

ANNUAL REPORT

2018-19

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Chapter 1 - Introduction

This report summarises the work that has been undertaken and commissioned by National Trading Standards (NTS) and its Teams in 2018/19.

NTS delivers national and regional consumer protection enforcement. Its Board is made up of senior and experienced heads of local authority Trading Standards Services from across England and Wales with an independent Chair. Its purpose is to protect consumers and safeguard legitimate businesses by tackling serious national and regional consumer protection issues and organised criminality and by providing a “safety net” to limit unsafe consumer goods entering the UK and protecting food supplies by ensuring the animal feed chain is safe.

NTS had a National Control Strategy for 2018/19 that was developed having regard to the agreed Strategic Objectives and the National Strategic Intelligence Assessment. It informed and directed the work of NTS and outlined the priorities for prevention, intelligence and enforcement activities.

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

Table 1 – NTS Strategic Objectives 2018/19

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

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

- **7539** Feed interventions
- Dealt with over **£131.1** million in consumer and business detriment¹
- Had **47** people convicted of offences
- Prison Sentences totalling **64 years and 11 months** were handed down
- Fines of **£30,000** were issued
- Took over **£92.8** million unsafe and non-compliant goods out of the supply chain

Between 1/4/14 (when all NTS Teams were fully functional) and 31/3/18, NTS tackled £785 million in detriment for a core spend of £66.29² million. £11.84 impact for every £1 spent.

¹ See annex 5 for detriment calculations

² BEIS grant only as detriment figures apply to BEIS related work

Chapter 2 - Programme Office, Funding, Policy and General

2.1 Programme Office

The Programme Office for NTS is provided by ACTSO Ltd. It is funded via a small proportion of each of the grants provided to NTS and a small sum from the Animal Plant Health Agency to provide support for the National Animal Health and Welfare Panel and support for local authorities in animal disease outbreaks. The Programme Office provides support to the Board, Governance Groups and NTS Teams as well as providing all the required liaison with Government, performance reporting and other functions to enable the NTS system to work effectively.

This year the cost of the Programme Office was £667,722 which equates to 4% of the total grant provided.

2.2 Governance Structures

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

2.3 2018/19 Funding

In 2018/19, NTS received the following funds:-

| Funding received | Funding Body | Purpose | % change from 2017/18 |
|-------------------------|---------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|
| £13,461,000 | Department for Business Energy and Industrial Strategy (BEIS) | Serious consumer protection enforcement, scams and ports safety | 0% as at 1/4/18 then (inc £500,000 extra provided by OPSS in December) |

| | | | |
|------------|---------------------------------------------------------------|--------------------------------|-----------|
| £2,100,000 | Food Standards Agency (FSA) | Safety of Animal Feed Chain | +5% |
| £560,000 | Ministry for Housing Communities and Local Government (MHCLG) | Estate Agency work | +60% |
| £500,000 | Home Office | Knife Crime | New grant |
| £38,000 | MHCLG | Fire Doors safety coordination | New grant |
| £200,000 | Home Office | Scam related projects | New Grant |

Table 2 – Grant Funding 2018/19

The breakdown of overall funds is shown in Annex 1 and the actual spend for each of the main areas in Annex 2.

2.4 Consumer Protection Partnership

The Consumer Protection Partnership continued to be a priority work area for 2018/19. The Chair and Director participate in the Strategy Group. A Programme Officer supports the Operational Group. NTS' communications experts participate in the Communications Group. This Partnership assists in ensuring two way communication and a two way influence when setting overall priorities.

The Partnership is keen to demonstrate meaningful outcomes of its work, and past work on used cars was examined to assess its impact. NTS facilitated the collection of information to contribute to this. The final report accepts that used cars is a large area with considerable on-going consumer detriment. However, it recognises the work that NTS has contributed to this area in the past as a part of the Used Car Commission as well as current work through its Used Car Working Group. As a part of its current pro-active tasking work on used cars NTS assisted with a communication to mileage adjustment companies in an effort to improve compliance in this area.

The priority project areas commenced in 2018/19 were holidays and international travel and home improvements and energy efficiency measures. The theme of energy efficiency sits well with the NTS pro-active tasking to examine this area and NTS is liaising with Trading Standards Scotland which is the lead partner for the project area.

The Partnership is supporting government in protecting consumers throughout the EU exit period. As such the partnership agreed to closely monitor information around any potential EU exit related consumer harm and to respond appropriately within a timely manner. It was agreed that information would be analysed and submitted followed by a meeting of the Consumer Protection Partnership Intelligence Group on a fortnightly basis. This process has been in place since January. NTS is contributing to this with dedicated EU exit related intelligence resource in the Intelligence Team along with attendance at the fortnightly meetings from the Intelligence Team and Programme Office.

2.5 Fire Doors

At the request of MHCLG, in August, NTS agreed to provide some support and co-ordination for a group of local authorities who had manufactures of glass composite Fire Doors in their areas. This market was one of concern post the Grenfell tragedy. This work was led for NTS by Trading Standards East Midlands. Advice and support has been given to local authority colleagues and data was obtained and provided to MHCLG on a regular basis. In February, NTS facilitated meeting with MHCLG, LGA colleagues and all the affected local Trading Standards Services.

2.6 Communications and Media

The main communications support was provided by Grayling. Following a re-tendering exercise, a new communications provider, Barley Communications, will provide this work for NTS in 2019/20. NTS continued with its partnership arrangements for reactive media support via CTSI.

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| <p>GRAYLING Recent cases</p> <p>Grayling worked with the eCrime Team, a number of Regional Investigations Teams and the ASA backstop in Camden to secure national and regional coverage of recent investigations. Cases included Operation Cassock, Operation Ventura and the sentencing of homeopathic nutritionist Errol Denton.</p> <div>    </div> <p>Jail terms for dodgy football streaming salesmen are warning to others</p> <p>Directors of Peterborough firm that 'treated customers as enemies' and 'based business on bullying and lies' jailed</p> <div>      </div> <p>Fraudsters jailed for 10 years after ripping off contractor from Hilton and hundreds more</p> <p>Ban for 'frankly dangerous' nutritionist</p> | <p>GRAYLING Press office highlights</p> <p>Grayling's proactive and reactive press office activity included work with the Scams Team to publicise Scams Awareness Month, continuing to raise awareness of the eCrime Team's work to tackle copycat websites and supporting the ASA backstop in Camden with a referral relating to the secondary ticket website Viagogo.</p> <div>       </div> <p>Council praised as more than 700,000 unsafe and non-compliant products intercepted</p> <p>Government minister warns consumers against buying tickets from Viagogo</p> <p>The can case book – three scams and how to avoid them</p> <p>Bogus and lookalike websites are ripping off travellers for millions of pounds in inflated charges for FREE services</p> <p>Fraudsters win if victims stay silent</p> |
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| <p>GRAYLING Press office highlights</p> <p>Grayling's proactive and reactive press office activity included promotion of the Scam Marshals initiative resulting in coverage on the front page of the Daily Mail's 'Money Mail' section, work with NTSEAT to promote recent funding announcements and work with the NTS RIT Wales following the sentencing of the defendant in Operation Slick. Grayling also secured an exclusive with BBC Breakfast for the NTS Ports and Borders Team to promote the results of its recent independent review.</p> | <p>GRAYLING Consumer Harm Report</p> <p>In September, Grayling launched the fourth annual Consumer Harm Report. The report outlined the work of NTS throughout 2017-18 and warned consumers about emerging threats, including the rise of cryptocurrency investment scams. Coverage highlights included Lord Toby Harris' interview on Sky News Sunrise, articles on BBC News Online and Mail Online, and interviews with the eCrime Team's Mike Andrews with seven regional radio stations. In total, Grayling secured 34 pieces of coverage promoting the report and the work of NTS.</p> |
| <p>GRAYLING Press office highlights</p> <p>Grayling's recent press office work included further promotion of the Scam Marshals initiative, securing an exclusive with The Daily Mail for the announcement of extra funding from the Home Office. December also saw the final defendant sentenced in long-running case Operation Resolution, with coverage secured in the Mail on Sunday, Daily Mirror and other regional titles. Grayling also worked with the e-Crime team to promote its work on copycat websites, securing coverage in The Sun and the Mail on Sunday.</p> | <p>GRAYLING Protecting Consumers at Christmas</p> <p>National Trading Standards' annual Christmas campaign was launched in December and this year warned consumers to remain vigilant, and not be blinded by a bargain, when shopping online in the Boxing Day sales. Grayling secured strong pieces of national media coverage in The Daily Telegraph and The Daily Express. Additionally, Grayling also worked with the Ports and Borders Team at Felixstowe to promote the seizure of a potentially dangerous consignment of children's toys in the run up to Christmas, securing coverage in the Sunday Mirror.</p> |
| <p>GRAYLING Press office highlights</p> <p>From January to March, Grayling supported media activity around Birmingham NTS cases including Operation Beorma, a seizure of unsafe goods and Operation Coffee, a time share scam. Both of these cases secured coverage in key regional titles. Grayling also worked with the National Trading Standards Estate Agency Team (NTSEAT) to promote the new guidance issued around referral fees, securing coverage in all of the key trade titles.</p> | <p>GRAYLING Knife test purchasing</p> <p>Grayling promoted the initial findings of the knife test purchasing scheme funded by NTS. Grayling secured widespread national media coverage in titles including The Times, The Daily Telegraph, The Daily Express and The Sun.</p> |

The Programme Office remains responsible for direct communication with the Trading Standards community and provides Government with support in answering parliamentary questions, freedom of information requests, Ministerial correspondence and press enquiries that relate to the work of Trading Standards.

2.7 EU Exit

Work has continued on advising on the potential impacts of EU Exit on NTS related work. Two detailed papers were submitted in July, one relating to ports and one on

enforcement and scams. In addition, specific scenario planning has been carried out with Consumer Protection Partnership partners.

In December, the CPP set up fortnightly meetings to ensure that issues are highlighted early that may impact partners and that a response can be provided quickly. A member of the NTS Intelligence Team and a Programme Office representative attend these meetings.

2.8 Strategic Policy Work and Support to ACTSO

The NTS Director provides strategic policy advice and briefings to Heads of Trading Standards via the ACTSO network as part of the Programme Office work and also provides support to the ACTSO Chair. The main areas of work this year have been in relation to: the FSA Regulating our Future Programme; FSA Food Crime Unit; Glenys Stacey review of farm regulation; Trading Standards qualifications; GDPR and the Hackitt Review.

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

Chapter 3 - Feed Delivery Programme

3.1 Background

NTS receives funding from the Food Standards Agency (FSA) to support a programme of work to ensure the integrity of the animal feed chain and protect food safety and UK meat exports. This is delivered via the nine regions in England who work with all local authorities to deliver the controls. Since October 2017, decisions are taken by the FSA. The MOU was been revised to reflect this new administrative relationship for the 2018/19 programme.

3.2 Summary

NTS have delivered 7539 activities in 18/19. This meant we delivered 99.3% of the activities agreed and spent 99.7% of the available budget.

NTS undertook a national priority sampling program which took samples at 96 businesses manufacturing animal feed. Analysis was of feed nutrients which had the greatest potential to compromise human or animal health. 87% were compliant.

Sixty nine percent of inland premises are now classified as satisfactory or above. This is a 5 % increase compared to 2017/18. Thirty percent of farms are now classified as satisfactory or above, a 9% decrease from 17/18. NTS has data to show that assured businesses are, in general, more compliant than non-assured.

NTS introduced a new FSA funding stream aimed at promoting work to improve compliance in poorly performing businesses and delivered a set of guidance and inspection documents which will improve inspections to co-product producers. Guidance was also developed and published which will enable unitary authorities to use a wider pool of qualified officers for feed official control delivery.

3.3 Feed Delivery

NTS has delivered 7539 activities in the year. In 2018/19 the programme delivered 99.3% of the nationally committed activity. This includes all ports checks, sampling, visits to check food hygiene at primary production and inland inspections.

The small percentage of non-delivery reflects where regions have committed to delivery of activity on 1st April and, due to unforeseen circumstances in the closing weeks of the year, have been unable to complete it. This includes, for example, at points of entry where the anticipated consignments have not come through the port, or where planned products for sampling have not been available. Other activities have been commissioned to replace these and this additional work has ensured that the budget was spent. Some of these replacement activities cost less than the planned ones and this explains the over delivery on committed budget.

3.4 Nutrient sampling.

NTS have completed the second year of analysis of feed nutrients which had the greatest potential to compromise human or animal health. This was commissioned in support of Priority 7 of the FSA National Enforcement Priorities for 2017/18.

Twenty six local authorities took samples from 96 businesses. At the time of writing, 160 confirmed analytical results were available. Of those, 87% were recorded as 'satisfactory', and 13% (20) 'unsatisfactory' with regard to the nutrient content.

Further data is expected in the coming weeks and a more comprehensive report will be published in due course.

3.5 Imported feed activity

A total of 2288 3rd country consignments have received funded import checks at English points of entry. 5% of regular imports and 30% of irregular imports nationally are receiving ID and physical checks. The focus on irregular imports shows that ports continue to work according to the NTS prioritisation guidance and focussed, risk based, checks at the border have continued to ensure value for money.

3.6 Improving compliance funding

2018/19 was the first year of a new funding stream, provided as part of the FSA feed strategy, which aimed to ensure regions worked to improve compliance in businesses identified through inspection. NTS published guidance on how and what to use the funding for in April and revised that guidance to reflect developing good

practice in December 2019. The programme funded £86,000 which equates to approximately 250 days of work.

3.7 Compliance trends

NTS collects data from regions to allow it to plan a national delivery programme focused on the highest risk and least compliant businesses. Key findings are shown below and a full report on the data will be published on the knowledge hub.

Across all inland businesses, 69% have a level of compliance of satisfactory or above; and the number of poor premises had decreased. This is an increase from 64% in 17/18. Across all primary production businesses 30% have a level of compliance of satisfactory or above this is a small decrease from 34% in 17/18.

NTS collects data from two regions, and narrative reports from the other regions, on types of non-compliances found at inspection. These are used to draw conclusions on trends in non-compliance in business types. In 18/19 the trends in noncompliance were the same for narrative and data collected.

Non-assured farm premises

| Non-assured premises | | 219 | (total non-compliant) |
|---------------------------------|-----------|-----|-----------------------|
| Type of non-compliance | Frequency | | |
| 1 Medicines | 51 | | 23% |
| 2 Pest control | 50 | | 23% |
| 3 Appropriate registration code | 33 | | 15% |
| 4 Record keeping | 19 | | 9% |
| 5 = Storage & Traceability | 16 | | =7% |
| (Totals) | 185 | | 84% |

Assured farm premises

| Assured premises | | 114 | (total non-compliant) |
|----------------------------------|-----------|-----|-----------------------|
| Type of non-compliance | Frequency | | |
| 1 Appropriate registration code | 26 | | 23% |
| 2 Storage | 17 | | 15% |
| 3 Pest control | 16 | | 14% |
| 4 Medicines | 12 | | 11% |
| 5 = Record keeping & Cleanliness | 11 | | =10% |
| | 93 | | 82% |

Non-assured inland premises

| Non-assured | | 284 | (total non-compliant) |
|------------------------|----------------------|-----|-----------------------|
| Type of non-compliance | Frequency | | |
| 1 | HACCP | 61 | 21% |
| 2 | Labelling | 53 | 19% |
| 3 | Complaints & Recalls | 43 | 15% |
| 4 | Pest control | 20 | 7% |
| 5 | Storage | 19 | 7% |
| (Totals) | | 196 | 69% |

Assured inland premises

| Assured premises | | 32 | (total non-compliant) |
|------------------------|----------------|----|-----------------------|
| Type of non-compliance | Frequency | | |
| 1 | Storage | 4 | 13% |
| 2 | Labelling | 3 | 9% |
| 3 | Record keeping | 3 | 9% |
| 4 | Pest control | 3 | 9% |
| 5 | HACCP | 3 | 9% |
| | | 16 | 50% |

Table 3 – Feed Compliance Data

The full report on non-compliance trends will be used by the FSA to inform their next UK Feed threat assessment.

3.8 Improvement and intelligence projects

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

- Qualifications equivalency assessment
- Training on database management
- Update training
- Co-products producer NCIP guidance and model form
- Inspection Model forms review

3.9 National Agriculture Panel

NTS provides support to the Panel which met twice in 18/19.

A feed incident in the East Midlands was used as a case study to review the response with APHA and the Veterinary Medicines Directorate. Communication lines were agreed for large and small scale feed related issues in future. The working relationships have been formalised in an updated MoU.

The Panel led work with the FSA and the assurance schemes to produce a policy that focuses on when Earned recognition can be reinstated once a business falls below satisfactory compliance. It also collated views about risks and emerging issues across the country and inputted them at the FSA national meeting in December with partners.

The Panel updated the registration guidance twice through the year based on queries and amendments from local, national and European level. As well as providing a consensus view on technical queries from regions. Answers to these questions are now located in a technical queries document on the KHub. This year has seen NAP provide views on issues ranging from CBD oil in pet food and raw pet food for wild rabbits to asbestos in barns and labelling of haylage.

The Panel updated the process that ensures transparency about how technical queries from individual officers are escalated for discussion to ensure the work of the group is being prioritised effectively.

3.10 National Animal Feed at Ports Panel

NTS provides support to the Panel which continues to promote consistency and focus efforts on identifying and targeting resources at higher risk consignments.

The Panel raised with Defra the validity of the organic status of a number of organic feed consignments and queried the standing of the certification body. The efforts of NAFPP members have contributed to the [removal of the certification body by the EU](#).

The Panel formally requested FSA undertake further work to establish the level of feed transhipped through Europe before reaching the UK. Including investigating risks associated with these imports. This is with the aim of confirming how these consignments are checked at port post Brexit.

They also wrote to the FSA to recommend a project to look at the interrogation of existing HMRC national systems for more information about imported feed with the aim of developing a more effective and value for money system to identify imports for checks.

Feed Delivery Data

| All England | Committed activity for 2018/19 | Delivery | | | | | Percentage delivered against (percentage target) | | | | | | |
|--------------------------------------------|--------------------------------|---------------------|--------------|--------------|--------------|-------------------------|--------------------------------------------------|--------------|--------------|--------------|--|-------------------------------|--|
| | | Apr-Jun 2018 | Jul-Sep 2018 | Oct-Dec 2018 | Jan-Mar 2019 | Total delivered 2018/19 | Apr-Jun 2018 | Jul-Sep 2018 | Oct-Dec 2018 | Jan-Mar 2019 | | 2018/19 total (target = 100%) | |
| Inland feed inspections | 2837 | 304 | 638 | 664 | 1,222 | 2,828 | 11 (11) | 22 (21) | 23 (30) | 43 (38) | | 100 | |
| Primary Production premises inspections | 1056 | 207 | 264 | 211 | 410 | 1,092 | 20 (21) | 25 (22) | 20 (22) | 39 (35) | | 103 | |
| High Risk Food | 423 | 87 | 272 | 20 | 30 | 409 | 21 N/A | 64 N/A | 5 N/A | 7 N/A | | 97 | |
| Inland samples taken* | 451 | 83 | 28 | 145 | 181 | 437 | 18 (7) | 6 (17) | 32 (44) | 40 (32) | | 97 | |
| Total ports activity (3rd country imports) | 2677 | 407 | 616 | 861 | 741 | 2,625 | 15 (25) | 23 (25) | 32 (25) | 28 (25) | | 98 | |
| Ports sampling and analysis | 151 | 25 | 31 | 42 | 50 | 148 | 17 N/A | 21 N/A | 28 N/A | 33 N/A | | 98 | |
| Overall delivery* | 7595 | 1113 | 1,849 | 1,943 | 2,634 | 7,539 | 15 (15) | 24 (21) | 26 (26) | 35 (38) | | 99 | |
| Overall budget | £1,562,859 | £240,224 | £394,941 | £349,048 | £577,833 | £1,562,046 | 15 (15) | 25 (22) | 22 (28) | 37 (35) | | | |
| Accrued budget (as of March 2019)** | £1,792,798 | Total inc. RC fees | | | | £1,787,046 | | | | | | | |
| *excluding NSP pre-assessment activity | | % of accrued budget | | | | 99.7% | | | | | | | |

*excluding NSP pre-assessment activity

**inc. regional coordinator (RC) fees

Table 4 – Feed Delivery Performance data

Chapter 4 – Intelligence

4.1 Background

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

There is an NTS Intelligence Network that includes the NTS Intelligence Team, regional intelligence analysts and regional intelligence support officers. They met three times this year. There was also a two day meeting in July 2018, for the Intelligence Governance Group, NTS Intelligence Network and regional intelligence managers or action managers. This aimed to provide updates, share good practice and discuss a wide range of intelligence work and developments.

4.2 National Strategic Assessment

In September, the Board considered and approved the 2018 national strategic assessment which identified key national threats, emerging issues and priority areas. The Board agreed that mass marketing scams, doorstep crime, product safety, used cars, fair trading (including housing, travel etc.) and intellectual property should be the strategic priorities for 2019/20.

The Intelligence Team used the MoRiLE (the Management of Risk in Law Enforcement) thematic matrix to develop the national thematic areas and risks covered in the strategic assessment. In April, training was provided for the NTS Intelligence Network and regional groups to help them use MoRiLE to score regional threats and emerging issues. This was followed up with eleven MoRiLE regional training events, between January and March, to help local Trading Standards and regional groups use it to assess their local and regional threats and priorities areas. 53 delegates provided feedback on the training and 100% of these respondents said the training met its aims and objectives.

The NTS strategic assessment has been shared with Government departments and partner agencies and NTS hopes it will be of use to local Trading Standards services and regional Trading Standards groups, in England and Wales.

4.3 National Control Strategy

The 2018 strategic assessment was used to develop the NTS national control strategy for 2019-20. This was agreed by the Board in March. It informs and directs the work of NTS via its Teams and other projects outlining the national priorities for prevention, intelligence and enforcement activities. Performance against the actions will be discussed at NTS' Governance Group meetings or expert group/panel meetings and routine reporting of work is done via the quarterly reports that are prepared with input from all NTS Teams.

4.4 Tactical Assessments and Activity Reports

Following a consultation, throughout this year, a new tactical assessment and activity report template has been developed for use in 2019-20.

The NTS Board also agreed to provide funding to enable a separate secure area to be developed on the Crimson database for Tasking Activity Reports. This will rationalise and reduce the duplication of work in producing these reports and provide a single secure platform for them to be viewed regionally and nationally. Each Regional Investigation Team manager will be asked to provide a Tasking Activity Report update every two months on their open tasked investigations. It will also be used by Action Managers and/or Regional Intelligence Analysts/NTS Intelligence Team to submit updates on other projects or investigations, that are being tasked and supported by their Regional Tasking Groups and the National Tasking Group. This will be piloted and should be launched in summer 2019.

4.5 Intelligence Operating Model

The Intelligence Operating Model eLearning Modules have been moved onto a new platform and were relaunched at the end of July 2018. All modules have been reviewed and some changes have been made to the videos, questions and layout of the site to make them clearer and easier to use.

The Intelligence Operating Model Management of Intelligence Material and Data Document and appendices were updated to reflect changes in data protection legislation

and published in October. It highlights good practice and provides a framework to help Trading Standards staff to manage their handling of intelligence material, recognising that each local authority will have their own procedures which must be complied with.

4.6 NTS Sanction Information Database (SiD)

NAFN has operated the NTS Sanctions Information Database since April 2014. It is the means by which local authority officers notify the Competition and Markets Authority of impending civil and criminal court action and the resultant sanctions. It provides the resource of antecedent information. The database, known as SiD, is continually monitored and reported with upgrades from time to time to ensure it continues to meet user needs.

| SiD Summary Data: | 31/03/2018 | 31/03/2019 | Variance |
|----------------------------------|-------------------|-------------------|-----------------|
| Active Users | 2729 | 2723 | -6 |
| Sanctions added since 01/04/2014 | 4331 | 5240 | +909 |
| Actions against legal entities | 12241 | 16569 | +4328 |
| | | | |

Table 5 – SiD user data

4.7 Information Databases Strategy

The NTS Board agreed an Information Databases' Strategy following the growing demand for different information/data sources and tools. They agreed that there are different tiers of sources and that the Board would fund all or part of those listed in Tiers 1 and 2 (including the Sanctions Information Database, the national intelligence databases etc.). They also agreed that if regions/NTS Teams want access to further sources of information these must be funded by existing regional or Team grants or other sources of funding.

The NTS Intelligence Team will need access to more information sources which will be paid for from their own core budget. These will be reviewed to ensure value for money.

4.8 Police National Database

NTS continues to work with the National Police Chief's Council and Home Office to seek access to the Police National Database. Direct restricted access has been approved for the 10 regional intelligence functions, Intelligence Team, eCrime Team, Scams Team and Estate & Letting Agency Team. Each of their host local authorities is in the process of

completing IT requirements to connect to the database. The priority had been to get confidential access for the Intelligence Team but this is now delayed until autumn 2019. However, three authorities have met the requirements for restricted access and will go live with access in late spring/early summer 2019.

29 Officers from the NTS Teams and regional intelligence functions have been trained to use the Police National Database. Draft policies and procedures have been developed, to cover the access, use and auditing of the database and these will be circulated in Quarter 1 2019-20. The Home Office has confirmed that the IDB data migration work is at an advanced stage and has progressed much quicker than other non-police agencies.

4.9 Action Fraud

There have been several meetings with Action Fraud and the National Fraud Intelligence Bureau regarding access to Action Fraud data. The City of London Police, who host the system, still have concerns about local authorities' secure email addresses, their storage of data, and remote access to Action Fraud data. At this time, the Action Fraud vaults cannot be accessed by Trading Standards services due to technical issues. NTS is continuing to work with the Bureau to try and resolve these issues and to seek remote direct access for the NTS Teams and Regional Intelligence Analysts.

The Intelligence Team now have a further secondment agreement for another member of staff to work at the Bureau. However, the associated data sharing agreement between Suffolk and the City of London Police is still to be ratified.

Due to the problems experienced, we briefed BEIS officials on the issues. They advised that the BEIS Minister was planning to raise the concerns with the relevant Home Office minister.

4.10 NTS Intelligence Team

Tasking and National Tasking Group Support

Purpose: The Team acts as an effective analytical resource for the National Tasking Group. In 2018-19

- 65 referrals were received and 11 referrals reviews were completed.
- 5 problem profiles, 5 short reports and 5 subject profiles were produced.

Data and Intelligence Partnership

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

- Statistical information is provided in the Intelligence Data table.
- The Team continues to seek access to other data sources. They have worked with BEIS and other Consumer Protection Partners to help develop a portal to access Resolver (a free tool to help consumers raise and resolve issues). They also continue to explore intelligence sharing with other agencies.
- The Team supported the National Fulfilment House Project by providing the functions of the virtual intelligence cell which facilitates the exchange of intelligence within Trading Standards with external partners in particular HMRC, and by participating in enforcement activities to gain intelligence.
- The Team's Intelligence Officers continue to be actively involved in proactive intelligence collection during enforcement action associated with analytical products that the Team has produced.

National Strategic Assessment Progress Update

Purpose: *To lead on the creation of the NTS Strategic Assessment and provide information and direction for the NTS Control Strategy.*

- The Team produced the 2018 Strategic Assessment and terms of reference have been agreed for the 2019 NTS Strategic Assessment. Information requests have been sent out to NTS Teams, Regional Groups, and external agencies.

Regional Intelligence Analyst Network Support

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

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

Priority Areas Support

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

- **NTS eCrime Team:** The Team has a dedicated liaison officer who provides intelligence support as required. The Team has completed subject profiles, short reports and provided Action Fraud data to the eCrime Team.
- **NTS Scams Team:** The Team regularly liaises and provides support on an ad hoc basis. including Memex checks, as well as producing a monthly report for the Team. They have produced a problem profile regarding health supplement and vitamin scams.
- **NTS Safety at Ports and Borders Teams and NTS Single Point of Contact:** The Team continues to provide intelligence support on an ad hoc basis. Over the last

year there has been a joint funded intelligence analyst post that supported the work of the Single Point of Contact and Intelligence Team.

- **NTS Estate & Letting Agency Team:** The Team provides intelligence support on an ad hoc basis, including Organised Crime Group Mapping, national flagging and providing National Fraud Intelligence Bureau Action Fraud data.
- **Consumer Protection Partnership Support:** Close liaison is maintained with the Consumer Protection Partnership analyst, who receives the national tactical assessment. The Team attends various Consumer Protection Partnership/ Citizens Advice meetings including a Brexit Intelligence working sub group.
- **Animal Health work** - The Team received additional funding to produce a problem profile on the identification of key threats associated with bovine species and non-compliant dealers.

Intelligence Data

| Intelligence Data 2018-19 | April – June | July - Sept | Oct - Dec | Jan – Mar | Total |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------|
| Intelligence logs recorded on Memex and IDB | 10789 | 10188 | 9623 | 10066 | 40666 |
| Percentage change from previous year | 7% increase | 5% reduction | 10% reduction | 7% reduction | 4% reduction |
| Intelligence Logs for priority areas | 65% | 83% | 75% | 75% | 77% |
| Doorstep Crime | 35% | 36% | 36% | 29% | 34% |
| Fair trading | 22% | 21% | 21% | 19% | 20% |
| Scams | 10% | 12% | 10% | 11% | 11% |
| Intellectual property crime | 12% | 11% | 12% | 12% | 12% |
| Product Safety | 7% | 9% | 8% | 10% | 9% |
| eCrime | 14% | 11% | 13% | 19% | 14% |
| Citizens Advice Complaints | 86079 1% increase | 94548 9% increase | 80527 14% decrease | 79231 1% decrease | 340385 2% increase |
| Fair Trading and Scams | 85% | 85% | 84% | 85% | 85% |
| Doorstep Crime and Cold Calling | 10% | 10% | 12% | 10% | 10.5% |
| Intellectual Property Crime | 1% | 1% | 1% | 1% | 1% |
| Product Safety | 4% | 4% | 3% | 4% | 3.5% |
| eCrime | Part of Fair Trading and Scams. | Part of Fair Trading and Scams | Part of Fair Trading and Scams | Part of Fair Trading and Scams | |
| FIN-NET(Financial Crime Information Network) referrals received | 25 | 18 | 19 | 31 | 93 |
| FIN-NET referrals submitted | 4 | 2 | 5 | 2 | 13 |
| GAIN (Government Agencies Intelligence Network) national referrals received | 15 | 4 | 5 | 4 | 28 |
| GAIN national referrals submitted | 0 | 0 | 3 | 4 | 7 |
| Organised Crime Groups (active) | 19 (1 NTS Estate Agency Team, 7 RITs, 4 NTS eCrime Team, 7 local authorities) | 22 (1 NTS Estate Agency Team, 7 RITs, 4 NTS eCrime Team, 10 local authorities) | 22 (1 NTS Estate Agency Team, 7 RITs, 4 NTS eCrime Team, 10 local authorities) | 22 (1 NTS Estate & Letting Agency Team, 7 RITs, 4 NTS eCrime Team, 10 local authorities) | |
| National Flagging | 54 (20 RIT, 11 NTS eCrime Team; 3 NTS Estate Agency Team, 20 LAs) | 56 (21 RIT, 10 NTS eCrime Team, 3 NTS Estate Agency Team, 22 LAs) | 72 (22 RIT, 10 NTS eCrime Team, 3 NTS Estate Agency Team, 37 LAs) | 92 (35 RIT, 10 NTS eCrime Team, 3 NTS Estate Agents, 44 LAs. | |

Table 6 – Intelligence Data

Chapter 5 - National Tasking Group

5.1 Overview

The National Tasking Group (NTG) is comprised of three NTS Board members and three regional representatives. Others participate in the group with non-voting status (e.g. CMA, NTS Ecrime coordinator, Trading Standards Scotland). Members have the knowledge and experience to make decisions. NTG meets every eight weeks to task work subject to available resources and in accordance with agreed NTS priorities and having considered:

- The likely impact of the proposed action;
- The fit with the Board's priorities and strategies;
- The resource requirements and benefits gained;
- The risks of both acting and failing to act.

The Group will mainly task referrals that relate to: complex cases; cross-boundary activities; multiple defendants; high levels of consumer and business detriment and/or significant breaches of Trading Standards legislation or extensive fraud.

5.2 NTG Decisions

NTG met seven times this year. It considered referral requests that related to 74 tasking requirements of which 62 were agreed, seven were not agreed, three are pending further information and two were withdrawn.

NTG held a two day Planning and Review meeting in February 2019. This reviewed the work done in 2018/19 and considered what it needed to achieve in the coming year. It approved a proposed programme of tasking for 2019/20.

The 2018/19 NTG budget was set at £3.245 million. The year ended with an under-spend of approximately £180,000 overall which would be carried forward into contingency.

5.3 Energy Scams

Energy related scams, including green energy, were identified as a growing issue in the strategic assessment this year and the NTS Board has set this as a priority for 2019/20. NTG is already supporting several large, pre-existing energy scam cases.

In the final quarter of 2018/19, the NTS Intelligence Team produced a problem profile which identified various tasking options going forward. It included a number of current traders who are causing the detriment currently, prioritised by factors including level of detriment, vulnerable victims, fraudulent activity and OCG involvement. The first of these was tasked with NTG funding in March 2019.

5.4 Operation Amisk Health Supplement Scams

The NTS Intelligence Team produced a problem profile and the Programme Office facilitated a multi-agency meeting to identify the interests of other enforcement partners in relation to this area of potential detriment. Intelligence continues to be gathered from partners and once consolidated a further multi-agency event will be held to agree joint approach to tackling the problem.

5.5 Fulfilment Houses Project

Since 2015 NTG has provided funding for various actions in relation to a Fulfilment House project. It has aimed to come up with a consensus, holistic, package of practical measures to tackle consumer and business protection problems associated with Fulfilment Houses. A phased approach has been taken, building on existing best practice, gathering intelligence and financial information, undertaking investigations, enforcement work and legal proceedings on specific Fulfilment Houses.

A NTS Fulfilment House Enforcement Toolkit was published in August 2018. NTS has continued to work with HMRC's Import Fraud Task Force. There have been regular meetings to discuss strategy, potential subjects, ongoing cases and shared intelligence. HMRC and NTS have notified each other of planned operations, so although they may not always be joint operations there will be an awareness of each other's activities, risks and shared intelligence where appropriate. Since the start of the NTS Fulfilment House project there have been 38 HMRC days of action, 18 of these have been joint operations with Trading Standards Services with seizures of goods by at least one agency on each of these events. Four of these joint operations have resulted in the Fulfilment Houses closing down, disrupting both the supply of unsafe goods and tax evasion.

Oldham Trading Standards took a successful prosecution against Homing Pigeon Logistics Trade Ltd. They had seized over 100,000 unsafe electrical items. Taolue Chen, the Director of the company was prosecuted. He was sentenced to 6 months imprisonment suspended for 18 months at an earlier hearing. In March 2019, the company was fined £20,000, ordered to pay Oldham £148,000 in prosecution costs and to forfeit £152,000 as proceeds of crime. Chen was also disqualified from being a company director for 5 years.

Fulfilment Houses remains a cross cutting priority area for NTS. They feature in the 2019-20 NTS Control Strategy in relation to intellectual property, misdescribed goods and illicit trade. However, following the creation of OPSS, NTS is no longer permitted to use its grant to task product safety related work outside the work of the ports and borders Teams. OPSS are now undertaking a Fulfilment House project in relation to unsafe products, over the next two years, with funding to support this work. NTS will continue to attend meetings with HMRC, OPSS and IPO in terms of dealing with any non-safety issues.

NTG has already allocated £210,250 funding in 2019-20 to continue to support Operation Neutron, a WHOTS Fulfilment House investigation. This is a joint investigation by the NTS Wales Regional Investigation Team and Bridgend, Cardiff and the Vale of Glamorgan Shared Regulatory Services.

5.6 Used Cars

The 2018/19 project built upon the work commenced in autumn 2017/18. It has the following priorities: Mileage adjusted cars (in particular imported), regional most complained about traders and sales of unsafe vehicles.

Six investigations were supported in local authorities the majority of which focused on regional most complained about traders. One investigation relates to the import and mileage adjustment of Japanese imported cars.

Two disruption projects have been undertaken. YAHTSG completed a project on their most complained about car traders seeing a number of days of action across the region using officers from a number of authorities in a team. CENTSA sent letters outlining legal responsibilities and upcoming new legislation relating to mileage adjustment to a number of traders offering mileage adjustment services online.

NTG has also supported Middlesbrough Council to take action against Pendragon Motor Group Ltd on a point of law relating to an unfair commercial practice; that of failing to disclose information about the previous ownership of the vehicle, where the previous owner was a car hire company. The initial conviction and fine was quashed on a point of fact at the crown court in March 2019.

Guidance on sources of data on mileage and vehicle history was commissioned from CENTSA and published. The used car project working group met twice in 2018/19 and continues to provide focus and initiative to the tasking on this issue.

Used Car work will continue to be a priority for 2019/20.

5.7 Operation Beorma (Supply Chains in Markets Project)

Phase 2 of this CENTSA Regional Investigation Team led project progressed well. The NTS Intelligence Team is still supporting intelligence gathering and developing subject profiles. Seizures of paperwork, mobile phones and cash have been made along with one arrest. The seizures identified key enablers including transporters and self-storage units. Counterfeit goods have been seized to the value of approx. £0.5m. A number of vans containing goods have also been seized and there is now over £3m in recovered assets.

Three OCGs have been identified and at least two of them mapped. Intelligence has indicated a number of cross-overs with Police and the potential for joining up with the work currently being conducted in Manchester. The investigation has a multi-agency approach which includes GAIN, the Police, PIPCU, IPO and the National Markets Group. The investigation is to continue as a priority for 2019/20.

5.8 Unsafe Cosmetics

A number of successful prosecutions were conducted and which attracted significant media attention. One ongoing case will be funded and completed in early 2019/20 but after that NTS will not proceed with any further product safety work (other than that which is to be carried out by the NTS Ports and Borders Teams in 2019/20) as this will now be led by OPSS

5.9 Doorstep Crime

NTG provided support to the ongoing NETSA Regional Investigation Team case Operation Oak (rogue fish-sellers) to tackle the key enablers of this criminality. A number of active investigations (including financial) were progressed along with further intelligence gathering. It also funded the TSEM's Operation Gibbon (plumbing and locksmith services), that is being investigated by Leicestershire County Council.

Several of the large scale energy miss-selling frauds mentioned in 5.3 above, also have large elements of doorstep crime offending.

An NTS Doorstep Crime eBook was been developed and launched. It is available for local authority Trading Standards Services in England and Wales. It has been produced by TSNW with support from TSSW.

In autumn 2018, an external review on the NTG funded doorstep crime proactive tasking work was commissioned. The final report was presented to the Board at their March 2019 meeting. NTS agreed to consider a project plan, with responses to the recommendations, at their June 2019 meeting. A programme of tasking for 2019/20 will then follow and will include both Operations Gibbon and Oak.

The NTS Scams Team also continued with its safeguarding work.

5.10 Reviews

NTG carries out regular case/project reviews to assure both members and the NTS Board of progress and value for money. Case reviews conducted during 2018/19 included Operations Thistle and Pawpaw (West Yorkshire Joint Services double-glazing cases), Operations Comfort, Mallard and Schooner (TSEM Regional Investigation Team energy scams), Operation Gibbon (TSEM/Leics. CC plumbing and locksmiths services) and Operation Abacus (TSEM/Lincs. CC solar energy scam). All were found to be well-managed and progressing as expected.

The NTS Board also commissioned a major case review which focussed on six of the biggest cases supported by NTG. A final report was made to the Board in March 2019. It was agreed that NTS would set up a small working group to take forward the recommendations in this report during 2019/20.

5.11 Regional Tasking Groups Member Attendance at NTG Meetings

NTG extended an invitation to all Regional Tasking Group members to attend its meetings throughout the year. The invitation was well-received with numerous RTGs taking up the offer and providing positive feedback about the experience and the way in which NTG conducts its business.

Chapter 6 - National Trading Standards Regional Investigation Teams

6.1 Background

NTS commissions Investigations Teams from each region except London, East of England and the South East which is a combined Team. The Teams are the primary resource for NTS in tackling serious and complex cases.

6.2 Overview

The Teams have achieved some excellent results this year. Several long running investigations came to trial with successful outcomes. Anthony Rees, from the Wales Investigation Team received a Judge's commendation, for his work on Operation Slick.

The number of cases undertaken this year has risen. The Teams started the year with 86 open investigations and now have 97 live cases. Of these 52 are ongoing, nine are awaiting a decision, 23 are awaiting trial, three are POCA cases and ten are pending.

The Teams' successful efforts led to:

- 30 custodial sentences totalling 49 years.
- 19 suspended sentences totalling 16 years 3 months.
- 1 company accepting a confiscation and destruction order.
- 11 company directors bans amounted to 91 years.
- 5 Rehabilitation Activity Requirements.
- 108 days of community service, and
- 1 person undertaking 19 counselling sessions.

The consumer and business detriment avoided through the Regional Investigations Teams' intervention this year is £15,989,191.

Four POCA cases finished this year.

The Teams' successful cases involved various rogue traders offering property "repairs" targeting vulnerable consumers and committing CPRs, fraud and money laundering offences. The often poorly carried out "services" offered included roof cleaning, tarmacking and driveway resurfacing. Other cold callers offered "energy efficient"

work/products; and some aggressively sold orthopaedic beds and chairs to vulnerable and elderly customers.

Other cases included a “meet and greet car parking services” scam operating at Gatwick airport; lettings agency scams; IPTV frauds; IP and trade mark offences; and a copycat website offering driving licence services.

Not every case reached a resolution through the courts. Other resolutions have been taken where they are most appropriate. The Bar Standards Board disbarred a lawyer involved in a company set up, and failed, to provide immigration advice (Operation Key). Disgruntled customers took matters into their own hands against a building work company that took deposits but failed to carry out the work. They had the company wound up in the High Court (Operation Dragon). In a letting agency fraud, the perpetrator made full restitution (Operation Fulmar).

Operation Albacore was a very large and complex cases relating to fraudulent drainage businesses. The main trial was successfully concluded but we are unable to report anything further due to reporting restrictions imposed by the Court due to ongoing court proceedings linked to one of the nine defendants. It is anticipated that the final POCA actions in respect of the last defendant should be heard late July 2019.

The Teams faced several challenges during the year. Other agencies’ failure to take timely action led to some cases not reaching a satisfactory conclusion. This was often because the other agency decided not to pursue the defendants, but the time taken to decide this meant that time limits for Consumer Protection offences had expired. In other cases, the increasing length of time it takes to get a court trial date causes difficulties. It sometimes means that many elderly witnesses die or become too frail to give evidence.

Lack of access to the Digital Courts System is becoming particularly problematic. Local authorities do not have access to the Digital Courts System. Consequently, they cannot provide electronic case bundles to courts or the defence. Providing paper court bundles is inefficient and unnecessarily costly. Barristers have advised NTS that Judges want information presented in the simplest way to process and deal with cases, i.e. via electronic systems/bundles. Whilst HM Courts Service have advised that failure to do this will not have an adverse impact on judgements, experience suggests that cases not presented electronically are not be well received and could be regarded as out of date or poorly prepared and managed. This is an argument forcefully put forward by many defence lawyers when attempting to have prosecutions thrown out. NTS has written to HM Court Service on this subject but they have advised that there is no set time for the rollout of the system to local authorities.

Recent cases taken on include: misselling of alarms; property and lettings scams; large scale sale of counterfeit and unsafe goods on the internet; counterfeit motor vehicle spares; a renewable energy scam affecting many elderly and vulnerable persons; a rogue trader and an investigation into an emergency services call centre that is generating 100s of complaints annually, concerning the supply and tasking of emergency callout tradesmen.

6.3 Completed Cases

Listed below are three cases that concluded towards the end of this year along with a selection of other cases from this year.

Operation Augsberg

Outcome: 3 guilty pleas – 1 suspended sentence and 2 community penalties including a rehabilitation activity requirement, compensation, costs and victim surcharges

Financial value of complaints in this investigation £350,000

The Team supported LB Enfield's investigation into a large scale car clocking operation. Cars, advertised on Autotrader and Gumtree, were sold from private addresses and local streets. Purchasers later discovered the mileages were altered and received forged service history books and MOTs. Enquiries at a large car auction identified a trading account linked to three suspects who bought over 900 vehicles. Information suggested that 30% of them might be clocked.

In October 2018, the defendants pleaded guilty. Martin Stokes received 21 months' imprisonment, suspended for two years. He was ordered to pay £62,550 compensation to victims, a contribution of £20,000 in costs to the prosecution and to pay a victim surcharge of £140 for fraudulent trading offences.

Patrick Stokes and David Boyle received a 12-month community order with 200 hours unpaid work each for Fraud Act offences. Stokes was also ordered to a 20-day Rehabilitation Activity Requirement. Both have to contribute £1,000 to the costs of prosecution and to pay victim surcharges of £85.

Operation Comet

Outcome: 3 guilty verdicts with imprisonment and company directorship bans

Financial value of complaints in this investigation £105,000

From October 2015, the Team supported LB Islington with a major property letting investigation that also affected surrounding London Boroughs. Between 2014 and 2016, using the trade name "Crestons", the defendants failed to refund deposits to private

tenants at the end of their tenancies, failed to pass on rent to landlords and failed to put tenants' deposits in an approved protection scheme.

A five-week trial took place at Blackfriars Crown Court. The court heard testimony from more than 30 witnesses. The defendants left at least 19 victims around £105,000 out of pocket. In January 2019, the defendants were convicted of carrying on business for a fraudulent purpose and sentenced to 28 months imprisonment. They were also all disqualified from acting as a director of a company for 8 years.

Operation Coffee

Outcome: 2 guilty verdicts with 1 imprisonment, 1 suspended sentence and 2 company directorship bans

Financial value of complaints in this investigation £105,000

Sentencing in this case that related to a timeshare scam took place in March 2019. HHJ Creed described the Eze sales process as 'aggressive, oppressive and highly manipulative' and made reference to 'bullied and frightened customers'. He also spoke about Eze and the O'Reillys making 'considerable efforts to circumvent regulations designed to protect consumers and commented that there were many victims over and above those on the indictment.

The proceedings against Eze Europe Ltd were stayed as the company had been closed down by the defendants. Dominic O'Reilly was sentenced to a total of 28 months' imprisonment and was banned from being a company director for 9 years. Stephanie O'Reilly was sentenced to a total of 18 months, suspended for 2 years. She was banned from being a company director for 6 years.

Operation Resolution 2

Result: An absconded defendant was finally sentenced and banned from being a company director

Detriment: £35 million (at original trial in 2013)

The fifth man involved in a land banking scam where victims were conned out of over £35 million is the final defendant to be sentenced in this case having fled the country before the original trial took place in March 2013. James Maynard, and four others, conspired to defraud investors. The first four defendants were sentenced to a total of 26 years and 10 months in prison when found guilty of conspiracy to defraud by duping customers into buying plots of land which they claimed would shoot up in value once planning permission for development had been secured. In reality, the plots of land were worth much less than investors had been led to believe and in some cases nothing. Land was divided into plots worth just under £400, but sold for around £10,000 each. Over 400 investors were duped.

Maynard absconded to Northern Cyprus before interview. He was arrested in August 2018 whilst trying to leave the UK. He pleaded guilty and was sentenced to seven and a half years in prison and banned from being a company director for 15 years.

The Team supported the original LB Tower Hamlets' prosecution. Their help was sought by the Financial Conduct Authority to return identified assets of £3 million to victims from the original case.

Operation Hickory

Outcome: 1 suspended sentence with community penalties

Detriment: £64,000.00.

The Team supported West Sussex Trading Standards. They gathered complaints linked to over 800 identified vehicles. The owners used various "Meet & Greet Car Parking Services" in the Gatwick area. The company's website contained cheap, short-term offers that pushed customers to book quickly and had false testimonies from customers. The majority of vehicles were parked on the street or in open fields. Vehicle owners returned to find their cars in a filthy condition and sometimes damaged.

Ms Shagufta Khan, 42, from Crawley, the director of Best Meet and Greet Ltd, admitted engaging in unfair and misleading commercial practices. She was sentenced to eight months imprisonment, suspended for 12 months at Hove Crown Court. She was also ordered to carry out 50 hours of community service.

Operation Slick

Outcome: 1 prison sentence 5 years 6 months

Financial value: £1,011,642.69

The case was tasked to the Investigation Team following an initial investigation by Powys. It concerns a rogue tarmac firm that preyed on elderly, vulnerable consumers and carried out poor quality work. As mentioned above, Anthony Rees, an investigator from the Team, received a Judges commendation for his work on this case.

Allan John Coutts traded under several names in a deliberate attempt to avoid detection. He used a lorry designed to resemble an 'official' vehicle, like the Highways Agency. He charged between £500 to £7,000, usually taking cash. Some customers were taken to local banks to withdraw money. The investigation found £600,000 cash and card payments in just over a year.

One victim, a 71 year old retired GP from Powys, paid Coutts £2,000 to resurface the drive to his house. He said: *"The first really big storm we had after the work was completed it just washed away. Rainwater was running down my drive and it washed a whole river*

through the middle of the gravel. It lasted just weeks and then I started clearing away everything he'd laid. I felt stupid to be taken in by what was a fairly transparent operation. I couldn't believe the scale of the operation. I thought maybe I was one of half a dozen people in Powys, but this was nationwide."

He was found guilty of breaches of the Fraud Act 2006 and sentenced to 5 years 6 months in prison.

Operation Cassock

Outcome: 2 guilty verdicts with imprisonment. Financial value of fraud £1.5m, subject to POCA proceedings. Three victims.

The Premier League and the Federation Against Copyright Theft instigated this investigation. The local GAIN and Regional Investigation Team provided support. John Dodds and Jason Richards sold hundreds of devices that enabled their customers to view Premier League football via unauthorised access to channels, thus defrauding the Premier League, Sky and BT. Many devices did not work properly.

Dodds has a previous conviction for threatening a Sky employee. Both attempted to conceal evidence in his deep freezer. This led to a further conviction for attempting to pervert the course of justice. They were found guilty of conspiracy to defraud and each was sentenced to 4½ years. Their criminal activity led to the pair earning at least £1.5m through the sale of the devices and other equipment. This will be subject to confiscation proceedings.

Operation Javelin

Outcome: 1 guilty verdict; given suspended sentence and costs £75,000. General Criminal Benefit as Determined by the Court (POCA) £3,000,000. Up to 50,000 victims.

The Team supported West Berkshire Trading Standards with this large copycat website case. Consumers applied for new or amended driving licences and often paid £95 for each service believing that this was an official DVLA site. Michael Freeman had paid to have his website appear high on any Google search results for renewal of driving licences, and used similar colours to the DVLA.

After many delays due to his ill health and Court issues, the trial was held in June 2018. He pleaded guilty to unfair trading practices. The Judge described him as "*a sophisticated, persistent offending carried out over a long period of time ... a significant enterprise affecting over 50,000 potential victims with a turnover of over £3,000,000*". Having taken into account Mr Freeman's health and personal matters, he received a 9 months' sentence suspended for 2 years.

Operation Ventura

Outcome: 7 guilty pleas: 4 imprisonment and 3 suspended sentences. General Criminal Benefit as Determined by the Court (POCA): £18,000,000. 250 victims.

Seven people from a Peterborough-based firm were sentenced after their business carried out aggressive selling to vulnerable, elderly customers. Life Comfort Products Limited was also found guilty. This followed an 18-month investigation by Cambridgeshire and Peterborough Trading Standards with support from the Team.

The case concerned the sales of orthopaedic beds and chairs. It covered a wide range of offending, including misleading statements and actions, and aggressive commercial practices. Many victims were elderly and/or vulnerable. Over 250 complaints were received by Citizens Advice.

The following sentences handed down by the Judge:

- Company Directors, Geoffrey Bernard Turner and Jacqueline Turner were sentenced to 12 months and 9 months respectively.
- Sales manager, David Turner, received a 9 months sentence.
- Marketing manager, Tim Clark, received 6 months.
- Sales demonstrators: Joel Henry, received 2 months suspended, 20 days rehabilitation activity, 200 hours unpaid work and £2500 costs; Ben Donohoe was sentenced to 4 months, 20 days rehabilitation activity, 200 hours unpaid work, £1000 costs/compensation; and David Perrow was sentenced to 2 months suspended , 20 days rehabilitation activity and £500 compensation.

Operation Swordfish.

Outcome: 1 prison sentence with a company director ban of 10 years, and 1 conditional discharge. Financial value of complaints that were the subject of the investigation: £820,000. 250 victims.

Francis Madden was operating a bogus holiday club business. 400 victims averaged a loss of £2050 each. The initial payment was made after the victims attended a presentation where they were sold membership to a holiday club. Claims made about the benefits/facilities of the club were misleading. All it amounted to was access to a website and the ability to book accommodation. The trial commenced in April 2018. After two weeks, Madden and Garland pleaded guilty. Charges against other defendants were dropped. Madden received a 40 months' prison sentence for three counts of fraudulent trading and one breach of a suspended prison sentence. He was also disqualified from being the director of a company for 10 years. Garland received a 12 months' conditional discharge for two counts of breaching cancellation regulations.

6.5 Press

The Teams' cases garnered a lot of media interest during the year. Operation Slick featured in the Daily Mail, and the Daily Mirror's *Penman Investigates* section. The case featured in a BBC series called "*Defenders*" and on "*Ill-gotten Gain Gains*". Another Team was accompanied by a film crew on the warrants for Operation Beorma; footage to be used in "Raids" in 2019.

6.6 Proceeds of Crime Actions

Operation Field

This trial was concluded in 2017/18 and related to a 'computer repair businesses'. In February 2019 but agreement was reached that the defendants would pay a total of £100,000 comprising £10,000 compensation, £20,000 costs and £70,000 POCA.

Operation Angel/Angel2

This historic case relating to a large scale kitchen fraud was initially tasked in October 2012. The final (of many) confiscation hearing was held at Manchester Crown Court early in 2019. Confiscation awards were made against the three defendants

- Anthony Eddlestone £1,573.71
- Stephen Ford £59,324.01 (including £5,310 compensation) and
- Kelly Dobson £64,346.36

It took 6 years 4 months to reach a conclusion. In summary:

- 8 months of trials at Manchester Crown Court: Angel 1 (5 months) and Angel 2 (8 weeks) and numerous POCA hearings.
- 9 people were convicted and imprisoned for their involvement in the kitchen businesses operating from Maple Mill in Oldham.
- Consumer detriment (collated from CITA complaints in the indictment period) was £2.6m and this figure was replicated in determining the criminal benefit for POCA Confiscation Awards.
- Vance Miller absconded and fled abroad but the Team were able to pursue him using S.28 of POCA (which is believed to be a 'first').
- Restraint Orders were used extensively, and varied, to sell assets such as a yacht, beach hut, personalised number plates and the steel from the Maple Mill fire.
- Through managing restraint orders and realising assets consumers were paid out over £220K in compensation awards (most of this came from sales of the steel from Maple Mill).

Regional Investigations Team Management Data

| General Outcomes | Apr-Jun 2018 | Jul-Sep 2018 | Oct-Dec 2018 | Jan-Mar 2019 | Total |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------|------------------------------------------|---------------------------------------------|----------------|
| Operations commenced | 8 | 11 | 7 | 10 | 36 |
| Operations concluded | 10 | 4 | 11 | 8 | 33 |
| Operations concluded where Teams assisted another Agency | 8 | 3 | 4 | 4 | 19 |
| Successful prosecutions | 5 | 4 | 3 | 4 | 16 |
| Victims | 50,776 | 2,090 | 1,119 | 1,469 | 55,454 |
| Consumer and business detriment avoided through the Investigations Teams' intervention in the above operations (percentage of the contribution by Team x value of intervention) includes Retail value of seized goods and Financial Value of Complaints that were the subject of investigation | £4,790,270.00 | £1,565,132.02 | £9,139,852.50 | £493,936.00 | £15,989,190.52 |
| Number of defendants convicted (imprisonment, suspended sentence, fines, community penalties) | 12 | 6 | *12 | 13 | 43 |
| Total fines imposed | 0 | 0 | 0 | 0 | 0 |
| Total custodial sentences imposed | 8 (16yrs 3m) | 2 (10yrs 9m) | 3 (10yrs 10m) | 3 (9yrs 4m) | 16 |
| Total suspended sentences imposed | 4 (17m) | 4 (48m) | 9 (91m/7yrs 7m) | 2 (3yrs 3m) | 19 |
| Community service penalties Rehabilitation activity requirement | 4 3 (x 20 days) | 4 (650 hrs) 1 (x 20 days) | 9 (1250 hrs/52 days) | 2 (400 hrs/16 days 16 hrs) 1 (x 20 days) | 24 |
| Other penalties Written warnings Simple cautions Company director bans Curfews Forfeiture & destruction orders Conditional discharge CRASBO Counselling sessions | 4 1 4 | 1 1 | 1 1 (x 19 sessions) | 5 | 18 |
| Compensation awards to victims (*to be paid from POCA confiscation) | £3,152.00 | 0 | £361,611.00 | £67,860.00 | £437,933.00 |
| Court costs awarded | 0 | 0 | £1,000.00 | £22,000.00 | |
| Enterprise Act Undertakings | 0 | 0 | 0 | 0 | 0 |
| Enterprise Act Orders | 0 | 0 | 0 | 0 | 0 |
| POCA Confiscation awards (*Imprisonment in default) | £29,395.00 | 0 | £1.00 | £125,244.08 (*12 months) | £154,460.08 |
| Publicity (includes press releases issued, TV, Radio, Article Local news items) | Press releases | TV crew shadowed a raid + press articles | TV crew shadowed a raid + press articles | | |

Table 7 - National Trading Standards Investigations Teams' Management Data
***the sentencing Judge has put reporting restrictions in place**

Chapter 7 - National Trading Standards eCrime Team

7.1 Background

The Board commissions the NTS eCrime Team (Digital Evidence Unit and associated investigations) via the Yorkshire and Humber Trading Standards Group.

7.2 Overview

The Team currently has 12 live investigations. One is awaiting Counsel's charging advice, five are under investigation and five are awaiting trial: Operation Lily is listed for hearing in early 2019-20. A POCA confiscation hearing for Operation Dougal is also due.

The Team's expertise is clearly recognised by other agencies. Both the National Fraud Intelligence Bureau and the Metropolitan Police have referred cases to the Team this year. These concerned an on-line computer servicing fraud network controlled from Delhi, India and a recruitment agency scam, respectively.

The Team deployed disruptive tactics to take down web sites and remove other online content and is developing these strategies to use against traders operating off-line.

Operation Jasper was reviewed and formally joined with a broader strategy delivered by the Illicit Trade Group for England and Wales, allowing greater resource and reach to tackle wholesalers and distributors higher up the international supply chain. The Team feeds into Operation Aphrodite, a Europol-led operation based on the Operation Jasper model, and co-ordinates work to tackle the supply of counterfeit and other illicit goods on social media platforms.

The 'Real Deal' Online was launched last summer at the CTSI Symposium with a national roll-out of the toolkit and other materials. Within two weeks, 60 local authorities signed up to take part.

7.4 Training for Local Authorities

The Team delivered ten regional training events: “How to spot a scam website”, following on from the copycat trials. Over 150 officers received training. Several sessions were filmed for availability on the e-learning platform. Electronic copies of the learning materials were made available.

The eCrime training modules are now available via the Trading Standards South West platform.

The Team, jointly with CTSI, has been developing a seminar and workshop on the subject of “Tackling criminality on online intermediaries”. The aim is to bring together stakeholders from across the regulatory and enforcement landscape with an interest in both online platforms and those that exploit the platforms to commit criminal activity. The day will start with a seminar outlining the current landscape, relevant legislation, good practice and areas for improvement. The afternoon will be a workshop aimed at identifying opportunities for improving the enforcement response and better protecting UK consumers.

7.5 Other work

Discussions continue with various external agencies and partners to promote the Team’s work and discuss joint working opportunities. Some recent developments include:

EU e-Enforcement Expert Group and Europol

Work continues to develop intelligence to support a Europol-led operation to tackle online subscription traps. The Team is working alongside the CMA as the UK representatives. The NTS Intelligence Team has supported this work by producing an intelligence profile that has identified a number of opportunities. All intelligence submitted by EU member states will be collated and assessed by Europol, to identify potential enforcement opportunities later in 2019/20.

Citizens Advice

Following a civil case taken against Facebook by Martin Lewis (‘Money Saving Expert’), Citizens Advice have been awarded funding to develop an online ‘scams’ reporting service. The Team has attended meetings and discussions with Citizens Advice aimed at influencing and shaping the design of the service ahead of its launch.

Competition and Markets Authority and secondary ticketing

Work continues alongside the Competition and Markets Authority in tackling the online resale of event tickets. See below.

7.6 Ongoing Investigations

Operations Eiffel, Treacle and Zebedee

These three investigations concern the large-scale acquisition and supply of tickets for major sporting, music and cultural events. Tickets are acquired from primary ticketing sites and other sources are offered for sale on various secondary ticketing platforms.

Maximum £5000 fines for each of two breaches under the Consumer Rights Act were paid. In the other cases, appeals were dealt with at a hearing in the General Regulatory Chamber. A ruling is expected from the judge early in 2019-20.

Operation Lottie

An investigation referred by the Metropolitan Police Falcon unit concerning a suspected online recruitment fraud. Jobs advertised online offer the opportunity to work in recruitment. Complaints analysis suggests applicants are then required to pay up-front fees. The 'jobs' are either non-existent or act as an agent to recruit more fee-paying applicants. The Team is currently assessing the material handed over by the Metropolitan Police.

Operation Gilbert

An investigation into an alleged fraud connected with several model agencies and photography studios. Consumers are initially attracted by a Facebook advert offering a "free" photoshoot to see if they are suitable candidates for modelling work. On completion of the photoshoot, almost all consumers are then told they could get work as a model but to sign up with the agency they need to pay for "copyright" on the photos that have just been taken. Consumers are then subjected to a high-pressure and aggressive sales process to persuade them to pay for the "free" photos. Prices paid for the photos vary from £300 up to £2,000 and very little (if any) modelling work materialises. This investigation has now been merged with Operation Air from the South West RIT which concerned a connected nominal. Decisions on charging should take place in the first part of 2019-20.

Operation Bella

This investigation relates to several online plumbing businesses. Consumers were attracted by Google Ads for 'local' plumbing businesses. They were subjected to extra charges because the contracted plumber was not local. The work was often of poor quality and/or unnecessary. Warrants have been executed.

Operation Lily

The case concerns a series of web sites offering various electrical goods for sale (TVs, digital cameras etc.). Complaints analysis suggests that consumers either did not receive the exact product they ordered or received no goods at all. Over 800 consumers were affected with an estimated loss of £500,000. The trial is ongoing.

Operation Sheba

The trial of six defendants involved in an online property letting scam is listed for July 2019.

Operations Eric and Dennis

Two similar investigations into the activities of web developers who are suspected of designing hundreds of web sites connected with alleged rogue property repair businesses. A common feature of the web sites appears to be the use of repeated stock imagery which is purportedly the actual work of the traders. There are also repeated use of the same customer testimonials across multiple web sites for different traders. Warrants have been executed and seized material is now being reviewed.

7.7 Closed case

Operation CINDY

This was the only case that completed its trial this year. A fraudster bullied customers who refused to pay his outrageous bills for arranging passport office appointments or other extra services with little or no value through his three websites. Consumers spent £1.6 million between December 2013 and August 2015. His aggressive action included issuing 800+ County Court cases leading to some consumers suffering impaired credit ratings. Evidence showed he knew many would pay to avoid defending dubious legal claims.

Richard Howard (who changed his name to George Orwell during the investigation) pleaded guilty at Leeds Crown Court to two specimen offences under the Consumer Protection from Unfair Trading Practices Regulations 2008 for misleading actions and aggressive practices. He was sentenced to 12 months' imprisonment, suspended for two years and ordered to undertake 200 hours of unpaid work. A Confiscation Order of £150,000 was made and he was ordered to pay £50,000 prosecution costs. Before sentencing, he gave an Undertaking to the Court and cancelled 600+ County Court Judgements and paid £1,807 compensation.

7.8 Digital Evidence Forensic Support

The Digital Evidence Unit supports national investigations and provided forensic support to local and Regional Investigation Teams' investigations this quarter. The Team has examined 44 PCs/laptops, 33 mobile phones and 48 other devices (iPads, memory sticks etc.).

Work continues in respect of the Unit achieving ISO 17025 accreditation. The Team expects to be in a position to submit their initial application to UKAS in Q1 of 2019/20.

7.9 Communications

The Team proactively develops its media presence. In particular, it has a continued upward trend in its social media presence:

- the Team issued 1,827 tweets, achieving over 1.2 million impressions (views) and the content was re-tweeted 1,300 times
- over 2,100 people 'favorited' the Team's tweets
- 1,500 links posted were clicked through to read that content
- the Team had 20,742 Twitter followers as at 31st March
- the Team's website continues to receive thousands of unique visitors, with over 25,571 page views this quarter

The Team were quoted or had content featured in 7 broadcasts, print and online media sources, including This Is Money and The Guardian. The Team was also featured in recent Podcasts produced by CTSI. The contributed to an internationally co-ordinated awareness campaign concerning fraudulent computer/technical support helplines. The campaign was led by the United States Department of Justice and was largely broadcast across English speaking nations as consumers from such countries are the primary targets of the fraud.

National Trading Standards eCrime Management Data

| General Outcomes | Apr-Jun 2018 | Jul-Sep 2018 | Oct-Dec 2018 | Jan-Mar 2019 | Total |
|---------------------------------------------------------------------------------------------------|--------------|------------------|--------------|--------------|-------------|
| Operations commenced in the quarter | 1 | 0 | 5 | 0 | 6 |
| Operations concluded in the quarter | 0 | 1 | 0 | 1 | 2 |
| Operations in the quarter where the eCrime Team gave assistance to another local authority/agency | 6 | 10 | 12 | 15 | 43 |
| Potential fraud uncovered | £0 | £1,600,000.00 | £3,930,000 | 0 | £5,530,000 |
| Enforcement Outcomes of eCrime Team Operations | | | | | |
| Defendants convicted/found in breach | 0 | 1 | 2 | 0 | 3 |
| Total fines imposed | 0 | 0 | £10,000 | 0 | £10,000 |
| Total custodial sentences imposed | 0 | 0 | 0 | 0 | 0 |
| Total suspended sentences imposed | 0 | 1 (12 months) | 0 | 0 | 1 |
| Community service penalties: Unpaid community work | 0 | 1 (200 hrs) | 0 | 0 | 1 |
| Other penalties: Director disqualifications Curfew | 0 | 0 | 0 | 0 | 0 |
| Disruptive activity/intervention | 0 | 0 | 0 | 0 | 0 |
| Compensation awarded to victims | 0 | £1,807.00 | 0 | 0 | £1,807.00 |
| Court costs awarded | 0 | £50,000.00 | 0 | 0 | £50,000.00 |
| POCA confiscation awards | 0 | £150,000.00 | 0 | 0 | £150,000.00 |

Table 8 – NTS e-Crime Team Management Data

Chapter 8 - National Trading Standards Safety at Ports and Borders

8.1 Background

For 2018/19 NTS has commissioned work at: Southampton, Felixstowe, Dover, Tilbury Docks and London Gateway; Heathrow, East Midlands, Manchester, Stansted and Birmingham airports, and the postal hubs at Coventry and Langley.

Intelligence and referrals were provided to all ports and borders except East Midlands by the NTS Single Point of Contact (SPoC) with the seconded Border Force Officer based at East Midlands Airport providing referrals from the Anti-Smuggling Net to Stansted and East Midlands Airports. Authorities also generate referrals via localised manifest checks and receive referrals from local Border Force colleagues.

In autumn 2018, the Office for Product Safety and Standards (OPSS) announced that they would take the provision of all safety intelligence in-house, including the SPoC and Border Force referrals outlined above. NTS has worked closely with OPSS colleagues to ensure a smooth transition for the intelligence functions and OPSS officers are invited to all Governance meetings.

The Board remains concerned about the longer term risks of the separation in accountability between intelligence and operations. NTS believes this work should continue to be commissioned from local authorities and is happy to continue to do this beyond April 2020. However if OPSS decide to commission this work directly then NTS will support any work to ensure a smooth transition.

OPSS provided NTS with some welcome additional funds for some of the Ports Teams for the last quarter of this year. NTS is as always grateful to all the inland authorities who so often make the vital link in the chain of custody for imported goods checked at the border. They assist in ensuring the goods do not re-enter the supply chain, and often then work with their business to try to ensure future compliance.

8.2 Overview

The work prevented over 600,000 unsafe and over 2.2 million non-compliant items entering the UK supply chain. The cost to society, had these items not been removed, is calculated to be over £92 million.

Over 3500 referrals were made and in over 50% of the cases some form of safety issue was identified.

In addition, using the wellbeing measures from the independent review that took place in 2014, it is estimated that this work ensured 2002 serious injuries were avoided, 1716 fires were prevented and six lives were saved³.

8.3 Inland pre-clearance site pilots

NTS jointly funded a pilot scheme with OPSS to see whether the market surveillance work of Trading Standards has synergies with work being undertaken by HM Revenue and Customs. This work has taken place at their inland pre-clearance sites at Hayes and Milton Keynes. A Trading Standards Officer from both Slough and Milton Keynes Councils were seconded to the Hayes and Milton Keynes inland pre-clearance sites from 1 January to 31 March 2019. The pilot has been very successful. It has produced tangible benefits as well as overall better cooperation and understanding from working closely with partner agencies. A report will be put to the Governors early in 2019-20.

8.4 Border Force Seconded Officer at East Midlands Airport

The extra funding, provided in December, was used to increase the examinations, going from three days per week to examining nine days out of ten. The money funded two additional staff to the Team for the extra days. However, there was a lengthy lead in time. It took almost two months to comply with strict training and document checks by the airport and carriers. 83 additional examinations were carried out. The extra funding also contributed to the test costs of additional samples and extra equipment.

As part of the agreed additional funding Leicestershire also started to receive referrals from the SPoC for a three month period.

There was a trend, early this year, for an increase in the numbers of 'squishes' which are toy foam imitations of objects or food often with a food fragrance. Generally, they do not have correct labelling, and a test laboratory reported that those resembling food fail the bite test and are attractive to children under 36 months.

Toy slime also hit the national news and a consignment imported through East Midlands Airport underwent laboratory testing for dangerous chemicals.

³ Calculated based on the methodology from the Matrix independent report 2014

Officers also reported that they felt that levels of unsafe counterfeit branded adapters reduced throughout the second quarter. This type of importer who knowingly imports fake goods, will typically revert to another port or (less likely) falsely describe the consignment. Working with UK Border Force, Leicestershire began trialling small scale random checks of consignments along with the larger scale targeted consignment checks.

8.5 Single Point of Contact (SPoC)

The SPoC Team visited the in-land pre-clearance site at Hayes and continues to work with Slough Trading Standards and HM Revenue and Customs to develop effective and coordinated controls.

Work is ongoing to ensure that data sharing protocols, data transfer, IT systems, software and processes are in place for when the move to OPSS takes place. The Team is also working very closely with OPSS officers on operational and related matters.

The implementation of the new Customs Declaration System is moving forwards more slowly than anticipated, partly due to European Union exit. Conversations and meetings with both HM Revenue and Customs and OPSS are continuing in order to ensure that the SPoC has the appropriate access and training etc.

8.6 Case Studies

During the year, all the Teams found a whole range of unsafe and non-compliant goods. Below are a few examples.

Electrical Products

In September, Thurrock Trading Standards sampled some Himalayan salt lamps. There were numerous concerns with the labelling. The importers were only able to supply partial documentation. Samples were tested and the level of resistance in the lamp's cable was found to be too high, meaning that the cable could overheat in the event of overload. The entire consignment of 1656 salt lamps was subsequently destroyed by the importer.

A consignment of flower lights were placed on a hold by Hampshire Trading Standards as they appeared similar to unsafe ones stopped previously. It is understood that the lights themselves are manufactured and tested in one country but the shades are added in another country and the final product is not tested. They failed the test as the petals ignited and did not self-extinguish. It was also found that as the bulbs were non-replaceable, should one bulb fail, the current would be increased to the remaining bulbs, potentially

increasing the likelihood that further bulbs in the product would fail. This chain reaction has the potential to continue causing remaining operable lights to heat up and ignite the petals. The goods were denied entry and subsequently destroyed.

A consignment was referred to Surrey Trading Standards at Heathrow Airport which contained a large number of electrical items. Five different electrical products were held, including a power/plug strip which had labelling non compliances. There was no name or tradename of the manufacturer or address shown or provided. There was no demonstration of compliance with the relevant British Standard. The power strip was sent for testing and failed in relation to labelling and also provision for earthing, electrical strength test and resistance of the plug, fuse and cable. There have been some difficulties identifying the actual owner of the goods, and as such they are currently still being held.

Southampton Trading Standards inspected a container destined for a fulfilment house having identified that it contained a significant number of high risk products. Having sampled from container one a further two similar containers were identified. Items included a desk top mincing machine, a melting furnace and a laser engraver. By way of example the laser engraver was supplied as a kit with no assembly instructions, useage instructions or manufacturers details. It was also identified as containing a Class 3B laser. General construction standards of the electrical components were determined to be poor with insufficient creepage clearances, insecure connections and unverifiable plug, fuse and mains cable. Safety goggles were supplied but were not marked as being suitable for the frequency of the laser. The laser itself could be operated without a suitable cover to protect from misuse, accidental or otherwise, of the projected laser. 19 products from container one were examined with approximately 50% being unsafe and 50% being non-compliant. The consignee has agreed to destroy all products identified as non-compliant or unsafe.

Essex Trading Standards at Stanstead Airport carried out a routine examination of a consignment of hairdryers. The hairdryers were found to be very good copies of the Dyson supersonic hairdryer, a premium product which in its genuine form retails for around £300. Dyson's UK head office for confirmed that they were counterfeit. The importer could not produce the required technical conformity files so the products were refused entry and will be destroyed. The importer was a home-based e-commerce trader who claimed he believed the hairdryers were non-branded and that he was misled by the seller.

Four e-cigarette products were identified for examination by Hillingdon Trading Standards at Heathrow Airport. They were imported by a major and well known supplier of e-cigarettes devices. The devices looked good quality and the company supplied certifications for the products so the consignment was released. However, two were submitted for testing and failed the battery charging cut off test, which means there is a possibility the battery could overheat and catch alight if charged for an extended period. The importer has been notified of the fail results and they have quarantined the products

while they conduct further testing. The decision to submit this product for test even though it looked well-made and the supplier provided satisfactory safety documentation highlights the need to test samples, even if they seem a safe product.

A consignment of 450 LED ring lights was referred to Suffolk Trading Standards. The importer was based in the Far East using a UK VAT address and the goods were being delivered to an online selling platform. Problems were immediately identified with the plug which was not correctly marked with required markings. There were also concerns about its construction as the periphery of the plug was too close to the pins. The product was assessed as unsafe, due to the plug which was believed to be counterfeit, and the construction of the plug posing a risk of electrical shock to users of the product. The importer took the decision to destroy the goods. The Team inspected a further five consignments of identical and similar items.

A consignment of 20 international travel adaptors were detained by Warwickshire Trading Standards at the Coventry Postal Hub. They failed the relevant safety tests due to access to live parts, the plug not meeting the dimensional requirements, having no fuse link and numerous labelling issues.

Hillingdon Trading Standards examining goods through Heathrow found some unusual electrical items. There were no details on the box as to what it was and inside the box it looked a little like a food mixer. It was very poorly constructed. On further examination it became apparent that the items were electrical adult toys. There were no test certificates or importer details provided so the items were destroyed. Hillingdon continued to work with the on-line retailer with a view to removing other similar items from the market.

Mixed Consignments

A mixed consignment was referred to Surrey Trading Standards at Heathrow. Amongst the items found was a children's motorcycle safety belt. Documents were provided showing the safety belt had been tested to the toy standard. This is not acceptable because the products are personal protective equipment not toys. The importer was advised accordingly. No further documentation was received, and as such the items were refused entry and subsequently destroyed.

Suffolk Trading Standards received a referral of low-value mixed goods. The company was only incorporated in January 2019 and was not known to Trading Standards. Officers detained 28 strollers of nine different types, 96 dolls, 300 plush bears and six baby swings/moses baskets. Most of the strollers were labelled only in Chinese, the baby swing chairs had two-pin plugs and the plush bears had small parts which were easily removed. The importer could only provide relevant safety documentation for one type of baby

stroller. The importer was advised that responsibility for demonstrating the safety of items remained with them. With no documentation available for any of the goods, the importer took the decision to destroy all the items detained.

An importer based in Derby attempted to import a range of baby products into Tilbury. This included play tents, swimming aids, baby bouncers, play mats and mobiles. Samples were taken by Thurrock Trading Standards and submitted for testing. There were major failings with the labelling of all the items. Given the lack of traceability markings none of the documentation could be tied to the products therefore the importer could not evidence their safety. In addition the swimming aids were found to pose a risk of drowning and the play mats posed an asphyxiation hazard. All of the toys were destroyed by the importer, leaving the importer with very few items left in the consignment.

Toys

In November, Hounslow Trading Standards inspected a consignment consisting of various fidget toys which had come through Heathrow. Officers were suspicious of the toys due to the lack of labelling and use of a potentially counterfeit CE mark. Small parts easily broke off and could easily fit into a truncated cylinder. There was no age restriction on the product so there were concerns about choking hazards. The importer was unable to provide test reports. All toys were seized and destroyed.

16 children's dolls were detained by Warwickshire Trading Standards at the Coventry Postal Hub. They were found to contain up to 42% phthalate. 420 times in excess of the maximum concentration allowed in toys and childcare articles. The toys were sent for destruction.

A large consignment of goods were inspected by Hampshire Trading Standards containing a wide range of toys. A number of these were found to be non-compliant and unsafe. One of the products was a toy doll, similar in design to Barbie dolls. The head of the product was found to have 270 times the permitted level of phthalates. At the outset of the enquiry a declaration of conformity and test report were requested. On receipt of the test report there was a suspicion from the photographs in the report that the tested product differed from the ones on hold. The consignee was sent an identifiable photograph of the products under inspection. Within a few hours a reissued test report was received that contained the photograph that had been taken by Hampshire Trading Standards. This reinforces that test reports received from consignees and agents must be scrutinised thoroughly.

Kent Trading Standards stopped a consignment of toys from Ukraine at Dover. The consignment consisted of plastic moulds in various designs with either play dough type material or magic sand. Some items were not CE marked, there was minimal and insufficient English information on the packaging and no instructions for use. There were

confusing age warnings on some products with no explanation in English. Some items were of poor quality with sharp burring to the edges of the moulds. In addition there were no batch or serial numbers on the products to provide traceability to the documentation and no details of the responsible person in the European Union. Non-conforming product notices were issued and 199 items were refused.

Essex Trading Standards working at Stansted stopped a consignment of plush pigs. They were found to be non-compliant with EU safety rules. The toys, themed to celebrate Chinese year of the pig, had no labelling at all including no CE-mark or name and address providing traceability to the importer. The 174 toy pigs were refused entry to the European Union, pending production of conformity assessment documentation. However, writing to the importer elicited no response and consequently the pigs will be destroyed

A Lancashire based importer imported a consignment of different sized plush animals into Tilbury. Samples were taken by Thurrock Trading Standards. The seams were already split with the filling showing. Products bore the name of the importer but no address or manufacturer details. When the importer provided copies of the technical documentation additional concerns were raised. The test reports had missing pages and the declaration of conformities had missing information and were post-dated after the request. Samples were sent for testing. In addition to the issues with the seams, the same plush toys subsequently failed on small parts due to the eyes detaching. Some of the other toys had packaging that was too thin posing an asphyxiation hazard. In agreement with the home authority some of the toys were released for re-work and relabelling and the warehouse upon delivery. The toys failing on small parts were destroyed.

Cosmetics

1092 teeth whitening strips were detained by Warwickshire Trading Standards at the Coventry Postal Hub and tested for hydrogen peroxide. They were found to contain 12.5% of released peroxide which is 125 times that permitted for sale to the general public and over double that permitted for dental practitioners. The goods were seized and destroyed.

Hillingdon Trading Standards at Heathrow Airport have been targeting a shipping agent who exports both personal and commercial goods to the UK for customers in Nigeria. The shipping documents list the goods as clothes and gift items for example; books, bags, sponges, hair attachments, shoes, wools, earrings and tailoring materials. The agent declares the products in a manner that means the goods were not initially identified by the SPoC profiling. Hillingdon asked the SPoC to profile in a different way which was done and during February and March, Hillingdon examined 17 consignments sent by this agent. Each consignment can contain between two to six tonnes of goods. In three months, Hillingdon detained over five tonnes of illegal cosmetics for destruction which includes skin lightening cosmetics containing hydroquinone, lead and mercury. The illegal cosmetics are

hidden among other goods inside the up to 1.75 x 1.75 metre sized, 500 kg carton making it difficult to detect the products. Often food stuffs and pungent foul smelling items are mixed with the shipments to deter officers from finding the illegal cosmetics. However officers persisted and found the goods for examination.

3,225 men's grooming cosmetics items described as cosmetics were imported into the UK via Tilbury and inspected by Havering Trading Standards. Items included shampoo, conditioners, Coltrane clay, toner, facial, pomade, soap and other cleansers, moisturisers and scrubs. The physical examination showed that there were no safety concerns but there were some labelling issues which the importer was asked to address to ensure the products were compliant. The trader agreed to undertake the reworks to address the labelling issues to ensure that the products were complaint.

Jewellery

An examination of a consignment of beard baubles stopped by Essex Trading Standards working at Stansted Airport resulted in the highest level of cadmium ever found by the Team. The antique silver effect beard bauble fashion jewellery, which can come into prolonged contact with the skin, was found on analysis to contain **85%** of the carcinogenic heavy metal. The legal limit for Cadmium in jewellery is 0.01%. The consignment was held pending analytical findings, and the 800 packets of beard baubles destroyed.

A consignment of jewellery at Birmingham Airport was referred to Solihull Trading Standards. On inspection, the jewellery was found to be in smart boxes labelled '925 sterling silver'. No hallmarks were evident, but the weight of the jewellery was not known. Three samples were removed for testing, including a unicorn bracelet. The three samples were satisfactory in terms of the described amount of silver. However, the unicorn bracelet contained excessive levels of lead and over 7000 times the permitted level of cadmium. The unicorn bracelets were seized.

Leicestershire Trading Standards working at East Midlands Airport took a higher number of samples than usual of jewellery in quarter four. Many of which failed. One product had over 800,000 times the permitted level of cadmium.

Others

Suffolk Trading Standards checked a consignment from an importer who had a history of importing non-compliant and unsafe toys. This consignment contained a wide variety of items such as kitchen utensils and reading glasses, and one product type identified as 'blankets'. On inspection they were confirmed to be 420 pieces of fire blankets. The goods were labelled in poor English and had no markings. Research suggested the goods were

not genuine and had the potential to actually catch fire themselves. Suffolk Fire and Rescue Service destroyed the fire blankets by burning them.

A number of gas ovens and burners were imported via Southampton and inspected by Southampton Trading Standards. There was no labelling, instructions or any other documents so it was difficult to identify the end use of these very poorly constructed appliances but it was assumed that they would be connected to a gas supply. There was no inbuilt source of ignition but from a visual inspection the copper pipes within the oven were designed to act as the burners as there were multiple holes drilled along the length of each pipe. Further, the oven was nailed together, many of the edges were sharp and seemingly unfinished with sharp burrs left exposed. There appeared to be some form of gas rings but they were unlabelled and also poorly constructed. Sourced from Lebanon there were only 12 units but the extreme risks were immediately apparent and in this instance the London based importer agreed for all items to be destroyed.

Kent Trading Standards stopped a large consignment of children's clothing from China at Dover. There were loose beads and cotton-wool type trimmings on the garments as well as pull cords and drawstrings. No documentation was provided to show compliance with the general product safety legislation. Non-conforming product notices were issued preventing entry into the EU. The total number of items refused entry was 67,080 equating to approximately £30,000.

Hounslow Trading Standards inspected a consignment at Heathrow Airport containing various carbon monoxide alarms. All the alarms included reference to the relevant British Standard along with a CE mark on either the packaging or products themselves. Officers became suspicious when a member of the Team recognised one of the brand names which had previously appeared in a 2018 Which? article on dangerous carbon monoxide alarms. Officers spoke with the importer who seemed unaware of the legal requirements regarding these products. This coupled with the lack of any supporting documentation led officers to a forfeiture of all 242 Carbon Monoxide alarms with a view to destruction.

Leicestershire Trading Standards working at East Midlands Airport examined a consignment which was described as 'plastic mould'. It was examined in case it was either toys or plastic kitchenware which isn't allowed entry into the UK through East Midlands Airport. On examination it turned out to be benzocaine, a cutting agent for illegal drugs. This was handed over to UK Border Force and their enquiries are ongoing.

A consignment of 72 replica full size Chucky dolls were examined by Manchester Trading Standards at Manchester Airport. At a price tag of £440 per doll and from the description on the company's website they were considered to be collectors' models rather than toys. They are advertised on the trader's website as not being suitable for persons aged under 16 but the labelling on the product itself needed to be clearer. They were released with

advice to make the labelling clearer and the local authority where the trader is based was informed.

Solihull Trading Standards were referred a consignment of cosmetics entering Birmingham Airport. An inspection of the consignment revealed an importation of 8,640 jars of aboniki balm. Closer inspection of the product revealed that it claimed to provide 'relief of aches and pains, rheumatism, cold, catarrh, sprain and dislocation'. Medicinal claims are the remit of the Medicines and Healthcare Products Regulatory Agency who advised that the product did not have the marketing authorisation required for a medicinal product to be sold. It was therefore deemed to be an illegal medicine and was seized by the Medicines and Healthcare Products Regulatory Agency which seized the goods.

A parcel containing 200 unlabelled jars of powder was detained by Warwickshire Trading Standards at the Coventry Postal Hub. The importer was contacted via the telephone number on the parcel to identify the contents of the jars. The person who answered the phone indicated that he was in Norfolk and was in the motor trade so if they weren't car parts they were nothing to do with him. The Suffolk address on the parcel was written to and the occupants of the address stated that they had not imported the items and had no knowledge of them or of the contents. The exporter used an address of a Car Park in Hong Kong. The powders will be destroyed.

National Trading Standards Safety at Ports Management Data

| Quantities Taken out of Supply Chain | Number Apr-Jun 18 | Monetary ⁴ Value Apr-Jun 18 | Number Jul-Sep 18 | Monetary Value Jul-Sep 18 | Number Oct-Dec 18 | Monetary Value Oct-Dec 18 | Number Jan-Mar 19 | Monetary Value Jan-Mar 19 | Total Number | Total Monetary Value |
|----------------------------------------------------------------|----------------------|----------------------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|-----------------|----------------------------|
| Unsafe Items Taken out of Supply Chain ⁵ | 147,427 | £4,784,006 | 181,341 | £5,884,515 | 122,854 | £3,986,612 | 181,991 | £5,905,608 | 633,613 | £20,560,741 |
| Non-compliant items ⁶ Taken out of Supply Chain | 879,824 | £28,550,289 | 395,176 | £12,823,461 | 535,843 | £17,388,105 | 414,638 | £13,455,003 | 2,225,481 | £72,216,858 |
| Total Unsafe and Non-compliant Items Taken out of Supply Chain | 1,027,251 | £33,334,295 | 576,517 | £18,707,976 | 658,697 | £21,374,718 | 596,629 | £19,360,611 | 2,859,094 | £92,777,600 |

Table 9 - Quantities Taken Out of Supply Chain via NTS Ports and Borders Work

| Results of all referrals | | | | | |
|------------------------------------------------|------------|------------|------------|------------|---------------|
| | Apr-Jun 18 | Jul-Sep 18 | Oct-Dec 18 | Jan-Mar 19 | Total 2018-19 |
| Total No of Referrals | 845 | 802 | 932 | 1065 | 3644 |
| Total Unsafe | 190; (22%) | 168; (21%) | 186; (20%) | 238; (22%) | 782; (21%) |
| Total Non-Compliant | 259; (31%) | 228; (28%) | 269; (29%) | 260; (24%) | 1016; (28%) |
| Total Referred to Another Non TS Agency | 16; (2%) | 3; (<1%) | 9; (1%) | 3; (<1%) | 31; (1%) |
| Total Pending | 43; (5%) | 50; (6%) | 44; (5%) | 26; (2%) | 163; (4%) |

Table 10 - Summary Table of Referrals Information

⁴ Monetary measure giving the overall value to society of preventing unsafe goods entering the supply chain based on the value per item of £30.80 plus Consumer Price Index. For 2018/19 this figure is £32.45 per item.

⁵ Detained/forfeited/returned to point of origin/voluntarily surrendered/re-worked/destroyed

⁶ Reworked/returned to point of origin/voluntarily surrendered/detained/forfeited/compliance notice issued

| BREAKDOWN OF REFERRALS ⁷ | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------------------------------|---------------------------------------------------------------|----|-----|---|---|----------------------------|-----|-----|----|---|--------------------------------|---|-----|----|---|-----------------------------|---|-----|---|---|
| U = unsafe, N/C = non compliant, P = Pending, R = referred on | | | | | | | | | | | | | | | | | | | | |
| SEA PORTS | | | | | | | | | | | | | | | | | | | | |
| Authority/ Border Point | Total UKBF Referrals | U | N/C | P | R | Total SPoC Referrals | U | N/C | P | R | Total Manifest Referrals | U | N/C | P | R | Total Other Referrals | U | N/C | P | R |
| Southampton /Southampton | 8 | 4 | 2 | | | 151 | 33 | 39 | 2 | | 57 | 3 | 17 | 1 | | 10 | | 3 | | |
| Hampshire/ Southampton ETSF | | | | | | 157 | 13 | 61 | 27 | | 86 | 4 | 26 | 17 | | | | | | |
| Kent/ Dover | 5 | | 4 | | | 76 | | 36 | 2 | | | | | | | 6 | | 6 | | |
| Thurrock/ Gateway, Tilbury, Purfleet ETSFs | 2 | 1 | 1 | | | 202 | 39 | 134 | | 3 | 22 | 3 | 8 | | | 1 | | 1 | | |
| Havering/ Tilbury ETSF | | | | | | 7 | | 6 | | 1 | 1 | | 1 | | | | | | | |
| Suffolk/ Felixstowe | 5 | 1 | 2 | 1 | | 436 | 111 | 141 | 49 | 5 | 2 | | 1 | 1 | | 3 | | 3 | | |
| AIRPORTS | | | | | | | | | | | | | | | | | | | | |
| Essex/ Stansted | 78 (74 EMA UKBF refs, 4 ad hoc local UKBF ref) | 26 | 26 | | 7 | | | | | | | | | | | | | | | |
| Surrey/ Heathrow | | | | | | 95 | 19 | 42 | 4 | | | | | | | | | | | |
| Slough/ Heathrow | | | | | | 27 | 9 | 1 | 2 | | | | | | | | | | | |

⁷Seaports-1 referral equals 1 entry number on SPoC return; Airports-1 referral equals 1 Airway Bill number; Postal Hubs-1 referral equals 1 parcel. If more than one method is used to generate a referral, identify total number then divide total by 2 or 3 depending on number of methods and complete each column accordingly

| | | | | | | | | | | | | | | | | | | | |
|----------------------------------|----------------------------------------------------------|-----|-----|----|----|-----|----|----|----|---|--|--|--|--|--|--|--|--|--|
| Hounslow/ Heathrow | 1 | 1 | | | | 95 | 31 | 20 | 1 | | | | | | | | | | |
| Hillingdon/ Heathrow | 3 | 3 | | | | 350 | 90 | 60 | 6 | | | | | | | | | | |
| Manchester/ Manchester | 4 (2 EMA UKBF refs, 2 ad hoc local UKBF ref) | 3 | 1 | | | 63 | 3 | 5 | 13 | | | | | | | | | | |
| Leicestershir e/ EMA | 1332 | 309 | 268 | 32 | 1 | 21 | | | | | | | | | | | | | |
| Solihull/ Birmingham | 2 (2 ad hoc local UKBF ref) | 1 | 1 | | | 20 | | 10 | 1 | 1 | | | | | | | | | |
| POSTAL HUBS | | | | | | | | | | | | | | | | | | | |
| Warwickshire /Coventry hub | 256 | 74 | 73 | | 13 | | | | | | | | | | | | | | |
| Slough/ Slough hub | 60 | 1 | 17 | 4 | | | | | | | | | | | | | | | |

Table 11 - Breakdown of Results of Referrals by Type and Location (Cumulative to most recent quarter)

Chapter 9 - National Trading Standards Scams Team

9.1 Background

Mass Marketing Fraud (scams) often target vulnerable or disadvantaged consumers. It causes approximately £5-10 billion of detriment to UK consumers per year. NTS commissions a Scams Team from Buckinghamshire and Surrey Trading Standards. The Team helps identify and make referrals about individual victims of mass marketing fraud, undertake disruptive activities to try to reduce the detriment and works nationally with partners on a range of programmes that relate to mass marketing fraud.

9.2 Overview

The NTS Scams Team estimates that, so far this year, for every £1 of funding received, it saved consumers £28.23⁸. The Team has identified 737 victims and saved consumers £13,574,763 this year through its disruption work and the savings made through local authority support.

The Team enters into data sharing agreements with local authorities. Capacity allowing, these local authorities commit to engaging with the victims in their areas. Out of 195 local authorities, 174 are signed up (89%) of which 142 are in England and Wales. Local authorities feed back to the Team at four-week intervals enabling measurement of the individual consumer's detriment and savings.

During the year the Team was been nominated for the Counter Frauds Awards. They also:

- Worked on their various initiatives and recruited a number of notable people to become SCAMBassadors including at least two MPs and an Assistant Chief Constable.
- Worked with local authorities to set up Against Scams Partnerships.

⁸ Calculated on £13,574,762.74 predicted and actual savings to consumers divided by the base grant budget of £480,000 = £28.27

- Attended several conferences to raise Friends Against Scams awareness including a “Week of Action” in Wales with a target of 50,000 Friends.
- Developed its key partnerships and had conversations about Friends with the Local Government Association, Royal College of Nursing, Independent Age and Stay Safe for Older People.

The Call Blocker work to fund TrueCall call blockers and tackle nuisance calls concluded. The £500,000 grant from the Department of Culture Media and Sport led to 1,513 call blockers being sent out with 85,219 (99%) of scam calls blocked.

There has been a reduction in the amount of scam mail being removed from the system, however this does not equate to a reduction in potential victim detriment. Where the Team used to use an average of £25 per victim scammed, recent seized mail shows most mailings now request payments of £40 and upwards. The return rate on these mailing campaigns ranges between 11% and 60%.

An emerging trend during the year was an increase in Clairvoyant Scam mail with over 30 different “Clairvoyant names” being used. They all request payment in cash with an average request for £35.00. An analysis of the mailings showed that nearly one-third come from the same criminal network and much of it was processed through a mail provider. Through the Team’s and Royal Mail’s intervention the mailings have now stopped entering the UK via the international hub.

Another trend this year has been subscription traps. To date the Team have identified in excess of 100 health and food supplement companies targeting UK consumers. The main issue being continuous payments and overpriced bulk supply of products to vulnerable consumers. This is now being considered for funding by NTG. Joint working has commenced internationally and assistance may be forthcoming from Europol. The Team have identified that numerous companies are linked and have call centres based in India. Victims identified have shown losses running into 10s of thousands of pounds.

9.3 Call Blocking Work

The grant from the Department of Culture Media and Sport to fund trueCall call blockers and tackle nuisance calls concluded at the end of March 2018. The project’s funding was £500,000 and the cost benefit amount is estimated to be 36:1⁹.

⁹ This calculation is based on the number of calls, average amount lost to a scam and proportion of those calls blocked.

NTS has approached DCMS to see if the project can be extended and we are hopeful of securing funds for 2019-2020.

- 1,513 call blockers have been sent out
- 85,219 (99%) of all scam calls blocked
- A 92% reduction in users who felt that they were at risk of being scammed over the telephone
- A 90% reduction in users who were receiving scam and nuisance calls
- An 85% reduction in users who felt helpless to stop scam and nuisance calls
- An 85% reduction in users who felt worried by scam and nuisance calls
- An 83% reduction in users who felt threatened or scared by calls
- 78% of users believe that the call blocker prevented them from being scammed
- A 75% reduction in users who felt worried about losing money in the future

9.4 Friends Against Scams (FAS)

FAS celebrated the first anniversary of the One Million Friends Against Scams campaign in partnership with NatWest in February. The Team celebrated the week by running a social media campaign, working with local Trading Standards and hosting events.

NTS welcomed the 200,000th Friend at the end of this year. There were 100,000 Friends at the same quarter last year, so has doubled the number of Friends in a year. FAS has been supported by high street banks, MPs, Get Safe Online and Citizens Advice during the year.

In January, the FAS Team were invited to spend a day at the Home Office to host an exhibit stand and talk to employees about the importance of Friends Against Scams and the work of the NTS Scams Team.

During the year, the Team has attended a whole range of conferences and provided training at partner meetings, utility companies, Neighbourhood Watch and others to promote the initiative.

A range of training materials have been developed, ready for final rollout in 2019-20. This includes the Accessible Friends Against Scams training to local authority Trading Standards to allow for feedback over three months, a new Friends Against Scams website and the Young Friends training package for schools and youth groups.

- Friends increased to 212,349 (since early 2018 this is an overall increase of 172,769).
- SCAMchampions increased to 1,256
- 7 SCAMBassadors increased to 193
- FAS organisations increased to 145
- Hits on the FAS website reached almost 14 million.
- Twitter followers rose to 3,063.
- The Facebook page now has 1,773 followers and the group has 608 members.

9.5 Home Office Joint Fraud Task Force

The Joint Fraud Taskforce has implemented a new structure with a smaller strategic Management Board. The Team leader represents NTS on this board. As part of this the Team will promote the vulnerability work stream. In particular the Team will:

- Support the Home Office and associated banking partners to develop a transparent measurable mechanism to help consumers make banking decisions, using regularly published comparable data.
- Develop counter fraud messaging for online and telephone banking channels as part of the banking interventions work.
- Lead the BSI Public Available Specification (PAS)17271 oversight group that encourages the financial sector to adopt this best practice.

In addition, the Team have been asked to support the disruptions work stream in partnership with the City of London Police.

9.6 Multi-Agency Frauds and Safeguarding Hub (MASH) Pilot

The MASH Pilot aims to establish a hub of expert investigators and intelligence officers to fight local fraud and give consistent support and advice to victims. NTS received £100,000 to support these pilots. The project has received a positive response from all partners.

The Team have presented an overview of the aims and progress of the pilots to Chief Officers in TS East Midlands and to Police colleagues at a City Of London Police Event: "Fraud: Identification of Victim Care Models".

Regular partners meetings are taking place and new processes are being trialled. These include improved, timely information sharing between agencies. This means victims will receive the right service and reduce duplication. Joint agency awareness events for victims are being rolled out in several formats.

The Team continues to liaise with City of London Police/Action Fraud/NFIB, HMICFRS and others to ensure that initiatives implemented in the pilots align with national projects and work streams.

9.7 Postal Operators

During the year the Team chaired the mail providers meetings. Monthly alerts are based on intelligence from the Royal Mail and the Team.

Royal Mail Work Time Listening and Learning training sessions took place throughout the year with 534 staff being trained. Altogether 6,341 postal workers have been made aware of scams. Since the Team's initial training in November 2016, Royal Mail has prevented 4.38 million items from reaching consumers. This equates to over £19.7 million saved for consumers (based on 18% of total mailings at £25 per item).

This year the Team delivered training to ONEPOST and the Guernsey Post.

9.8 Scam Marshals

A Scam Marshal is any UK resident targeted by a scam who wants to fight back and take a stand against scams. Scam Marshals share their experiences, help others to report and recognise scams, and send any scam mail that they receive to the NTS Scams Team. This mail is used as evidence in future investigative and enforcement work, and helps the Team discover how scam mail is entering the UK. The Team uses this information to work with partners to stop the mail entering the country. 80 more Scam Marshals were recruited, making a total of 363.

The Team visited a range of Trading Standards regions to promote the work as well as creating blogs for the Citizens Advice and Trust Mark websites.

A Well-being survey of scam marshals show the following

- 92% reported feeling happier.
- 86% felt that they have been prevented from being scammed.
- 97% now know how to spot a scam
- 94% know where to get help with scams.
- 78% feel safer in their own homes

9.9 Investigations work

The quantity of mail stopped continues to reduce. As previously reported, this does not necessarily lead to a reduction in potential victim detriment, criminals are being more selective and targeted in their mailings. Most mailings now request payments of £40 and upwards. The return rate on these mailing campaigns ranges between 11% and 60%.

Criminals are using different techniques to bypass the measures in place. Scam Marshals' mail has provided evidence that criminals disguise the mail, use hybrid mailers and do not bring the mail into the UK by post. For example, attempts are being made to send the scam mail through UK mailing companies for forwarding abroad.

The figures quoted in this document are based on a more intelligence based approach by the Team to ensure accuracy of numbers and amounts.

This year the Scams Team stopped 1,533,866 mailings. Some examples throughout the year have included:-

- A Scam Mail Alerts resulted in the identification of a new Canadian based mailer who was sending scam mail globally. Liaison with overseas authorities has led to the account being closed, plus additional action has been taken to stop inbound mail. 230,000 items were taken out of the system. Also a further 4 months mailings were also potentially stopped. Savings = £1,242,000.
- The Team received information from a mail provider approached by an Australian mailer to market lottery scam mailings into various EU countries. Following the Team's advice, the mailing opportunity was refused and an alert issued to other mail providers. The initial figure of 24,000 mailings per month were stopped. Estimated savings = £388,800.

- A mail provider's enquiry about prospective large bulk mailings led to the Team identifying a known criminal based in Switzerland. The six month contract was for 150,000 mailings per month delivered to the mailer by European freight. The contract was terminated. Savings over a 3 month period = £450,000.
- In October, a consignment of 52,000 mailings was detained and destroyed at a Heathrow consolidator's destined for UK victims. Other mailings destined for the UK and Europe were stopped by US authorities. Savings = £478,400. As a result of an evidence package containing numerous UK victims' statements, the Team's opinions on the mailings and assistance from the UK-based mailer, four warrants were executed and five arrests were made and \$124,000 in foreign currency and US\$116,000 was seized. Keys to five safety deposit boxes were seized too. These contained an, as yet, undisclosed amount of cash. The individuals concerned have upwards of US\$6 million restrained. Five handguns, one repeating shotgun and an AR15 fully automatic assault rifle with 1,500 rounds of ammunition were also seized.
- A mailing company was approached by a third party for pricing to send 20,000 mailings per month to the UK, EU, North America and Japan. The Team looked at the seed mail and they were in breach of UK legislation. Consequently, the mailing company declined the contract and refused any dealings with the third party and 20,000 mail items were stopped. Savings = £360,000.
- Following an approach from a UK based mailing company, the Team looked at samples. Working with US colleagues, the content of the mailings suggested entry into US Lotteries and was deemed to be in breach of US law. Advice was also given regarding money laundering. As a result, the mailing company are no longer handling this mail contract and 39,600 mail items were stopped. Savings = £1,267,200 per month.

9.10 International collaboration on investigative matters and mutual enforcement activity

The Team works, all through the year, with a whole range of overseas enforcement agencies to help disrupt, remove and where appropriate ensure enforcement action is taken against scam mailers.

The Team has been working with German State Police to convict a known criminal who is targeting the UK with scam mail and supplements. The individual and the companies are also involved in clairvoyant mailings. The closure and arrest will stop large quantities of mail coming into the UK.

The Team was recognised in a US Federal Trade Commission press release dated 7th March 2019. The scam appeared to target elderly people, who paid the defendants several times before realizing they had been scammed. The operators will be permanently banned from the prize promotion business also under the agreed settlement. The article said: *“The Federal Trade Commission appreciates assistance provided in this case by the UK National Trading Standards Scams Team... To facilitate co-operation with the UK National Trading Standards Scams Team, the FTC relied on key provisions of the U.S. Safe Web Act, which allows the FTC to share information with foreign counterparts to combat deceptive and unfair practices that cross national borders”*.

The Team has collaborated internationally and mailings destined for the UK were stopped in Singapore (savings £1,800,000), US (savings £225,000), Canada (savings £1,242,000), Switzerland (savings £2,025,000) and Belgium (savings £1,620,000). Mailings for the Irish Lottery (savings £311,535) and several small scale sweepstake mailing originating from Eastern Europe led to two PO Boxes being closed (savings £199,980). Two more PO Boxes, in Portugal, were closed and arrests made. The criminals targeted the UK and included several clairvoyant solicitations. The quantities of mail stopped and savings are unconfirmed.

In the Belgium case, the Team and the Garda Síochána, targeted Belgium-based accountants working with criminals. Their disruption tactics led to one of the worst scam companies in France to cease trading and withdraw from UK banking. They posted 120,000 mailings per month to UK consumers, now reduced to zero. As a result 3.7million Euros and three properties were restrained and further offences identified.

A mail provider's enquiry about prospective large bulk mailings led to the Team identifying a known criminal based in Switzerland. The six month contract was for 150,000 mailings per month delivered to the mailer by European freight. The contract was terminated.

A consignment of 52,000 mailings was detained and destroyed at a Heathrow consolidator's destined for UK victims. Other mailings destined for the UK and Europe were stopped by US authorities. Savings = £478,400. Help from the Team

led to the execution of four warrants and five arrests. Seizures amounted to \$124,000 in foreign currency and US\$116,000 and five safety deposit box keys. Upwards of US\$6 million was restrained. Five handguns, one repeating shotgun and an AR15 fully automatic assault rifle with 1,500 rounds of ammunition were also seized.

Several cases had links to the US and Canada. The Team identified a solicitation from a supposed religious charity that sought donations of a minimum of £25. The UK address and the mailing originated from the US. The suspects were previously investigated by Federal Authorities. Over 5,000 UK targeted mailings were stopped and destroyed. Savings = £22,500.

9.9 Lottery Mailings

Action has been taken against a foreign lottery. The Team worked with several partners to ensure this misleading mail does not reach UK consumers. As a result, the provider should not be launching any new campaigns targeting the UK. This particular provider accounts for over 70% of the lottery mailings to the UK. In light of the company withdrawing from the UK market, this is one of the most effective results achieved by the Team. By “following the money”, the Team discovered that the company held a Sterling account in a foreign country managed by a major UK bank. The bank was notified and have issued a Suspicious Activity Report. More subjects have been identified, and actions plans are being developed.

The Team is now clarifying legal issues with the Northern Territory Gambling Commission authorities and other lottery providers.

National Trading Standards Scams Team Management Data

| Aims | Outcomes | Performance Indicators | April – June 2018* | July – Sept 2018 | Oct – Dec 2018 | Jan – March 2019 | Totals for 2018-19 |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------|------------------|----------------|------------------|--------------------|
| INVESTIGATE criminal activity | Disrupt Mass Marketing Fraud | No. of organisations signed up to the Postal Code of Practice | 1 | 0 | 0 | 0 | 1 |
| | | No. of pieces of mail returned to sender/disrupted | 458,012 | 976,230 | 59,790 | 89,834 | 1,533,866 |
| | | No. of local authorities that have been supported with advice and guidance in relation to fraud, scams and investigations | 8 | 9 | 9 | 8 | 34 |
| | | | | | | | |
| IDENTIFY victims of scams | Identify the silent victim of scams & facilitate an intervention for them | No. of authorities/Trading Standards/organisations signed up with Service Level Agreements (SLAs) | 0 | 0 | 1 | 1 | 2 |
| INTERVENE & protect victims from further victimisation | | No. of fraud and scam victims identified | 943 | 615 | 473 | 737 | 2,768 |
| | | Amount of consumer intelligence received (victims lists, single victims) | 268 | 183 | 1,743 | 2,323 | 4,517 |
| | Consumer detriment – specifically: | | | | | | |
| | Estimated consumer detriment | £3,595,951.59 | £1,913,184.39 | £1,417,454.90 | £2,292,587.62 | £9,219,178.50 | |
| | Estimated consumer savings from interventions | £554,952.46 | £408,357.52 | £393,279.97 | 654,533.67 | £2,011,123.62 | |
| Actual savings to consumers | £13,915.28 | £18,456.82.00 | £17,646.00 | £29,851.84 | £1,907,095.12 | | |
| Other results of interventions including estimated consumer savings from disruption/enforcement ¹⁰ | £2,483,389.00 | £4,405,635.00 | £612,500.00 | £2,155,020.00 | £9,656,544.00 | | |
| Total savings | £3,052,256.74 | £4,832,449.34 | £1,023,426.00 | £2,839,405.51 | £13,574,762.74 | | |

¹⁰ This saving is calculated on mail that has not been able to enter the UK postal system and be delivered to victims and contracts that have been cancelled with suppliers

| Aims | Outcomes | Performance Indicators | April – June 2018* | July – Sept 2018 | Oct – Dec 2018 | Jan – March 2019 | Totals for 2018-19 |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------|------------------|----------------|------------------|--------------------|
| | | Percentage of consumers feeling safer in their own homes following an intervention | 77.80% | 74.95% | 82.1% | 76.7% | 78.3% |
| | | | | | | | |
| INFLUENCE people at local, regional & national levels to TAKE A STAND AGAINST SCAMS | Through effective partnership raise awareness & influence | No. of people recruited to the Friends Against Scams initiative | 61,291 | 27,016 | 30,544 | 53,918 | 172,769 |
| | | No. of organisations that are supporting the Friends Against Scams initiative | 17 | 27 | 31 | 18 | 93 |
| IDENTIFY victims of scams | | No. of SCAMchampions facilitating training to others | 104 | 101 | 126 | 99 | 430 |
| | | No. of SCAMBassadors in influential positions providing vehicles for change | 31 | 45 | 7 | 7 | 90 |
| | | % of participants who have completed the Friends training and now have the knowledge to talk about scams | 92% | 92% | 93% | 93% | 93% |
| INTERVENE & protect victims from further victimisation | | % of participants who have completed the Friends training and now have the knowledge to identify a scam | 95% | 95% | 95% | 96% | 95% |
| | | % of participants who have completed the Friends training and now have the knowledge to identify a scam victim | 92% | 92% | 93% | 94% | 93% |
| | | % of participants who have completed the Friends training and now know where to get advice and report a scam | 87% | 95% | 95% | 96% | 93% |
| | | % of participants who have completed the Friends training | 85% | 91% | 92% | 93% | 90% |

| Aims | Outcomes | Performance Indicators | April – June 2018* | July – Sept 2018 | Oct – Dec 2018 | Jan – March 2019 | Totals for 2018-19 |
|------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------|----------------|------------------|--------------------|
| | | and said they now think they are less likely to fall victim to a scam | | | | | |
| | | % of participants who have completed the Friends training and now feel that the training will prevent them or anyone else they speak to from falling victim to a scam | 82% | 88% | 89% | 90% | 87% |
| | | No. of people who completed the E Learning | 431 | 218 | 186 | 90 | 998 |

Table 12 – NTS Scams Team Management Data

Chapter 10 - National Trading Standards Estate Agency Team and Lettings Agency Developments

10.1 Background

The NTS Estate Agency Team is hosted by Powys County Council with support from Isle of Anglesey Council. The Team took over the functions of the Office of Fair Trading in relation to the Estate Agents Act 1979 from the 1 April 2014. Its responsibilities include the issuing of prohibition and warning orders, and the management and approval of the UK's consumer redress schemes. The Team is also responsible for providing sector-specific advice in relation to the obligations and responsibility of businesses under the Act, as well as maintaining a public register of prohibition and warning orders issued.

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

Governance is provided via the NTS Estate Agency Governance Group which includes Ministry of Housing, Communities and Local Government (MHCLG) officials.

10.2 Lettings

In September, MHCLG confirmed that they wanted NTS to set up a lead enforcement team for the lettings sector to provide advice and some backstop enforcement. Because the lettings agency legislative framework applies in England only, it had to be based in an English local authority. The selection process for the lead authority took place in February. Bristol City Council were selected by the Board and work will commence on 1 April 2019. Bristol's model will ensure that the new lettings lead authority function will be managed alongside the estate agency role,

with a single Team manager, so that outward facing these appear as a single Team. This will be called the NTS Estate and Letting Agency Team.

10.3 Casework, complaints and enquiries

Cases under investigation by the Team are varied and wide-ranging, and include offences of insider trading, kidnapping, fraud, theft, violence, and breaches of the Estate Agents Act such as failing to declare a personal interest in property.

Complaints and referrals are received from members of the public, industry, Trading Standards colleagues and other enforcement agencies, concerning the activities of individuals and businesses across the UK. The Team also initiates cases following monitoring of news websites, social media etc. There is a continued rising trend in the number of complaints received about businesses and or trading practices, resulting in an overall sustained number of cases for investigation.

At the end of March, the Team had:

- 4 cases under legal review
- 5 notices of proposal to prohibit/warn issued
- 64 cases under investigation which may progress for fitness action
- 44 cases awaiting assessment.

The Team saw the successful end of a long running appeal against a case which began in 2014 and which ended in the Upper Tribunal.

10.4 Stakeholder engagement, guidance and other activities

Throughout the year the Team has:

- Re-issued its updated industry guidance, including the Estate Agency Compliance Toolkit.
- Issued its consumer guidance on Leasehold Redress, a comprehensive guidance document aiming to clarify what a leasehold is and what it means to own a leasehold property. The guidance is designed to help consumers make an informed decision if they are planning to purchase a leasehold property, as well as understand their rights and how to get redress.
- Continued to review the provisions of the Estate Agents Act as part of research into its workings and fitness for purpose for modern estate agency regulation.

- Launched Guidance on the Transparency of fees involving property sales following a request by the Parliamentary Under Secretary of State, Heather Wheeler, for greater clarity and disclosure on such fees by the industry.
- Continued to build on the relationship with HM Revenue and Customs to facilitate a joined-up approach to enforcement and compliance in the estate agency sector, resulting in strengthening information sharing and partnership working. In particular this has aimed to tackle businesses not signed up for redress and/or anti-money laundering supervision
- Delivered training to the redress schemes and providing guidance on the referral of cases of potential interest for the Team.
- Delivered presentations at the National Association of Estate Agents regional conferences and The Property Ombudsman national conference; contributed to the Transactional Reform Group in Warwick; attended and given presentations at Association of Residential Letting Agents seminars.
- Continued to engage with colleagues at Rent Smart Wales, to improve liaison and assistance with any partnership working issues arising in the region
- Liaised with the Competition and Markets Authority to tackle cartel activity and helped publicise the 'Stop Cartels' campaign for estate agents
- Worked with The Property Ombudsman Service on the latest review of the Codes of Practice for Residential Sales.
- Given a presentation to Trading Standards colleagues via regional seminars and the CTSI annual symposium.
- Managed the planned withdrawal of Ombudsman Services: Property from the estate agency consumer redress sector
- Assisted Trading Standards colleagues in Scotland with the launch of an estate agency compliance project across the region and worked with Trading Standards colleagues at Department for the Economy in Northern Ireland to help raise standards in estate agent compliance in Northern Ireland
- Worked with the Research Information & Communications Unit at the Home Office to help publicise the anti-money laundering 'Flag it Up' campaign with a view to increasing the number of suspicious activity reports from agents.
- Attended the Lettings Industry Council 'portals & tech' meeting to discuss the creation of a one stop shop enquiry portal for consumers with housing issues;

10.5 Increased funding

Following discussions with NTS, in September, MHCLG announced additional funding for the NTS Estate Agency Team, nearly doubling its budget from £275,000 to £500,000. This shows the high regard that the work of the Team is held in.

Unfortunately, as the money was not accessible until later in the year it was not practical to spend all of the available money this year, however as a result of the increase in funding the Team was able to expand its staff. The Team now consists of a Team Leader, a Senior Investigator, three Investigators and two Investigation and Support Officers along with additional support from administrative staff, legal services, financial investigation, and an adjudication function provided by external contractors. The increased funding will continue in 2019-20.

10.6 Case studies

Mr W had been convicted in respect of fraudulent trading and two counts of fraud by abuse of position. He was sentenced to 24 months imprisonment for each offence suspended for two years, ordered to carry out 300 hours of unpaid work and was disqualified from being a company director for five years. Mr W and a co-defendant had failed to register deposits on behalf of landlords and tenants and failed to protect rent monies collected on behalf of landlords. He was also convicted of being knowingly party to the carrying on of a business with intent to defraud creditors of that business. As a result, he was deemed by the Team to be unfit to engage in estate agency work and a prohibition order was issued against him. This is an example of a proactive order which prohibits him from engaging in estate agency work in the future, despite not being active in that role previously.

Mr P had been convicted of one count of theft and was sentenced to 30 months imprisonment. A confiscation order under the Proceeds of Crime Act was also made for £30,000. At the time of the offence, he was the company secretary of a lettings agency which was registered as a member of the Property Redress Scheme for lettings work. At the time of investigation by the Team, he was listed as the director of a limited company described as 'other holiday and other collective accommodation'. He was deemed by the Team to be unfit to engage in estate agency work and a prohibition order was issued against him. This is a further example of a proactive order which prohibits Mr P from engaging in estate agency work in the future, despite not being active in that role previously.

Mr S was a practising solicitor at the time he committed offences on 12 counts of using a false instrument contrary to the Forgery and Counterfeiting Act. He was sentenced to four years imprisonment. In addition, a confiscation order under the Proceeds of Crime Act totalling £162,998 and compensation orders totalling £15,160 were issued. The Solicitor's Disciplinary Tribunal determined that he should be removed from the Roll of Solicitors on the basis of having breached their principles. Mr S was found by the Team to be unfit to engage in estate agency work, and in view of Mr S's potential involvement in conveyancing and other ancillary work, a prohibition order was issued against him.

A sizeable estate agency firm approached the Team with concerns that one of their employees accepted payments from a utility company for arranging to install their meters in the properties being marketed for sale by him. This was without the consent of the homeowners. The employee was dismissed. The Team contacted OFGEM (the office of gas and electricity markets) which looked at the energy supplier's contracts. The Team ensured that its guidance on transparency of fees was passed on to all the estate agents who had entered into a similar agreement.

A London estate and letting agent ('Mr M') stole client money, to the value of circa £50,000. Following a police investigation, Mr M absconded overseas; telling employees he was to receive hospital treatment for cancer. In reality, Mr M fled the country, owing nearly £20,000 to staff. After receiving a custodial sentence for his transgressions, the Team issued a prohibition order preventing Mr M from engaging in estate agency work in the future on the basis of his dishonest actions.

10.7 Regulation of Property Agents Working Group

This independent group, led by Lord Best, has been requested by the Ministry of Housing, Communities and Local Government, to help drive reform in the UK estate agency industry, and lettings industry in England. The group members are from wide ranging industry groups. The NTS Director is a member of the group. Throughout this year the Team and Programme Office have commented on specific calls for evidence in relation to redress schemes, Codes of Practice and regulatory models.

National Trading Standards Estate Agents Team Management Data

| | Apr – Jun 2018 | Jul – Sep 2018 | Oct – Dec 2018 | Jan – Mar 2019 | TOTAL |
|--------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------|
| Complaints received | 90 | 91 | 369 | 257 | 807 |
| Requests for advice received | 5 | 14 | 18 | 27 | 64 |
| Other enquiries received | 4 | 11 | 4 | 1 | 20 |
| Media enquiries received | 2 | 7 | 1 | 5 | 15 |
| Prohibition orders issued | 4 | 1 | 3 | 5 | 13 |
| Warning orders issued | 1 | 0 | 0 | 0 | 1 |
| Cases with no further action following adjudication ¹¹ | 3 | 0 | 1 | 0 | 4 |
| Cases with no further action following investigation ¹² | Not recorded | Not recorded | Not recorded | 3 | 3 |
| Prohibition orders taken effect | 3 | 1 | 3 | 5 | 12 |
| Warning orders taken effect | 2 | 0 | 0 | 0 | 2 |
| Appeals against formal orders received | 0 | 0 | 0 | 1 | 1 |
| Applications to revoke or vary a prohibition or warning order | 1 | 1 | 0 | 0 | 2 |

Table 13 – Estate Agents Team Management Data

¹¹ This is a new indicator. It depicts the number of cases that are taken to adjudication and which the Adjudicator rules are 'not unfit' meaning no further subsequent action is required by the team.

¹² This is a new indicator recorded in quarter four. It records the number of cases where no further action was required following investigation.

Chapter 11 - Advertising Standards Authority

11.1 Background

The Advertising Standards Authority (ASA) is recognised as the 'established means' by which compliance with the Consumer Protection from Unfair Trading Practices Regulations 2008 and Business Protection from Unfair Trading Practices Regulations 2008 in relation to misleading, aggressive or unfair advertising is enforced. The introduction of the Control of Misleading Advertisements Regulations 1988 provided a legal backstop for misleading non-broadcast advertising via the Office of Fair Trading. This backstop power transferred to NTS in April 2013.

Up to 31 December 2018, this work was provided by the London Borough of Camden. However Camden indicated that after five years they wished to relinquish this role. The ASA legal backstop function formally transferred to Buckinghamshire and Surrey Trading Standards on the 1st January 2019. Leading up to this liaison the Camden and the ASA facilitated a transitional period. During transition Bucks and Surrey officers were fully briefed on outstanding matters and previous processes whilst the ASA documentation and procedures were also reviewed and updated.

Buckinghamshire and Surrey officers have established regular contact with the ASA and regular meetings and communication is now supporting the referral process. Since January, 25 referrals have been made.

11.2 Health Claims

Discussions with BEIS on the funding of health claims (including homeopathy and other complementary and alternative therapies) took place last year. NTS had sought advice on whether they could use the NTS grant to pursue these issues given the crossover with Department of Health Policy. Following discussions between BEIS and DH, we received confirmation from the Minister in April 2018 that BEIS has confirmed that they are content that referrals are within the ASA/NTS remit. As such, appropriate referrals have been made with indicative examples being homeopathic remedies for autism and unorthodox allergy /asthma therapies which lack medical evidence to support their efficacy.

A number of referrals have been made relating to CEASE therapy claims. The has been highlighted in an ASA press release and presents significant challenges with regards to identifying and securing suitable expert witnesses and appropriate evidence.

11.3 Secondary Ticketing

In the summer, there was a well-publicised referral to NTS about Via Go Go's pricing on its website. Via Go Go amended the way it displayed its prices and the ASA are happy it is now compliant with this aspect of the advertising. Other matters are being pursued by the CMA.

11.4 Scams

Established protocols provide for the ASA to fully exhaust its own compliance remedies first, before considering a referral to the backstop. Experience has shown that there is little to be gained in attempting to bring advertisers into compliance where their business model is based on clear scamming or illicit trading. It has therefore been agreed that going forward, cases of this type can be 'fast tracked' to the backstop. Examples this year included copycat websites offering services provided by the DVLA and websites operated from China selling counterfeit clothing and footwear.

11.5 Other Case Work

During the course of this year, the following issues have been referred:

- online trading, which are usually based on misleading and fraudulent claims made on advertisers' own websites. Most advertisers quickly choose to come into compliance on being contacted (often by voluntarily closing their websites). In other cases, online retailers have ceased their infringing behaviour following applications by NTS for their websites to be taken down by web domain registrars.
- one matter was referred to the NTS Estate Agency Team for action in relation to advertising claims by an Estate Agency Business.

- Copycat websites 'call forwarding' services, misleading prices (including 'hidden' VAT) and subscription traps. One copycat website issue is now being investigated by the NTS E Crime Team

All referred cases appear on the ASA website.

Chapter 12 - Animal Health

12.1 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.

12.2 National Animal Health and Welfare Panel

The Panel met four times this year and discussed and shared information on a very broad range of animal health issues. In particular the Panel provided input into defra discussions on TB controls and the potential introduction of civil penalties in animal health enforcement.

The Panel had also provided input into the Glenys Stacey review at various points during the preparation of the report. In June, Dame Glenys attended the Panel meeting. One Panel member has been selected to participate in the steering group.

The Panel have reviewed membership of the hub group and have ensured that membership is up to date by removing all inactive members.

12.3 Project Work

ACTSO have completed and published the animal health and welfare framework for England. This has been added to the KHUB and the .GOV.UK website. All partners, including the LGA, have been provided with an appropriate briefing for their members and/or staff to explain what the framework is for, what has changed from the previous version and what it aims to achieve. Offers of a presentation to introduce the new framework has been made to all heads of service groups and to APHA operations. Presentations have been delivered to officer groups in three regions and a template presentation is on the KHUB. A parallel agreement has been produced for Wales and is being discussed with the Welsh Government.

ACTSO delivered a report on 'unproductive' visits to APHA. This project aimed to consider how complaints are being used by local authorities to decide when a farm visit is required and how often such intelligence results in the identification of non-compliance. APHA are considering the report.

The problem profile commissioned as part of Operation Eastwood was completed by the NTS Intelligence Team and then several subject profiles were provided to APHA at the end of the year.

All the data for the Local authority survey of activity has been received.

Guidance on enforcement at cattle markets is being finalised.

12.4 Disease Control

ACTSO provides national representation and coordination for local authorities in responding to disease outbreaks. This involves attendance at National Disease Control Centre meetings if required and the provision of communication support between Defra, APHA and local authorities. There were six suspected outbreak of bluetongue or avian influenza this year that required early liaison with the relevant local authorities. Fortunately in all cases disease was ruled out following inspections and sampling results.

Chapter 13 – Knife Crime

13.1 Background

In November, the Home Office provided funds to NTS to carry out some focused work in relation to the underage sales of knives. This is part of the “Prosecution Fund” which was one of the commitments of the Serious Violence Strategy which was published in April 2018.

This is a small part of the wider action the Home Office is undertaking to tackle knife crime. Other activities include a national knife crime media campaign and support for intervention work in Hospital Accident and Emergency Departments.

NTS work will focus on online sales and face to face purchases to young people in areas identified by the Home Office as having particular issues with knife crime. The desired outcomes of the work commissioned by NTS include:

- Improved intelligence on availability of on line purchases of knives.
- Deter businesses from selling knives to under 18's.
- Establishing a high conviction rate for those cases that are prosecuted.
- Clarification of uncertain areas of law.

13.2 Background Data

Home Office data showed that in the most recent week of action, prior to this project, 591 test purchase operations were carried out in retail premises by 20 police forces and some Trading Standards authorities. 122 resulted in the retail outlet selling to a child. This shows that retailers have not improved their “pass rate” since other operations.

Trading Standards conducted two online test purchase operations in 2008 and 2009, which showed that 80% of the retailers sampled (58 of 72) would sell to a person under 18. This could be seen as a reflection of the maturity of the online retail sector at that time, but a test purchase operation commissioned by the Home Office conducted in 2014 showed that 69% of the retailers (18 of out of 26 retailers tested) failed the test. This was a slight improvement on the exercise five years previously but still showed that the large majority of online test purchases failed.

In December 2016, Trading Standards, in cooperation with the Metropolitan Police, conducted further online test purchases. The results showed that 72% of retailers (15 out of 21 retailers) tested failed to verify the age of the purchaser at the point of accepting the order, and only 19% (4) went on to require further evidence of age and refused the sale when the evidence was not produced. Every time an online test purchase operation is undertaken, the large majority of online retailers tested break the law on sales of knives.

13.3 Premises Based Test Purchasing

11 local authorities (areas of high knife crime as selected by the Home Office) were provided with approximately £20,000 each to augment current work on the enforcement of sales of knives to children. These are: Croydon, Tower Hamlets, Southwark, Haringey, Newham, West Yorkshire (Leeds), Cardiff, Birmingham, Swansea, Liverpool and Manchester.

1019 test purchases had been attempted with the following results.

| | |
|----------------------|-------------|
| No knives Available: | 73 |
| No sale: | 825 |
| Sale: | 121 (12.8%) |

Of the 121 sales, the data is further broken down as follows

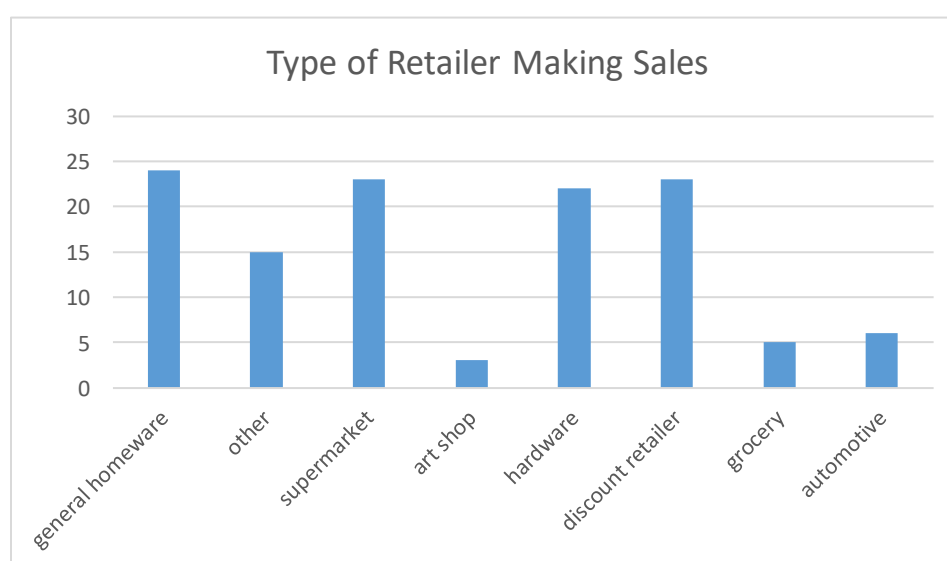


Table 14 – Sales of Knives by Business Type

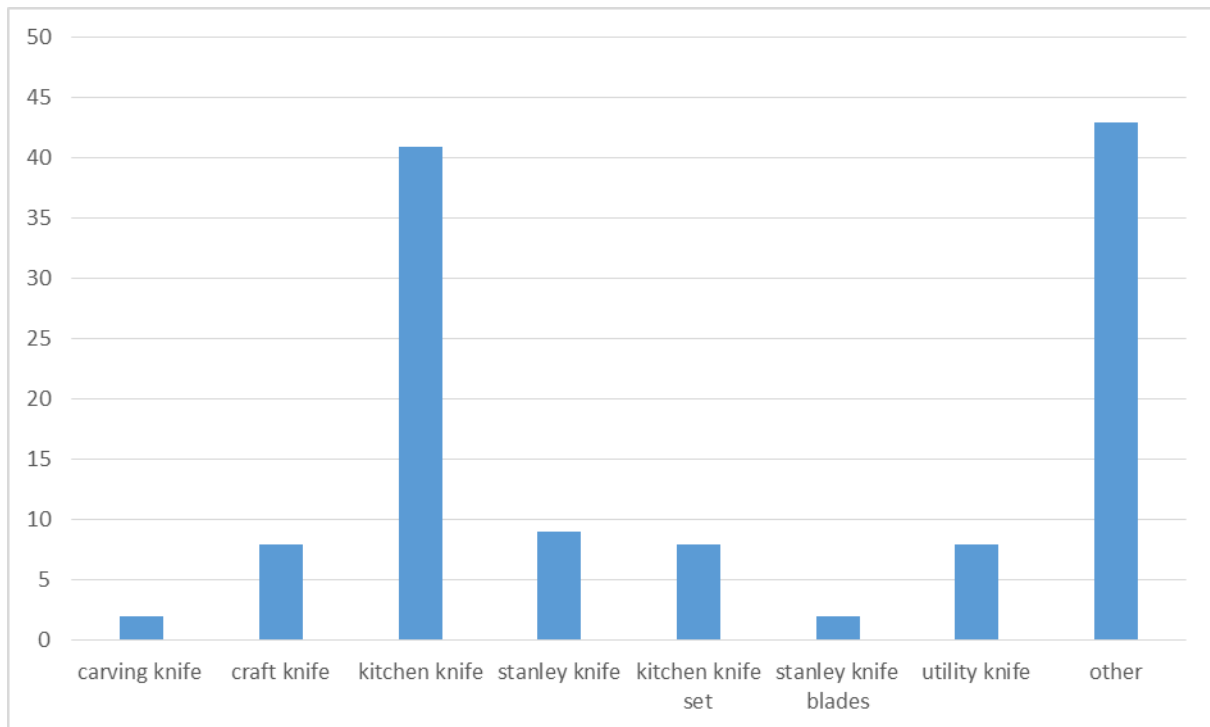


Table 15 – Sales of Knives by Product Type

21 prosecutions are ongoing; 40 warning letters have been issued; five have been resolved by other means; three are being dealt with via primary authority referrals and the remainder are pending.

As part of the work, NTS agreed to collate any information gathered on any theft prevention measures identified in store. Results were as follows:

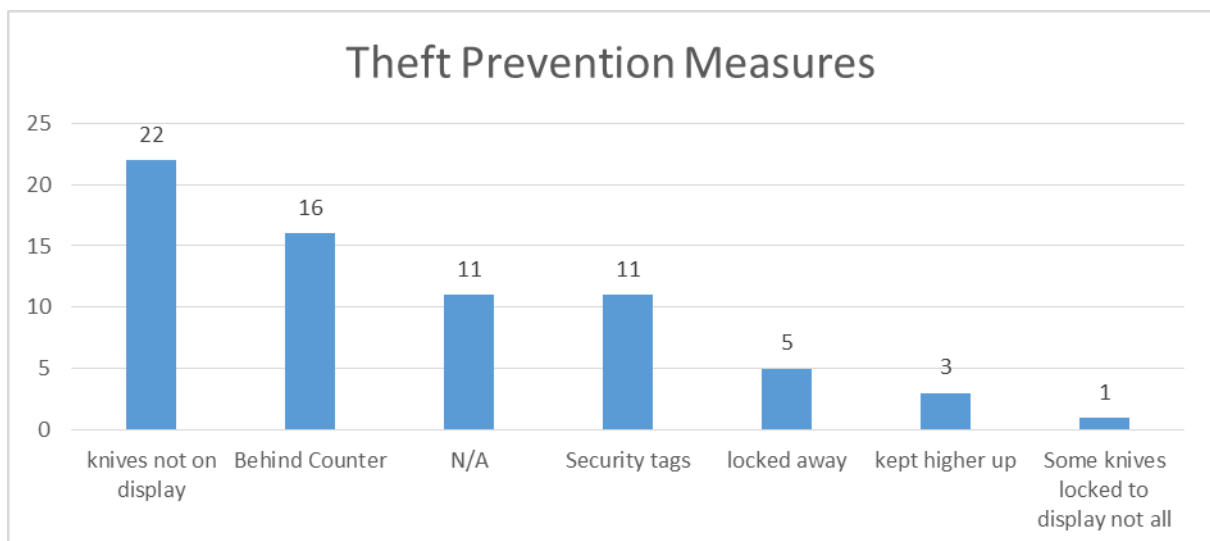


Table 16 – Type of Theft Prevention Measure

13.4 On-Line Test Purchasing

A large element of the project is to tackle the on-line sales of knives. This work is being led by Croydon. The work is being informed by intelligence provided by the Home Office and also work carried out by the London Regional Intelligence Analyst.

128 test purchases had been attempted, with the following results:

| | |
|----------------------|----------|
| No knives available: | 28 |
| No sale: | 59 |
| Sale: | 41 (41%) |

For the 41 sales the outcomes are as follows:

- Three advice letters
- Eight managers warnings
- Three simple cautions
- Seven submitted for prosecution (with first hearings in June 2019)
- 20 pending (These are either still at interview stage or case is being compiled and from these there will be more prosecutions.)

13.5 Other Activities.

Three sets of Counsel's advice has been sought. This covers a range of legal issues relating to test purchasing of knives, including options for dealing with overseas sellers. These have been shared with all local authorities to assist them.

NTS met with a serving Magistrate and the Judge in the B and M Bargains case (where a significant fine was imposed) to discuss how such cases can be perceived within the judiciary. Following this some guidance and information was shared with all local authorities to enable them to engage with their local Magistrates and have an understanding of the impact of sentencing guidelines on such cases.

In March, a press release was issued flagging interim findings of the work undertaken. This received quite a lot of coverage in both on-line and print media. In addition an interview was given to BBC's Watchdog programme. They are planning a piece to be aired in May which will focus on knife crime.

13.6 Planned Activities for 2019/20

The Home Office will continue to fund knife crime activities on 2019/20. The grant will again be £500,000. The bulk of this will be to complete the on-line investigations flowing from last year's purchasing but it is also likely that further premises based test purchasing will be funded, alongside other specific activities.

Annex 1: Funding Allocations 2018/19

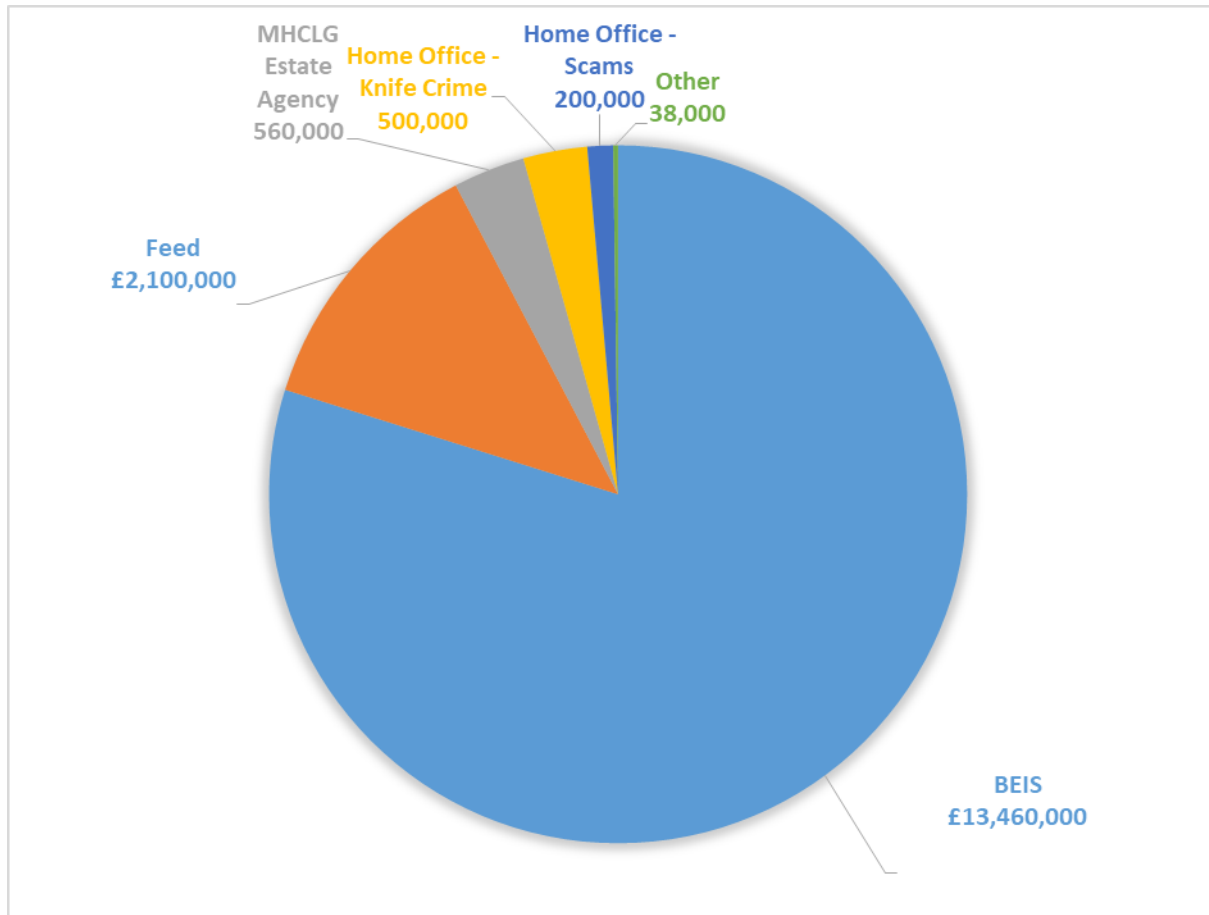


Figure 1 – Total Funding to NTS 2018-19

Annex 2 – Actual Spend

BEIS Grant

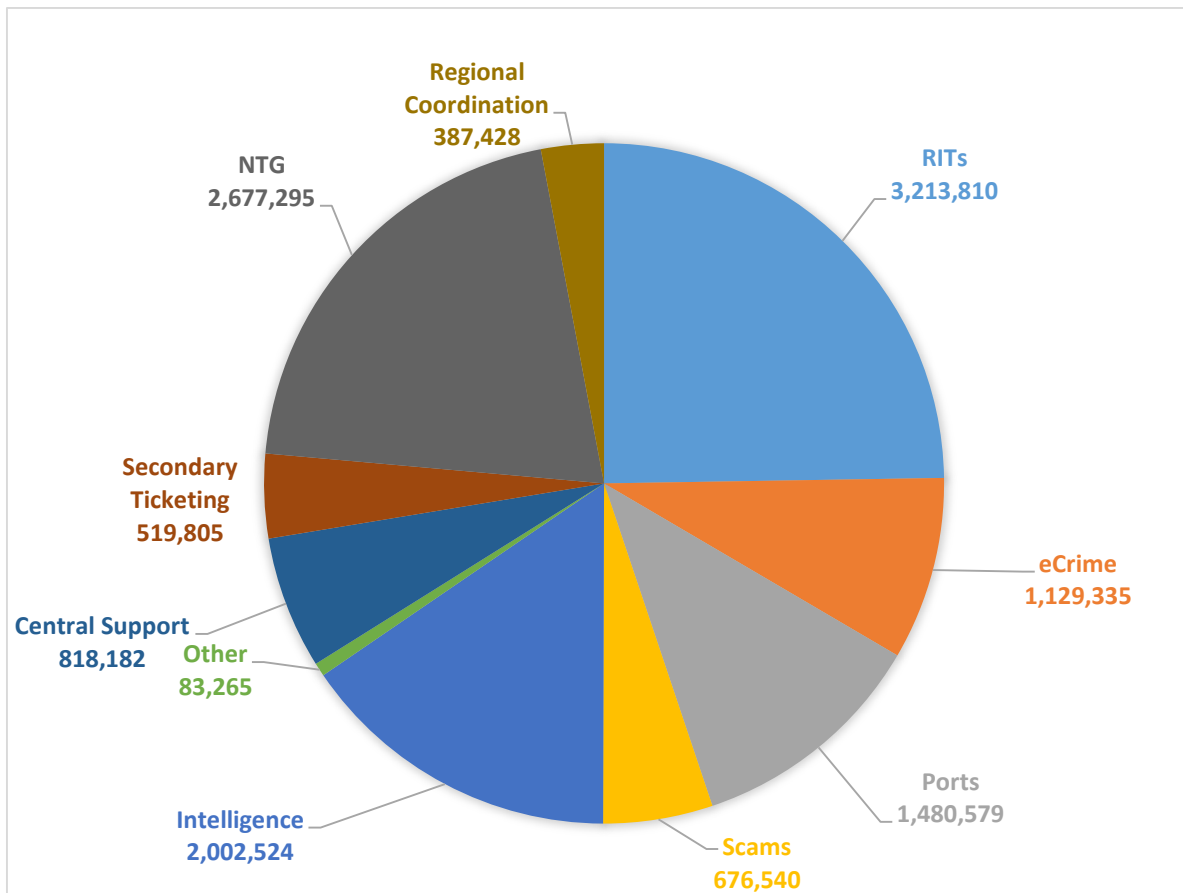


Figure 2 – Actual Spend from the BEIS Grant 2018-199

Feed Grant

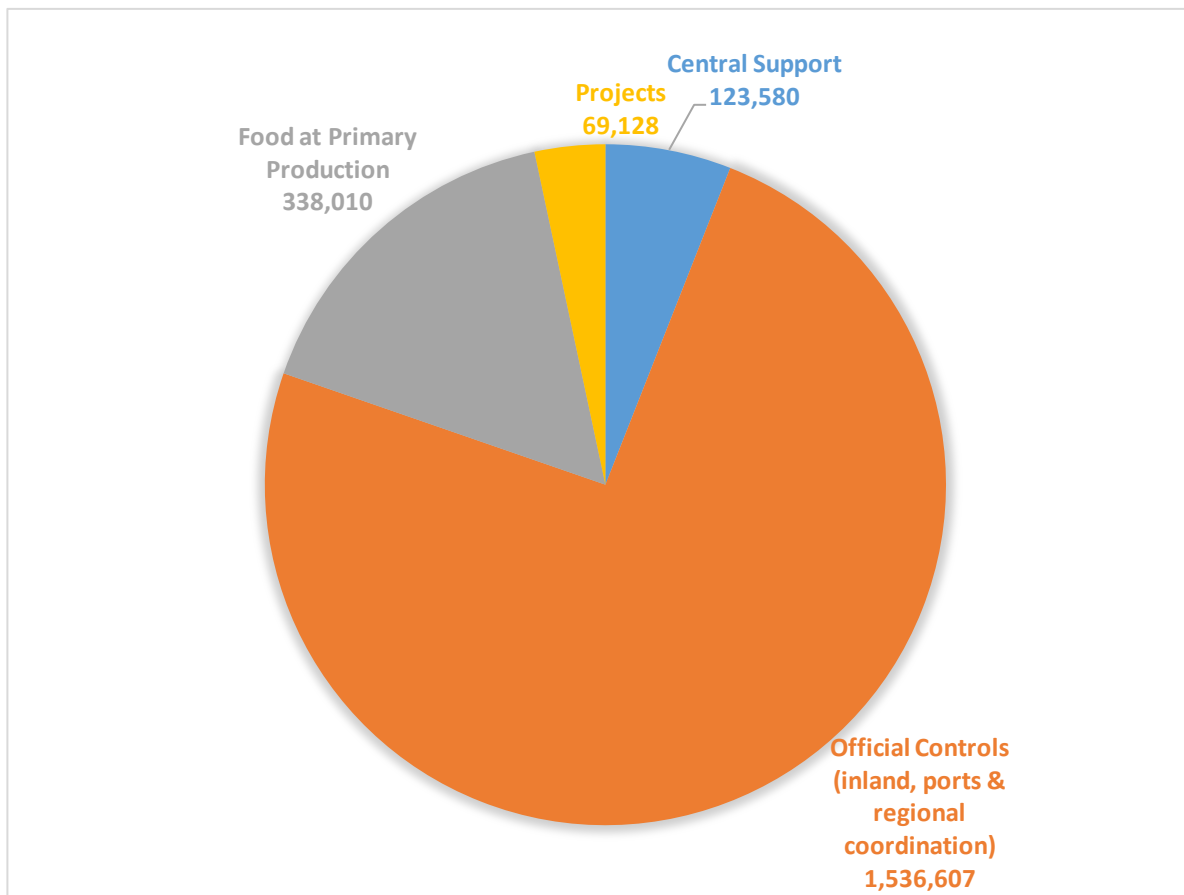


Figure 3 – Actual Spend from the FSA Feed Grant 2018/19

Estate Agency Grant

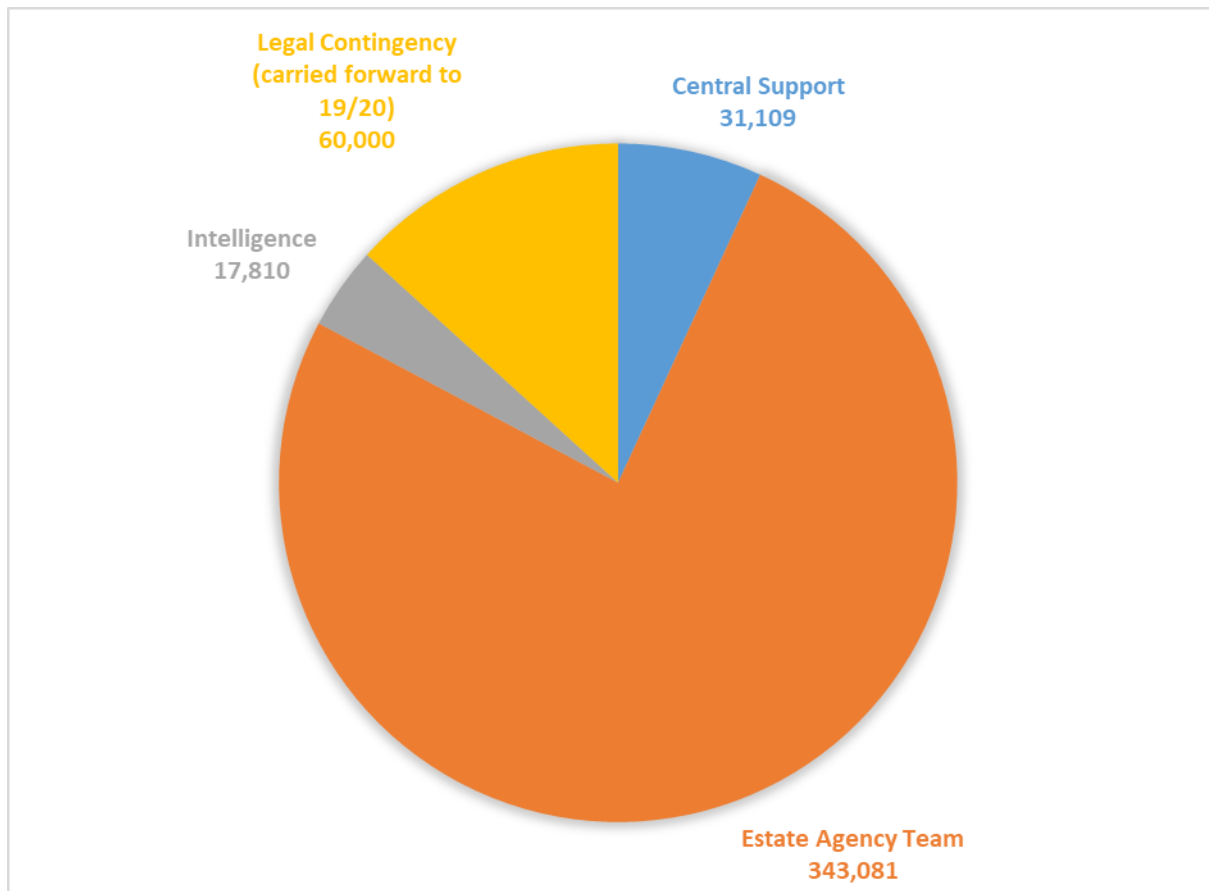


Figure 4 – Actual Spend from the MHCLG Estate Agency Grant 2018-19

Knife Crime

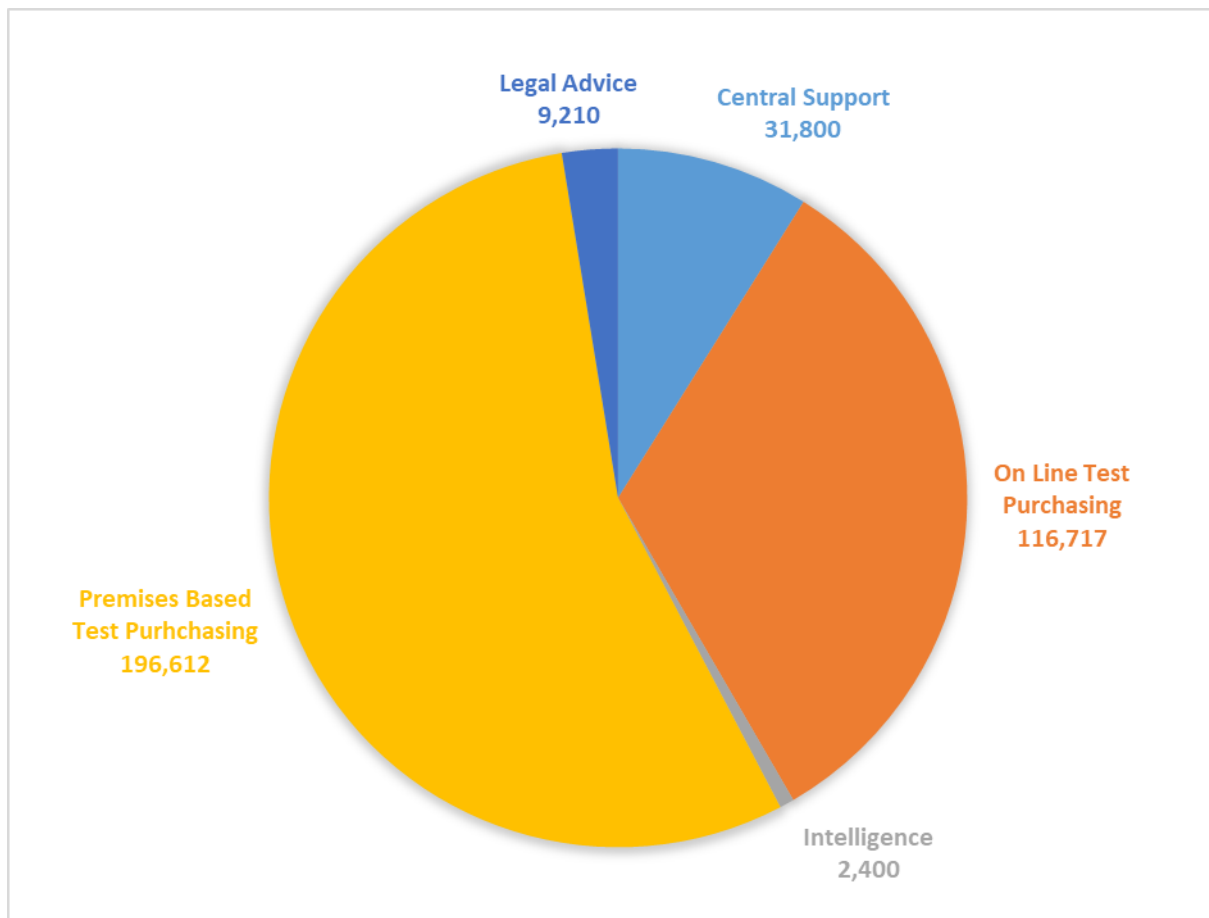


Figure 5 – Actual Spend from the Home Office Knife Crime Grant 2018-19

Annex 3 – Detriment Calculations for BEIS Funded Work

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

1. Consumer and Business Detriment avoided through NTS Regional Investigation Team actions. This is based on the percentage 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. (For any other NTS investigations funded by the National Tasking Group but done via a local authority, the detriment is that quoted on the initial referral figure.) £15,989,191
2. Potential Fraud uncovered by the NTS eCrime Team - £5,530,00
3. The value to society of unsafe and non-compliant goods taken out of the supply chain. These are calculated at £32.45 per item, based on independent research conducted by Matrix in 2014 with appropriate inflationary increases based on retail price index. £92,777,600 from ports + 100,000x£32.45 Oldham case.
4. Total Savings to consumers by the NTS Scams Team which is calculated by combining the below figures:
 - Detriment recorded by Trading Standards, (The amount of money that a victim has lost to scams that is calculated by the visiting TS officer. E.g. a TS Officer visits Mary who advises them that she has been responding to scam mail for the last three years, sending off £50 per month. This would be submitted by the TS Officer as £1800 detriment for Mary. All TS feedback to us on a figure for each of their victims (if there is one/they can calculate one);
 - Savings recorded by Trading Standards;
 - Savings recorded by the Team based on actual money returned and ("actual savings to consumers");
 - Savings estimated from disruptive work (based on 18% return rate and an average £25 spend by victims) ("other results of interventions etc.")
£13574767
5. Prison sentences quoted include both immediate and suspended sentences.

Published 31 May 2019.

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