverts to create the false impression of a local business. The firm would send engineers out to the consumer’s home, and in the vast majority of cases take the computer away. Once out of the consumer’s possession the brothers would engage in a ‘dishonest pricing structure’, to false representations being used to describe parts

installed to computers and to the use and installation of improperly licensed software. Victims complained about the firm not returning computers, about high charges being made and about apparently pirate software being installed.

- **Operation Kuki** – Follow an investigation by the NTS Yorkshire & Humber Regional Investigations Team and the eCrime Team, Narendra Vadgama received a suspended prison sentence and was disqualified from being a company director for 7 years for his role in a computer repair scam. Representatives from Mr Vadgama’s company cold-called consumers claiming to be from reputable computer firms such as Microsoft to carry out computer repairs. In fact victims were then encouraged to buy computer services they did not need, and were conned into paying to have anti-virus software or security software installed that they could get for free directly from Microsoft.



NTS Safety at Ports & Borders Teams



Legitimate businesses can be seriously harmed if they face illegal competition from products that are manufactured abroad and do not meet the UK’s rigorous safety standards. The National Trading Standards Safety at Ports and Borders Teams take an intelligence-based approach which targets businesses who are known to have previously tried to import goods that do not meet UK product safety standards.

One example is the case of a major high street retailer who has previously been caught attempting to import unsafe mobile phone chargers. Based on this a further consignment of phone chargers from the retailer was searched and the full consignment of 4,800 chargers were found to be unsafe. These chargers were then destroyed.

CHAPTER 4: SUPPLY CHAIN INTEGRITY

The issues

Product safety

Ensuring that consumers have confidence that the products they are buying are safe and will not cause them harm is crucial. Purchases can now be made with the click of a button and shipping goods across the world is now easier than ever. The reality is this makes it easier for businesses to sell faulty or unsafe goods and for consumers to inadvertently purchase them. This creates real challenges in maintaining the integrity of the supply chain.

Helping ensure a safe food chain

The NTS animal feed hygiene enforcement programme helps to maintain the safety of the food chain. The programme, which received £2 million of funding in 2017/18, sees officers overseeing and administering an animal feed inspection and sampling programme on behalf of the Food Standards Agency. This programme ensures the safety of the food animals are receiving and that it will not contaminate the food chain – ensuring consumers can have confidence that the food they buy is safe.

NTS Team data

NTS Safety at Ports and Borders Teams

The NTS Safety at Ports and Borders Teams work at twelve entry points to the UK to intercept thousands of dangerous items aimed at consumers. Last year, the teams:

- Prevented more than **800,000** unsafe items – which could have caused explosions, fires, burns and other injuries – from entering the supply chain
- Blocked over **1.4 million** non-compliant goods from entering the country
- Prevented an estimated cost to society of **£70 million** by detaining unsafe and non-compliant items
- Helped avoid an estimated **1,565** serious injuries to consumers.

Examples of unsafe and non-compliant products prevented from entering the country include:

- A consignment of hairdryers that did not have a thermal cut-off, meaning they could easily overheat. In testing one of the hairdryers caught fire in a way that resembled a flamethrower and subsequently melted. The

testing laboratory said it was one of the most dangerous hairdryers they had ever seen

- A consignment of 61,000 Christmas lights that were found to not meet UK safety standards. These lights were destined for homes across Europe
- A consignment of garden equipment including bush cutters. The blade on the bush cutters didn't conform to safety standards and was deemed to be at risk of shattering during use
- A consignment of toys that included toy guns that looked like real firearms in breach of the Violent Crime Reduction Act 2006
- A consignment of skin creams from Sierra Leone labelled as having no hydroquinone were tested by Warwickshire Trading Standards and found to contain 260 mg per kg of hydroquinone

Targeting fulfilment houses storing dangerous products

Fulfilment houses are used to store products and then once orders are received from customers they package and dispatch ordered items to consumers or other businesses. They are often used by businesses based abroad when shipping to the UK and their use has grown significantly in recent years.

National Trading Standards continues to run its fulfilment house project which ensures that fulfilment houses are not storing unsafe or non-compliant products and dispatching them to consumers. In 2017/18 the project had a number of successes including:

- Successful prosecutions against two fulfilment house companies - Global Storage Fulfilment and Homing Pigeon Logistics Trade Ltd.
- Securing forfeiture orders for the destruction of 16,345 unsafe products seized from the premises of the fulfilment house company 4PX Express Co Limited
- Organising 12 joint days of action with Her Majesty's Revenue and Customs which has resulted in the closure of four fulfilment houses since the project began
- Developing a fulfilment houses toolkit for enforcement partners that includes templates, how to determine business models, case guidance and website takedown processes

Feed hygiene delivery

The feed that animals receive is the first step in the process that gets the food from farm to plate. The importance of safe animal feed is critical not only to animal but also human health. This is the fourth year that NTS has supported inspections to establish the safety of animal feed.

Key achievements in the last year have included:

- Delivery of over 8,327 feed interventions, including nearly 2,400 feed inspections

- A 10% increase in the number of compliant feed businesses classified as satisfactory or above to 64%
- Completed a national priority sampling project checking levels of feed nutrients which have the greatest potential to compromise human or animal health. Samples were taken at 66 different feed mills and work has been undertaken to ensure the feed was safe in the 3 samples where problems were identified
- 2,161 checks on consignments from non-UK countries at English points of entry

CHAPTER 5: EMERGING THREATS – THE CHANGING CRIMINAL LANDSCAPE

National Trading Standards is always working to stay one step ahead of criminals through its intelligence process which gathers information about the emerging threats to consumers and legitimate businesses. The NTS Intelligence Network works to identify threats at both a national and regional level. This crucial information allows the National Trading Standards Board to make informed decisions about how to allocate funds to best protect consumers. The individual NTS Teams are also constantly adapting their work to tackle new threats, evidenced last year by the landmark convictions against copycat website operations.

Scams, frauds and dangerous products have been issues for decades. But as the world changes criminals are constantly on the lookout for ways to exploit these changes. Nowhere has this been seen more clearly in the last decade than in the explosion of online commerce. This has made it easier than ever for criminals to exploit consumers in a myriad of ways. It has also in some cases removed the need for a physical presence and provides a level of anonymity – making it harder for trading standards to take enforcement action.

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

Fake modelling scams on social media

An advert on Facebook, Instagram or another social media channel offering the opportunity to become a model can sound like an attractive proposition. However

in many cases this will be a scam – with the 'modelling agency' pocketing a fee to organise a photoshoot only for modelling opportunities to never materialise. In some cases the frauds are even more substantial with the criminals offering to produce a full portfolio for thousands of pounds, which is never compiled.

These are part of a growing trend of scams being conducted by criminals using the advertising platforms of social media websites including Facebook, Instagram, Twitter, LinkedIn and Snapchat.

Mike Andrews from the National Trading Standards eCrime Team says:

"Many people dream of a career in modelling, attracted by the fame and luxury lifestyles associated with the world's most famous models. It's completely understandable that adverts claiming to offer a pathway to this kind of life catch the eye. Sadly the reality is that the people who pursue these 'opportunities' will likely end up out of pocket, sometimes to the tune of thousands of pounds.

"Before responding to modelling adverts like this on social media, people should remember the age old saying – if it looks too good to be true, then it almost certainly is."

A rise in counterfeit and unsafe goods from China and the Far East

Many of the unsafe and non-compliant products that the NTS Safety at Ports and Borders Teams prevent from entering the country originate in China and the Far East. The volume of goods is constantly growing, with new routes such as the Yiwu-London railway line allowing goods to be shipped from China to the UK by rail for the first time.

Particular threats to consumers include unsafe toys such as mini toothpick crossbows (small toy from which to fire toothpicks) and high volumes of counterfeit film merchandise related to a number of high profile upcoming releases such as Toy Story 4, Frozen 2 and the new Lion King film.

David Ellerington from National Trading Standards Safety at Ports and Borders Teams says:

"It is becoming easier than ever to transport products across the world. While there are many businesses operating in China and the Far East who are legitimate and responsible traders there are also a growing minority of businesses who import goods which do not meet the UK's safety standards or deliberately infringe the intellectual property of legitimate business."

"Consumers can help protect themselves by making sure they are buying from a trusted source and undertaking basic checks on the seller they are buying from such as checking previous reviews."

Criminals already preparing for Euro 2020

The memories of this past summer's World Cup are still fresh in people's minds. Yet just as the England, Wales, Scotland and Northern Ireland's Euro 2020 qualification campaigns are already underway, NTS Intelligence has identified that the criminals are already planning how they will make money from the Euro 2020 tournament being held across 12 European countries.

Threats to consumers include criminal groups hawking fake tournament tickets as well as counterfeit merchandise such as replica shirts and tournament memorabilia. Fans should be aware that buying tickets through unofficial channels is especially risky, with the potential that they could be refused entry to stadiums if their tickets have not been purchased through an official source.

Howard Turton from the National Trading Standards North East Regional Investigation Team says:

"We are already seeing unofficial websites offering Euro 2020 tickets for sale online. Given UEFA have not yet put tickets for the tournament on sale it is not possible for these websites to actually have tickets. In the best case scenario fans risk paying massively over the odds for tickets, in the worst case scenario they risk not receiving tickets at all or being denied entry at the stadium."

"With several games taking place in the UK and the semi-finals and final taking place at Wembley it's completely understandable that fans are excited and want to be part of the Euro 2020 experience. However, to avoid disappointment we strongly recommend that fans register their interest in tickets on the official UEFA website and wait for the tickets to go on sale there."

Cryptocurrency investment scams

With the dramatic fluctuations in the value of Bitcoin over the last year there has been unprecedented interest in cryptocurrencies. Many people are attracted by the prospect of making large amounts of money in a short amount of time and see adverts online which offer them the opportunity to invest, often alongside endorsements from celebrities or high-profile public figures.

Yet there have been reports of people losing large amounts of money, sometimes running in to tens of thousands of pounds, to cryptocurrency scams. These scams work in different ways with some simply being ways of stealing a person's bank details and others more complex such as currency being removed from people's digital wallets or even fake platforms closing down and taking people's money.

Louise Baxter from the National Trading Standards Scams Team says:

"Many people are aware of the dangers of scam mail – cryptocurrency scams are often just a new version of this for the digital age. Adverts for dodgy cryptocurrencies are distributed en masse using Google and social media adverts but when people reply hoping to invest and get rich quick they actually find themselves walking into a trap which will see them lose their money.

"Anyone thinking about investing in cryptocurrencies should exercise extreme caution. You should very carefully research the websites you are using to invest your money and the currencies you are planning to invest in. As has been seen with the volatile price of Bitcoin investing in cryptocurrencies is risky – it moves from risky to disastrous if you end up putting your money into a scam."

The growing problem of illegal skin lightening creams

Skin lightening creams are predominantly used by women, either to remove localised skin blemishes, or for an overall lightening of the colour of their skin. Many illegal skin lightening cosmetics contain ingredients that are dangerous and banned throughout the EU.

Dangerous ingredients found by National Trading Standards in skin lightening creams include hydroquinone and corticosteroids, both of which can cause irreversible skin damage and other serious health conditions, and mercury, which is highly toxic and known to damage the kidneys, liver and brain.

Due to the seriousness of the threat to consumers National Trading Standards is funding a project led by Southwark Trading Standards which is taking enforcement action against sellers of illegal skin lightening creams and recently secured the UK's first custodial sentence against a seller.

Paul Gander, who leads the National Trading Standards illegal skin lightening creams project, says:

"When buying illegal skin lightening creams many people don't understand that they are putting their health at risk. Many of the creams we have seized contain ingredients such as hydroquinone, which is known to cause permanent skin damage and increase the risk of skin cancer.

"Our project is looking to take action against the individuals and businesses who are selling these illegal creams online. We have already secured successful convictions against sellers and would urge members of the public to tell us about any business they believe to be selling illegal skin lightening products."

